

BHILAI JAYPEE CEMENT LIMITED**DIRECTORS' REPORT**

To

The Members

Your Directors have pleasure in presenting the Sixth Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2013.

FINANCIAL YEAR

As reported last year, the financial year 2011-12 of the Company was extended by six months and, accordingly, ended on September 30, 2012. In view of this, the Financial Year 2012-13 of the company comprises of six months period from October 1, 2012 to March 31, 2013.

WORKING RESULTS

The Company's clinkerisation plant continued to function exceedingly well with 100% utilization of installed capacity. However, the grinding unit's capacity utilization remained at sub-optimal level due to lesser availability of slag from Bhilai Steel Plant.

During the period under report, comprising a period of six months, the Company has achieved a gross turnover of Rs.454/- crore, as against Rs.1116/- crore during the Financial Year 2011-12 which comprised a period of 18 months.

The working results of the Company for the year under report (6 months) resulted in an operating profit of Rs.55.46 crore as against Rs. 72.86 crore during the previous year (18 months). After taking into account the impact of interest (Rs.29.03 crore), the Cash profit comes to Rs.26.43 crore during the Financial Year 2012-13 as against Cash loss of Rs.28.03 crore in the previous year. Thus cash profit grew by 194.29%. After considering depreciation of Rs.22.10 crore, the Company has, for the first time, earned profit of Rs. 4.33 crore before tax.

With the positive signs as above the Directors are hopeful that once the grinding unit is able to operate at full capacity, the Company would be in a position to improve its financial position further.

DIVIDEND

In view of the accumulated losses, no dividend for the year has been recommended.

PROJECT COST

The cost of the project of the Company has been estimated at Rs.904.47 crore. The entire additional cost beyond the sum envisaged in the Shareholders' Agreement (SHA) executed between Jaiprakash Associates Limited (JAL) and Steel Authority of India Limited (SAIL), has been funded by JAL.

SHARE CAPITAL

The paid-up share capital of the Company stood at Rs. 3,79,68,48,000/- as on March 31, 2013, the same as at the end of the previous financial year.

DIRECTORATE

Since the last report of Directors dated November 17, 2012, the changes in the composition of the Board are as under:

Shri Sunny Gaur who was appointed as Chairman of the Board of Directors of the Company on December 15, 2010 submitted his resignation as Chairman of the Board of the Company w.e.f. May 8, 2012. He, however, continues as a Director on the Board. Subsequently, Shri Y.K. Degan, representative of Steel Authority of India Limited (SAIL) has taken over as Chairman w.e.f. October 23, 2012.

The Board placed on record its deep sense of appreciation for the invaluable services rendered by Shri Sunny Gaur as Chairman of the Board of Directors of the Company.

Shri S. D. M. Nagpal, Shri Shiva Dixit and Shri V.K.Jain, Directors of the Company will retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment. Accordingly, items have been included in the notice of the AGM for their reappointment.

AUDIT COMMITTEE

The Audit Committee comprises Shri S.D.M. Nagpal as Chairman and Shri Shiva Dixit and Shri R.B. Singh as members.

AUDITORS

Statutory Auditors

M/s. Awatar & Co, Chartered Accountants, Statutory Auditors of the Company will retire at the conclusion of the Sixth 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.

Cost Auditors

M/s. Kabra & Associates, Cost Accountant, have been appointed as Cost Auditors of the Company for auditing the cost accounts for the year 2012-13.

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 only one employee was in receipt of remuneration prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975. A statement containing necessary details is annexed (Annexure - I) and forms an integral part of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars with regard to technology absorption and conservation of energy pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 is for the year ended September 30, 2012 are annexed (Annexure – II) and form an integral part of this Report. The information with regard to foreign exchange outgo is given in Note No. 2.29(v) (d) to the Annual Accounts presented with this Report. The Company has not earned any foreign exchange during the period under report.

INDUSTRIAL RELATIONS

Cordial industrial relations were maintained at the Company's plants 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 year ended March 31, 2013, 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 year ended March 31, 2013 and the Statement of Profit and Loss of the Company for the year ending March 31, 2013;

- (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; and
- (iv) that the directors have prepared the accounts for the year ended March 31, 2013, 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 Madhya Pradesh, Government of Chhattisgarh 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



RAHUL KUMAR
Managing Director

Place : New Delhi
Dated : April 30, 2013



R.B. SINGH
Director

INFORMATION IN PURSUANT TO SUB SECTION 2A OF SECTION 217 OF THE COMPANIES ACT, 1956

SR. NO	NAME OF THE DIRECTORS/ EMPLOYEE	DESIGNATION	GROSS REMUNERATION	QUALIFICATION	AGE (IN YEARS)	TOTAL EXPERIENCE (IN YRS.)	DATE OF COMMENCEMENT OF EMPLOYMENT	PREVIOUS EMPLOYMENT
1	ALAKH RAM VERMA	PRSIDENT (T)	30,56,970.00	B. E. (MECH)	63 YEARS	42 YEARS 6 MONTHS	06.05.2011	SANGHI INDUSTRIES LIMITED

Information pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 forming the part of Report of Directors for the period from 1st October 2012 to 31st March 2013.

CLINKERISATION PLANT AT BABUPUR

A. Conservation of Energy

Following steps were taken in connection with conservation of energy:-

- RTD provided at the outgoing pipe line of cooling tower to measure the temperature of water and control the running of Cooling Tower Fan.
- Arrangement made to run only one air slide fan for 431FNC & 431 FND air slides keeping one air slide fan as a standby and saved electricity consumption of one air slide fan.

B. Technology absorption, adoption and innovation

Following initiatives were taken to implement innovative ideas generated in Quality Circles and Interactive forums.

- Reposition suction line of 431BF1 Bag Filter to avoid jamming & Fluctuation in Kiln feed.
- Interconnection made between 431FNC & 431FND of Kiln feed Air slide fans by providing butterfly valve and pipeline for making standby arrangement.
- Many service platforms provided for Cooler ESP, Grate Coolers drives, near inspection door of cooler under grate, Clinker sampling point, Reclaimer drive, etc. for safe working condition.
- Washing ramp constructed for cleaning and maintenance of HEM & HVM Machines.
- Fabricated tyre protection guard for safety to be used during filling of air.
- Installed fume extractor in Auto Workshop to avoid inhaling of welding fumes for safety of health, & environment.
- Road sweeping machine used for control of fugitive dust in the plant.
- Extended coal storage shed for storage of additional coal to control fugitive dust and to protect from rains.
- Introduced horizontal MS plate of 100mm width X 35mm thick at the end of discharge chute of apron feeder to reduce impact of Lime stone boulders falling on wobbler shafts and damage of wobbler shaft bearings.

- LOTO (Lock out Tag out) system introduced for positive isolation of Electrical power for providing permit to work.
- RCCB (Residual Current Circuit Breaker) provided for portable tools for safety.

C. Integrated Management System

- First surveillance audit of our Company was conducted by BSI India, New Delhi for Integrated Management System (ISO 9001:2000 for quality, ISO 14001:2004 for Environment and OHSAS 18001:2007 for Occupational Health and Safety assessment system) and it was successfully completed.

D. Certification of BSC Five Star

- a. Our Company was also audited for certification of BSC Five Star (Safety) by British Safety Council, London (UK). It was successfully completed.

GRINDING PLANT AT BHILAI

A. CONSERVATION OF ENERGY

Following measures were taken for conservation of energy.

1. Mill output increased from 170TPH to 190TPH on wet basis by increasing mill outlet temperature up to 105°C, grinding pressure from 90 to 105bar and reducing fineness from 400 to 370 m²/kg. Due to these steps taken, mill power consumption has been reduced from 52.4 to 47.8KWH.
2. Bag house fan and product transport are being stopped 20 minutes after the stoppage of cement mill.
3. Consumption of coal is reduced by using low ash coal (35% instead of 40% ash coal).
4. Gypsum/slag crusher taken out from circuit as material quality is good and crushing not required.
5. Bag house ID fan motor cooling fan stop interlock incorporated after 10 minute of fan stop.
6. Cooling tower fan blade replaced by FRP blade.
7. Apron conveyor below slag dump hopper removed and direct chute provided.
8. During N-box (open wagon) loading, interlock incorporated to stop telescopic, intermediate and feed belt of wagon loading machine as it is not required to run.

9. Bag filters purging pause time increased from 10 second to 15 second to save compressed air.
10. To avoid frequent mill tripping by product transport, logic modified and mill feed-off incorporated in place of mill tripping.
11. To avoid frequent mill tripping due to bag house hopper level high alarm, logic has been modified and mill feed-off incorporated in place of ID fan tripping.
12. To improve power factor 1200 KVAR HT capacitor bank installed, now power factor improved from 0.92 to 0.96. Two more capacitor banks are under procurement.
13. The connection of motors changed from Delta to Star of mill reject belt conveyor 561BC1, 561BC3, 562BC1 and 562BC3.
14. The connection of motors changed from Delta to Star of mill magnetic separator belt conveyor 561MS1, 531MS1,531MS2, 562MS1 , 532MS1and 532MS2.
15. To save compressed air pause time of bag filters increased from 15 seconds to 20 seconds.
16. Cement mill separator minimum rpm reduced from 50% to 40% to save power during mill heating/feed off.
17. To save energy both HAG have operated with out dilution air fan with 100% damper opening.
18. Cooling tower fan ON/OFF logic provided with return water temperature to save power.

B. RESEARCH AND DEVELOPMENT

1. Use of glycol as grinding aid done away with resulting in considerable saving.
2. Following steps were taken to minimise problem of lump formation in cement silo:
 - Reduction in gypsum consumption.
 - Increase in mill outlet temperature.
 - Heating arrangement of root blowers.
 - Continuous venting of cement silo at roof top.
 - Silo roof water proofing-to avoid water in grease.
 - All three compartments cleaning started-to ensure free flow of material.

C. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

- Made, an in-house arrangement for open Cement Wagon (N Box) loading to reduce loading time.

- Cold fog dust suppression system installed to control dust during tipping at Wagon tippler.
- New separate hot air dust for HAG-2 is being installed to get sufficient heat for smooth mill operation.
- New Coal shed has been made to store 1500 MT of dry Coal.
- Silencer provided in both CA fan to reduce noise pollution.
- RAL provided in bag filters at hopper building to avoid sudden flow of material.
- Roof shed for both HAG has been provided to avoid sudden cooling during rainy season.

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

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FORM A

A: POWER & FUEL CONSUMPTION

CURRENT YEAR
From 01.10.2012
31.03.2013

PREVIOUS YEAR
From 01.04.2011 to
30.09.2012

I) ELECTRICITY

(a) PURCHASED UNITS (KWH)	76,480,292	205,747,974
TOTAL AMOUNT (Rs.)	463,584,141	1,080,478,550
RATE PER UNIT (RS.)	6.06	5.25

(b) OWN GENERATION

(i) THROUGH DIESEL GENERATION

UNITS (KWH)	78,350	3,13,395
UNITS PER LITRE OF- -DIESEL & FURNANCE OIL (KWH)	3.22	3.46
COST PER UNIT (RS.)	17.79	12.52

(ii) THROUGH THERMAL GENERATION

UNITS (KWH)	NIL	NIL
UNITS PER TON OF COAL (KWH)		
COST PER UNIT (RS.)		

(iii) THROUGH TRIAL RUN

UNITS (KWH)	NIL	NIL
UNITS PER TON OF COAL (KWH)		
COST PER UNIT (RS.)		

II) (a) COAL FOR KILN

QUALITY(for Babupur)	Imported Coal , B C & D Grade & Pet coke	B,C& D GRADE
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WHERE USED	CALCINISING OF RAW MEAL	CALCINISING OF RAW MEAL
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QUANTITY USED (M.T.)	63,191	189,442
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TOTAL COST (Rs.)	463,431,355	1,473,878,498
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AVERAGE RATE PER M.T./RS.	7334	7780
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(b) COAL FOR HAG

QUALITY(for Bhilai) E GRADE

WHERE USED

COAL
COMBUSTOR

COAL COMBUSTOR

QUANTITY USED (M.T.)

11,904

34,630

TOTAL COST (Rs.)

56,973,645

164,390,282

AVERAGE RATE PER RS./M.T

4786

4747

III) FURNACE OIL

NA

NA

IV) OTHERS/INTERNAL GENERATION

NA

NA

V) ELECTRICITY (KWH)/MT Cement

77.23

78.34

**B: I. CONSUMPTION PER UNIT OF CLINKER
PRODUCTION**

PRODUCT

CLINKER

CLINKER

UNIT

M.T.

M.T.

ELECTRICITY (KWH)

66.46

63.48

FURNACE OIL

N.A

N.A

COAL PER M.T. OF CLINKER

0.1177

0.1234

COAL QUALITY

-AVERAGE ASH CONTENTS (%)

18.08

23.33

AVERAGE CALORIFIC VALUE (Kcal/Kg)

6130

5631

OTHERS

NIL

NIL

**II. CONSUMPTION PER UNIT OF CEMENT
PRODUCTION**

PRODUCT

CEMENT

CEMENT

UNIT

M.T.

M.T.

ELECTRICITY (KWH)

47.26

48.90

FURNACE OIL

N.A.

N.A

COAL PER M.T. OF CEMENT

0.0138

0.01553

COAL QUALITY

E- Grade

-AVERAGE ASH CONTENTS (%)

35.47

36.45

AVERAGE CALORIFIC VALUE (Kcal/Kg)

4200

4088

OTHERS

AWATAR & CO.

CHARTERED ACCOUNTANTS
New Delhi - Alwar - Bhilai

Head Office:

1203, Rohit House
3, Tolstoy Marg
New Delhi - 110 001
Ph. : 23315870
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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
BHILAI JAYPEE CEMENT LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **BHILAI JAYPEE CEMENT LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the period 01-10-2012 to 31-03-2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give 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, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss for the period ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



2. As required by section 227(3) of the Act, we report that:

- 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Brijendra Agrawal

Brijendra Agrawal
Partner
Membership No. : 087787



Place : New Delhi
Date : April 30, 2013

ANNEXURE TO AUDITORS' REPORT

(Referred to in paragraph 1 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 period 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 period 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 is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- (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 Rs. 500,000 in respect of each party during the period have been made at prices which appear reasonable as per information available with the Company.
- (vi) According to the information and explanations given to us, the Company has not accepted deposits from public. Therefore, the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and 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) In respect of statutory dues:
- (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2012 for a period of more than six months from the date of becoming payable.
- (x) The Company's accumulated losses at the end of the financial period are less than fifty percent of its net worth. The Company has not incurred cash losses during the current financial period but had incurred cash losses during the immediately preceding financial period.
- (xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
- (xii) In our opinion and according to the information and explanations given to us and based on the information available, no loans and advances have been granted by the Company 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 / nidhi / mutual benefit fund / society. Therefore, provisions of clause (xiii) of paragraph 4 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 or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause (xiv) of paragraph 4 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 (xv) of paragraph 4 of the Order are not applicable to the Company.
- (xvi) The Company has not raised new term loans during the period. The term loans outstanding at the beginning of the period have been applied for the purposes 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 are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, the Company has not issued any debentures during the period.
- (xx) The Company has not raised any monies by way of public issue during the period.
- (xxi) In our opinion 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 period.

For **AWATAR & CO.**

Chartered Accountants
Firm Registration No. 000726N

Brijendra Agrawal

Brijendra Agrawal
Partner

Membership No. : 087787



Place : New Delhi
Date : April 30, 2013

BHILAI JAYPEE CEMENT LTD.
Balance Sheet as at 31.03.2013

(` in Lacs)

PARTICULARS		Note No.	31st Mar. 2013	30th Sep. 2012
I. EQUITY AND LIABILITIES				
(1) Shareholders' funds				
Share capital		2.01	37,968.48	37,968.48
Reserves and surplus		2.02	(8,235.83)	(12,341.57)
(2) Non-current liabilities				
Long-term borrowings		2.03	24,000.00	30,000.00
Deferred tax liabilities (Net)		2.04	-	-
Long-term provisions		2.05	246.99	200.54
(3) Current liabilities				
Short-term borrowings		2.06	8,764.40	7,664.26
Trade payables		2.07	12,850.21	9,057.30
Other current liabilities		2.08	19,778.61	25,857.01
Short-term provisions		2.09	2,123.26	1,922.38
TOTAL			97,496.12	100,328.40
II. ASSETS				
(1) Non-current assets				
Fixed assets				
(i) Tangible assets		2.10	75,019.55	76,757.41
(ii) Capital work-in-progress		2.10	567.42	576.11
Deferred tax assets (net)		2.04	4,612.21	5,119.07
Long-term loans and advances		2.11	1,218.04	1,222.52
-				
(2) Current assets				
Inventories		2.12	7,974.20	7,486.42
Trade receivables		2.13	2,879.79	4,134.73
Cash and cash equivalents		2.14	1,812.54	1,778.02
Short-term loans and advances		2.15	1,855.67	1,239.16
Other current assets		2.16	1,556.70	2,014.96
TOTAL			97,496.12	100,328.40

Significant accounting policies and notes to accounts as per notes 1 & 2

As per our report of even date

For Awatar & Co

Chartered Accountants

Registration No. 000726N

Brijendra Agrawal

(Brijendra Agrawal)

Partner

M. No. 087787

Place: *New Delhi*

Dated: *30/09/2013*

For and on behalf of the Board

Rahul Kumar
Managing Director

R. B. Singh
Director

Anjan Kumar Bajpaie
Company Secretary



BHILAI JAYPEE CEMENT LTD.

Profit and Loss statement for the Period From 01.10.2012 to 31.03.2013

(` in Lacs)

	PARTICULARS	Note No.	Oct 12 to Mar 13	Apr'11 to Sep'12
I.	Revenue from operations	2.17	39,537.47	96,485.90
II.	Other income	2.18	77.54	457.52
III.	Total Revenue (I + II)		39,615.01	96,943.42
IV.	Expenses:			
	Cost of materials consumed	2.19	8,793.70	20,060.53
	Other Direct Manufacturing Exp.	2.20	10,931.08	29,021.94
	Changes in inventories of finished goods work-in-progress & Stock in Trade		460.22	4,453.05
	Employee benefits expense	2.21	1,749.44	4,826.93
	Selling & Distribution Exp.	2.22	10,922.48	27,682.09
	Finance costs	2.23	2,903.33	10,089.51
	Other expenses	2.24	1,275.06	3,704.89
	Depreciation and amortization expense	2.10	2,209.58	6,453.01
	Total expenses		39,244.89	106,291.95
V.	Profit before exceptional and extraordinary items and tax (III-IV)		370.12	(9,348.53)
VI.	Exceptional items[income/(Expenditure)]			
	Excess provision written back	2.25	26.36	120.31
	Prior Period Adjustments	2.26	36.61	(27.33)
VII.	Profit before extraordinary items and tax (V - VI)		433.09	(9,255.55)
VIII.	Extraordinary Items [income/(Expenditure)]		-	-
IX.	Profit before tax (VII- VIII)		433.09	(9,255.55)
X.	Tax expense:			
	(1) Current taxes:-			
	--Wealth Tax		(0.49)	(0.34)
	(2) Deferred tax	2.04	(506.86)	7,273.01
XI.	Profit (Loss) for the period (IX + X)		(74.26)	(1,982.88)
XII.	Transfer to/(from) Reserves:-			
	Capital Reserve	2.02	-	-
XIII.	Profit (Loss) for the period after app.(XI - XII)		(74.26)	(1,982.88)
XIV.	Profit / (Loss) of Previous Period		(12,451.44)	(10,468.56)
XV.	Profit / (Loss) transferred to Balance Sheet (XIII+XIV)		(12,525.70)	(12,451.44)
XVI.	Earnings per equity share:	2.27		
	(1) Basic & Dilutive		0.11	(2.44)
	(2) Adjusted Basic Earning Per Share		0.11	(2.44)

Significant accounting policies and notes to accounts as per notes 1 & 2

As per our report of even date

For Awatar & Co

Chartered Accountants

Registration No. 000726N

Brijendra Agrawal

(Brijendra Agrawal)

Partner

M. No. 087787

Place: *New Delhi*
Dated: *30/04/2013*



For and on behalf of the Board

Rahul Kumar
Managing Director

R. B. Singh
Director

Anjan Kumar Bajpaie
Company Secretary

BHILAI JAYPEE CEMENT LTD.
Cash Flow Statement for the Period from Oct'12 to Mar'13

(in Lacs)

PARTICULARS	Oct'12 to Mar'13	Apr'11 to Sep'12
(A) Cash Flow From Operating Activities:		
Net Profit before Tax and extraordinary Items as per Profit and Loss Account	433.09	(9,255.55)
ADD BACK:		
(a) Interest Paid	2,903.33	10,089.51
(b) Depreciation	2,209.58	6,453.01
(c) Preliminary Expenses W/O	-	-
(d) Deficit on Sale of Asset	-	-
Total (i)	5,112.91	16,542.52
Deduct		
(a) Interest Income	28.55	96.17
(b) Surplus on Sale of Assets	-	-
(c) Insurance Claim Receipts	-	-
Total (ii)	28.55	96.17
Operating Profit before working Capital Changes (a)+(i)-(ii)	5,517.45	7,190.80
Deduct		
(a) Increase in Inventories	487.77	-
(b) Increase in Trade Receivables	-	3,266.25
(c) Increase in Other Receivables	-	208.01
(d) Increase in Loan & Advances	616.51	-
(e) Decrease in Trade Payable	-	-
(f) Decrease in Other Liabilities	8,578.17	36,540.10
(g) Decrease in Short Term Provision	-	1,768.43
	9,682.45	41,782.79
Add		
(a) Decrease in Inventories	-	4,560.02
(b) Decrease in Trade receivables	1,254.95	-
(c) Decrease in Other receivables	458.26	-
(d) Decrease in Loan & Advances	-	854.31
(e) Increase in Trade Payable	3,792.92	3,441.82
(f) Increase in Other Liabilities	-	-
(g) Increase in Long term Provision	46.44	121.77
(h) Increase in Short Term Provision	200.88	-
	5,753.45	8,977.92
Cash Generated from Operations	1,588.45	(25,614.07)
Deduct		
(a) Tax paid / Payable	0.49	(0.25)
CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	1,587.96	(25,613.82)
(B) Cash From Investments		
Inflow		
(a) Interest Income	28.55	96.17
(b) Insurance Claim Receipts	-	-
(c) Decrease in Capital Advances	0.03	465.19
(d) Sale of Fixed Assets	-	-
	28.58	561.36
Outflow		
(a) Purchases/ Constructions of Fixed Assests & CWIP	463.03	3,552.13
(b) Increase in Capital Advances	-	-
(c) Initial Public Offer	-	-
	463.03	3,552.13
CASH INFLOW/(OUTFLOW) FROM INVESTMENT ACTIVITIES	(434.45)	(2,990.77)



BHILAI JAYPEE CEMENT LTD.

Cash Flow Statement for the Period from Oct'12 to Mar'13

(in Lacs)

PARTICULARS	Oct'12 to Mar'13	Apr'11 to Sep'12
(C) Cash Flow from Financing Activities		
Inflow:		
(a) Proceeds from issue of Share Capital	-	-
(b) Increase in Reserve	4,180.00	442.00
(c) Decrease in Deposits(Assets)	4.45	5.04
(d) Proceeds from Borrowings Long Term	-	42,500.00
(e) Proceeds from Borrowings Short Term Borrowings	1,100.14	219.92
	5,284.59	43,166.96
Outflow:		
(a) Repayment of Borrowings Long Term	3,500.24	5,000.00
(b) Repayment of Borrowings Short Term Borrowings	-	-
(c) Increase in Deposits(Assets)	-	-
(d) Decrease in Reserve	-	-
(e) Interest Paid	2,903.33	10,089.51
	6,403.57	15,089.51
CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	(1,118.98)	28,077.45
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS "A+B+C"	34.53	(527.14)
CASH AND CASH EQUIVALENT AS AT THE BEGINNING OF THE YEAR	1,778.02	2,305.16
CASH AND CASH EQUIVALENT AS AT THE END OF THE YEAR	1,812.55	1,778.02
COMPONENTS OF CASH AND CASH EQUIVALENTS:		
In Balance with Scheduled Banks		
In Current accounts	1,538.48	1,614.02
In Deposit accounts	254.29	144.16
Cash and Cheque in hand	19.78	19.84
	1,812.55	1,778.02

As per our report of even date attached to Balance Sheet
For Awatar & Co

Chartered Accountants
Registration No. 000726N

Brijendra Agrawal

(Brijendra Agrawal)
Partner
M. No. 087787

Place: *New Delhi*
Dated: *30/04/2013*



↓
Rahul kumar
Managing Director

R. B. Singh
Director

Anjan Kumar Bajpaie
Company Secretary

BHILAI JAYPEE CEMENT LTD.

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

COMPANY OVERVIEW

Bhilai Jaypee Cement Limited is a Joint Venture of Jaiprakash Associates Limited and Steel authority of India Limited. Two Split Location plants: One at Babupur (Satna) having the capacity of 1.09 MPTA (Clinker unit) and another at Bhilai having capacity of 2.20 MPTA (cement unit). The Company is engaged in Production of cement since June' 2010.

Note No. (1) SIGNIFICANT ACCOUNTING POLICIES

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.

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.

Revenue recognition

Revenue from sale of cement and clinker is stated net of sales tax but inclusive of excise duty. Excise duty on turnover is reduced from turnover.

Fixed assets

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.

Depreciation

Depreciation on fixed assets is provided on straight line method as per the classification and in the manner specified in schedule XIV of the Companies Act, 1956. Individual Low cost assets (acquired for Rs. 5000/- or less) are depreciated fully in the year of acquisition.

Premium paid on leased land is being amortized over the balance period of lease after commissioning.

Expenditure during Construction Period

Expenditure incurred on projects/assets during construction/implementation is capitalized and apportioned to Projects/assets on commissioning.

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.

Inventories

Inventories of raw materials, work-in-process and finished goods are valued at lower of cost or estimated net realisable 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 cost. Cost comprises of cost of purchase and other costs incurred in bringing them to their present location and condition. Cost of Stores & Spares is ascertained on weighted average basis.

Goods in transit are valued at cost.

Impairment of assets

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of



the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account.

Reversal of impairment losses recognized in prior years, if any, is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

Employee benefits

Provident fund & Pension contribution – as a percentage of Salary/wages is a defined contribution plan.

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 relevant Assets/CWIP.

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.

Income tax

Current tax is determined as per the provisions of the Income Tax Act, 1961 in respect of taxable income for the year.

Deferred tax asset and liability is computed as per the Accounting Standard (AS-22) Deferred Tax Assets and Liabilities are computed by applying tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet Date.

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 know amounts of cash to be cash equivalents.

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 and deferrals or accruals of past or future operating cash receipts or payment and item of income or expenses associated with investing and financing cash flows. The Cash from operating, investing and financing activities of the company are segregated.

Provisions and contingent Liabilities

A provision is recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its 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 adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the financial statement. A contingent asset is neither recognized nor disclosed.

Preliminary Expenses

Preliminary expenses are written off in Profit and Loss Account during the year in which they are incurred.



2.29: Notes to the Financial Statements for the Year Ended as on 31.03.2013

(i) Contingent Liabilities & Commitments:-

(Amount ` in Lacs)

	31.03.2013	30.09.2012
a) Contingent Liabilities:-		
a. Claims against the company not acknowledged as debt	NIL	NIL
b. Outstanding balances of Bank Guarantees	335.52	1,935.52
c. Outstanding Letters of Credit (including Foreign LCs)	3,986.76	198.25
b) Commitments :-		
a. Estimated amount of Contract remaining to be executed on Capital Account and not provided for(net of Advances)	675.81	685.56

(ii) Financing Charges of ` NIL (Previous year - ` Rs.22.44/- Lacs) has been paid to the Lenders as processing fees/Facility agent fees on the amount of Term Loans of ` NIL (Previous year - ` 425 Crores) sanctioned by them.

(iii) Capital Reserve of ` 42.89/- Crores (Previous year - ` 1.10 Crores) represents funding of cost overrun by JAL up to 31.03.2013 in the terms of Shareholder's Agreement

(iv) 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.

(v) Additional Information

a) Details of Raw Material, Stores and Spares Consumed:

(i) Raw Material:

S.No.	Particulars	Oct'12 to Mar'13	Apr 2011 to Sep. 2012
		Value (` in Lacs)	Value (` in Lacs)
1.	Lime Stone	1,430.90	37,69.19
2.	Laterite/Iron Ore	247.50	4,69.96
3.	Gypsum	721.70	18,56.64
4.	Slag	1320.81	2716.00

b) Value of imported and indigenous stores & spares consumed and percentage of each to the total consumption:

S.No.	Particulars	Oct'12 to Mar'13		Apr'11- Sep'12	
		Value (` in Lacs)	%age	Value (` in Lacs)	%age
1.	Indigenous	462.20	98.49%	1,490.27	99.76%
2.	Imported	7.09	1.51%	3.54	0.24%



II	Net Asset/ (Liability) recognized in the Balance Sheet.				
	1. Present Value of Defined Benefit Obligation.	96,05,456	1,81,56,257	90,98,017	1,30,89,764
	2. Fair Value of Plan Assets	58,51,840	NIL	54,59,321	Nil
	3. Funded Status (Surplus/Deficit)	(37,53,616)	(1,81,56,257)	(36,38,696)	(1,30,89,764)
	4. Net Asset/(Liability) as at Balance Sheet date.	(37,53,616)	(1,81,56,257)	(36,38,696)	(1,30,89,764)
III	Change in Obligation during the Period.				
	1. Present value of Defined Benefit Obligation at the beginning of the year.	90,98,017	1,30,89,764	42,15,943	1,03,40,905
	2. Current Service Cost.	15,74,984	31,60,902	44,00,673	68,45,985
	3. Interest Cost	3,86,666	5,56,315	5,37,533	13,18,465
	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	(15,92,872)	20,56,739	6,71,873	(30,76,788)
	8. Benefit Payments	(99,808)	(7,07,463)	(7,28,005)	(23,38,803)
	9. Present Value of Defined Benefit Obligation at the end of the year.	96,05,456	1,81,56,257	90,98,017	1,30,89,764
IV	Change in Assets during the Period .				
	1. Plan Assets at the beginning of the year.	54,59,321	Nil	61,06,615	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	2,53,858	Nil	8,24,393	Nil
	5. Contribution by Employer	NIL	Nil	NIL	Nil
	6. Actual Benefit Paid	(99,808)	Nil	(7,28,005)	Nil
	7. Actuarial Gains/ (Losses)	2,38,469	Nil	(7,43,682)	Nil
	8. Plan Assets at the end of the year.	58,51,840	Nil	54,59,321	Nil
	9. Actual Return on Plan Assets	4,92,327	Nil	80,711	Nil

(vi) 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) Bokaro 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 Limited
- (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
- (xvi) Himalayaputra Aviation Ltd.
- (xvii) Jaypee Assam Cement Ltd.
- (xviii) Jaypee Healthcare Ltd.(w.e.f. 30.10.2012)
- (xix) Jaypee Cement Cricket (India) Limited (w.e.f. 20.10.2012)
- (xx) Jaypee Cement Hockey (India) Limited (w.e.f. 05.11.2012)

(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)
- (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) Jaypee Hotels Limited.
- (xviii) Milestone Home Finance Pvt. (100% Subsidiary of Jaypee Hotels Ltd.)
- (xix) Ceekay Estates Pvt. Ltd.
- (xx) Jaiprakash 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
- (xxvii) Kanpur Fertilizers & Cement Limited (Subsidiary of Jaypee Uttar Bharat Vikas Private Limited) Jaypee Technical Consultants Private Limited
- (xxviii) Steel Authority of India Limited (Holding 26% of the Paid-Up equity share capital)



(c) CIF Value of Imports:

(Amount in Lacs)

S.No.	Particulars	Oct'12 to Mar'13	Apr'11- Sep'12
1.	Capital Goods	NIL	23.63
2.	Components, Spares and Others	3,115.53	5,825.23

(d) Foreign Exchange Outflow:

(Amount in Lacs)

S.No.	Particulars	Oct'12- Mar'13	Apr'11- Sep'12
1.	Payment to Capital Suppliers	4.11	33.96
2.	Against Supplies	437.74	6,378.09
3.	Against Services	NIL	1,480.48

(e) Opening & Closing of Stocks

(Amount in Lacs)

S.No.	Particulars	Oct'12- Mar'13	Apr'11- Sep'12
1.	Opening Stock		
	- Clinker	1,335.63	5,792.15
	- Cement	3,500.14	2,095.64
2.	Closing Stock		
	- Clinker	409.71	1,335.63
	- Cement-FG-(Bags)	3,814.89	3,500.14

(f) Gratuity and Leave encashment

Leave encashment are defined benefit obligations. The Liability is provided for on the basis of actuarial valuation made at the end of each financial year. The actuarial valuation is made on Projected Unit Credit Method.

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.

(Amount in Lacs)

Sl.No.	Particulars	Oct'12 to Mar'13		Apr'2011- Sep'12	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
i	Expenses recognized in the Statement of Profit & Loss Account.				
	1. Current Service Cost.	15,74,984	31,60,902	44,00,673	68,45,985
	2. Interest Cost	3,86,666	5,56,315	5,37,533	13,18,465
	3. Employee Contribution	Nil	Nil	Nil	Nil
	4. Actuarial (Gains)/Losses	(15,92,872)	20,56,739	14,15,555	(30,76,788)
	5. Past Service Cost	Nil	Nil	Nil	Nil
	6. Settlement Cost	Nil	Nil	Nil	Nil
	7. Total Expenses	1,14,920	57,73,956	55,29,368	50,87,662



(xxix) Jaypee Technical Consultants Private Limited
(xxx) Jaypee Jan Sewa Sansthan (Not for Profit, Private Limited Company)

ii) Key Management Personnel:

Shri Rahul Kumar, Managing Director

iii) Transactions during the period with Related Parties.

(A) Transaction related to parties referred in "i" above :

(Amount in Lacs)

S. No.	Nature of Transaction	Related Party	Oct'12 to Mar'13	Apr'11 to Sep'12
1.	Issue of Equity Share Capital	a) Jaiprakash Associates Limited	NIL	13,151.64
		b) Steel Authority of India Limited.	NIL	4,620.85
2.	Fund towards Project Cost Over run	Jaiprakash Associates Limited	4,180.00	4.42
3.	Cement Purchased	Jaiprakash Associates Limited	6.44	74.96
4.	Sale of Clinker	Jaiprakash Associates Limited	1,549.90	8,401.65
	Purchase of Clinker		398.81	NIL
5.	Advance Recd. for Clinker	Jaiprakash Associates Limited	NIL	1,626.75
6.	Material transferred on Loan - Coal (To JAL) (from JAL) Gypsum (From JAL)	Jaiprakash Associates Limited	NIL	727.08
			1,391.02	NIL
			2.05	3.51
7.	Refractories purchased	Jaiprakash Associates Limited (SIDHI PLANT)	22.42	NIL
8.	Purchases of Assets	Jaiprakash Associates Limited (SIDHI PLANT)	3.05	NIL
9.	Sale of Assets	Jaiprakash Power Ventures Ltd. (Nigeri Plant)	119.06	NIL
10.	Sale of Assets	Jaiprakash Associates Limited	NIL	1,332.04
11.	Advance for land development (for Railway Yard)	Steel Authority of India Limited	262.10	NIL
12.	Rent & Water Charges.	Steel Authority of India Limited	51.37	104.37
13.	Slag Purchased	Steel Authority of India Limited	1,304.04	2,869.04
14.	Sale of Assets	Andhra Cement Limited	0.80	NIL
15.	Purchases/Repairing of Stores & Spares	Jaypee Cement Corporation Ltd. (Jaypee Hi- Tech Casting & H.E.W.)	166.17	68.12
16.	Purchases of Packing Bags	Jaypee Cement Corporation Ltd. (New Age Packaging))	658.31	803.13
17.	Safety & security/ Medical service	Jaypee Development Corporation Limited	291.21	769.17
18.	i) Purchase of Hardware items	JIL Information Technology Limited	0.28	10.30
	ii) AMC for Projector		9.99	0.50
19.	Purchases of Musturd & Soya Oil	Jaiprakash Agri Initiative Co. Ltd.	1.17	1.18

(vii) As per the information available to the company, the company has no dues to the micro and small enterprises during the year ended Mar. 31st, 2013 and Sep. 30th, 2012.



- (viii) Figures of previous year have been regrouped / recast / rearranged wherever considered necessary to conform to the requirements of Revised Schedule VI.
- (ix) These accounts have been prepared for a period of 6 months from Oct. 1, 2012 to Mar. 31, 2013. Hence the figures of the current accounting period are not comparable with those of the previous accounting year which comprise 18 months from Apr'11 to Sep'12 .
- (x) All figures have been rounded off to the nearest Lacs of rupees.

Signature to Notes "1" & "2"

For Awatar & Co.

Chartered Accountants
Registered No: 000726N

Brijendra Agrawal

Brijendra Agrawal
Partner
M. No. 087787



Place: New Delhi
Date: 30th Apr. 2013

For and on behalf of Board

Rahul Kumar
Rahul Kumar
Managing Director

R. B. Singh
R. B. Singh
Director

Anjan
Anjan Kumar Bajpaie
Company Secretary

BHILAI JAYPEE CEMENT LTD.

Notes to the Financial Statements for the Year Ended as on 31.03.2013

(` in Lacs)

Note No. 2.01: Share Capital

Authorised Share Capital

380000000 Equity Shares of Rs. 10/- each

(Previous Year-202,000,000 Shares of Rs.10/- each fully paid-up)

	As at 31.03.2013	As at 30.09.2012
	38,000.00	38,000.00
Issued, subscribed and paid up capital		
Equity Share Capital	37,968.48	37,968.48
37,96,84,800 Equity Shares of Rs.10/- each fully paid-up (Previous Year-201,960,000 Shares of Rs.10/- each fully paid-up)		
	<u>37,968.48</u>	<u>37,968.48</u>

Terms/ rights attached to equity shares

The company has only one class of shares referred to as equity shares having a par value of Rs. 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.

Details of Shareholders having more than 5% shares

Jaiprakash Associates Ltd.

Steel Authority of India Ltd.

% of Shares	As at 31.03.2013	As at 30.09.2012
No. of Shares		
74%	2,809.67	2,809.67
26%	987.18	987.18
100%	<u>3,796.85</u>	<u>3,796.85</u>

Out of the above shares:-

5,25,09,600 shares had been allotted as fully paid up to "Steel Authority of India Limited" pursuant to agreement dated 11.06.2007, out of which 40,91,785 shares were allotted for consideration otherwise than in cash.

Bonus shares Issued

During the Financial Year 2011-12, 4,62,08,448 Share to Steel Authority India Ltd. & 13,15,16,352 Shares to Jaiprakash Associates Ltd. have been issued as Bonus Issues .

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

Reconciliation of no. of shares Outstanding

Equity Shares Outstanding at the beginning of the Year

Addition During the Year (Bonus Issue)

Equity Shares Outstanding at the End of the Year

	3,796.85	2,019.60
	-	1,777.25
	<u>3,796.85</u>	<u>3,796.85</u>

Note No. 2.02: Reserves and Surplus

Capital Reserves

Balance at the beginning

Addition During the Year

Bonus Shares Issued

Adjustment with Dep.

Balance at the end

109.87

4,180.00

-

-

4,289.87

17,440.35

442.00

(17,772.48)

-

Surplus

Balance at the beginning

ADD: Profit After Tax Transferred from Statement of Profit & Loss

Balance at the end

(12,451.44)

(74.26)

(12,525.70)

(10,468.56)

(1,982.88)

(8,235.83)

(12,341.57)

Capital Reserve of ` 42.90 Crores (Previous Year-` 1.0987 Crores) represents funding of cost overrun by JAL up to 31.03.2013 in terms of Shareholder Agreement.

Note No. 2.03: Long-Term Borrowings

Term loans (Secured)

From Banks:-

State Bank of India(5 Years)

	24,000.00	30,000.00
	<u>24,000.00</u>	<u>30,000.00</u>



BHILAI JAYPEE CEMENT LTD.

Notes to the Financial Statements for the Year Ended as on 31.03.2013

	(` in Lacs)	
	As at 31.03.2013	As at 30.09.2012
Details of Term Loan		
Current		
State Bank of India(5 Years)	9,999.76	7,500.00
	<u>9,999.76</u>	<u>7,500.00</u>
Non Current		
State Bank of India(5 Years)	24,000.00	30,000.00
	<u>24,000.00</u>	<u>30,000.00</u>

Repayment of Term of Loan :-

Term Loan from State bank of India is repayable in 9 half yearly instalments starting from Feb 2012.

Security

The financial assistance, sanctioned and disbursed / to be disbursed by State Bank of India, of Rupee Term Loans together with all interest, guarantee commission, liquidity damages, upfront fees and any other amount due and payable to the Lenders, Premia on pre-payment, costs, charges, expenses and other monies whatsoever stipulated in or payable to the Lenders, Security Trustee (State Bank of India) etc. under the Loan Documents / Financing documents are secured / to be secured by way of :-

Primary:

The Loan is secured by first charge under an indenture of mortgage/deposit of title deed by the security trustee in favour of Bank, in respect of Borrower's immovable and fixed assets(155.10 acers of Land at village Birahuli, District Satna, Madhya Pradesh and Plant and Machinery Plant at Bhilai and Satna) equivalent to the FACR of minimum 1.20 Times of the facility amount at all time. In the event of FACR falling below 1.20 times of the outstanding liability, the company shall provide additional assets and properties with in 90 days of such determination, in favour of the bank such that book value of the secured properties satisfies the required Coverage Ratio.

JAL (sponsor company) to furnish undertakings as regard to:-

- a) Timely servicing of debt/repayment
- b) Non withdrawal of unsecured loan(Quasi Equity) during the currency of loan.

Guarantee:-

Personal guarantee of Shri Sunny Gaur, Director & Chairman of the Company.

Note No. 2.04 Deferred Tax Assets/Liabilities

Deferred Tax Liability:

On account of Timing Difference in WDV of Fixed Assets	8,644.38	8,120.30
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Deferred Tax Asset:

On account of Employees Benefit	85.78	68.56
On account of Unabsorbed Business Loss	3,151.25	3,151.25
On account of Unabsorbed Depericiation	10,019.56	10,019.56
On account of Others	-	-

Net Deferred Tax Liability/(Assets)	<u>(4,612.21)</u>	<u>(5,119.07)</u>
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Note No. 2.05:Long-term provisions

Provision for employee benefits

Gratuity	94.02	87.20
Leave Encashment	152.97	113.34
	<u>246.99</u>	<u>200.54</u>

Note No.2.06: Short Term Borrowings

From Banks. (Secured):-

State Bank Of Patiala*	5,598.86	4,874.69
SIDBI(HUNDIS)**	3,165.54	2,789.57
	<u>8,764.40</u>	<u>7,664.26</u>

Securities

* The working Capital facility availed from the State Bank of Patiala is secured by way of FIRST charges on current assets i.e. hypothecation of stocks of raw materials, work in progress, stock in progress, finished goods, store and spares and book debts.

** MSME-Receiveable Finance Scheme availed from Small Industrial and Development Bank of India secured by way of SECOND charges on current assets i.e. hypothecation of stocks of raw materials, work in progress, stock in progress, finished goods, store and spares and book debts(Present and future).

MSME-Receiveable Finance Scheme has also been guaranteed by Shri Manoj Gaur, CMD of Jaiprakash Associates Ltd.

Note No.2.07: Trade Payable

TRADE PAYABLES

- Due to micro and small enterprises	-	-
- Others	12,850.21	9,057.30
	<u>12,850.21</u>	<u>9,057.30</u>



BHILAI JAYPEE CEMENT LTD.

Notes to the Financial Statements for the Year Ended as on 31.03.2013

	(` in Lacs)	
	As at 31.03.2013	As at 30.09.2012
Note No. 2.08: Other Current Liabilities		
Current Maturities of Long Term Debts (Secured):-		
State Bank of India(Term Loan Installments due with in 12 months)*	9,999.76	7,500.00
Other Payables:-		
Due to Staff	311.25	261.22
Tax Dues	423.44	1,997.09
Advances from Customer (Unsecured)		
<i>Clinker</i>		
Related Party-Jaiprakash Associates Ltd.	850.32	7,649.86
Others	740.88	777.67
<i>Cement</i>	1,061.52	964.76
Security Deposits-Interest Bearing	2,664.12	2,393.64
Security Deposits-Non Interest Bearing	799.96	780.97
Retention Money	219.44	522.93
Loans and advances from related parties (Unsecured)	2,587.64	2,987.23
Others Current Liabilities	120.28	21.64
	19,778.61	25,857.01

* Two Instalments of Rs. 40 Cr. & 60 Cr. shall be payable as on Aug. 2013 & Feb. 2014 respectively. (ref. Note. No. 2.03)

	As at 31.03.2013	As at 30.09.2012
Note No. 2.09: Short-term provisions		
<i>Provision for employee benefits</i>		
Gratuity	2.03	3.78
Leave Encashment	28.59	17.55
<i>Others</i>		
Wealth Tax	0.49	-
Provision for Discounts	611.63	639.35
Excise Duty On Closing Stock	57.77	148.17
Other Provisions	1,422.75	1,113.53
	2,123.26	1,922.38



PARTICULARS	Gross Block			Depreciation			Net Block	
	As on 01.10.2012	Addition During the Year	Sale/ Disposal Adjustment during the year	As on 31.03.2013	For the year 2012-13	Depreciation on Sale/Disposal Adjustment	As on 31.03.2013	As on 30.09.2012
LAND FREEHOLD	1,233.63	-	-	1,233.63	-	-	1,233.63	1,233.61
LAND LEASEHOLD-99YR	97.27	-	-	97.27	3.20	-	72.13	75.33
LAND LEASEHOLD-OTHR	602.78	-	-	602.78	11.57	-	556.37	567.94
BUILDINGS	4,912.72	261.30	-	5,174.02	58.59	-	4,839.89	4,637.18
P&M PLANT & MACHINE	75,449.26	1,389.45	1,271.22	75,567.49	1,984.78	16.63	63,504.54	65,354.46
P&M ELECT.INSTAL.	128.65	41.38	-	170.03	3.01	-	150.18	111.82
P&M WATER TANK, PIPE	28.81	0.22	-	29.04	0.68	-	26.83	27.28
P&M RAILWAY SIDING	4,527.45	3.72	-	4,531.17	114.29	-	4,113.03	4,223.60
VEHICLES	160.57	3.67	-	164.24	7.97	-	102.94	107.25
OTHER FIXED ASSETS	121.21	16.68	-	137.89	2.84	-	115.65	101.81
EDP MACHINES	176.73	5.29	-	182.02	14.24	-	103.66	112.61
AC AND COOLERS	41.03	0.86	-	41.89	1.35	-	29.14	29.63
REFRIG & WATER COOLR	34.76	-	-	34.76	0.83	-	28.17	29.00
TEL.TV, CINEMAUTO	52.70	0.11	-	52.81	1.70	-	39.48	41.07
FURNITURE & FIXTURE	174.57	3.62	-	178.20	4.27	-	100.76	101.40
OFFICE EQUIPMENTS	3.86	-	-	3.86	0.26	-	3.16	3.42
Grand Total	87,746.00	1,726.30	1,271.22	88,201.08	2,209.58	16.63	75,019.55	76,757.41
Previous Year	81,283.26	6,462.74	-	87,746.00	6,453.01	-	76,757.41	43,482.95
Capital Work in Progress							567.42	576.11



BHILAI JAYPEE CEMENT LTD.

Notes to the Financial Statements for the Year Ended as on 31.03.2013

	(' in Lacs)	
	As at 31.03.2013	As at 30.09.2012
ASSETS		
Note No.2.11: Long-term loans and advances		
Capital Advances(Unsecured and Considered good)	48.13	48.16
Security Deposits(Unsecured and Considered good)		
With Govt. & Public Bodies	1,018.99	1,018.65
With Others	150.92	155.71
	<u>1,218.04</u>	<u>1,222.52</u>
Note No. 2.12: Inventories		
Raw materials	1,755.36	1,002.04
Work-in-progress	1,324.54	2,099.51
Finished goods	3,814.89	3,500.14
Stores and spares		
In Store	1,076.36	884.73
In Transit	3.05	-
	<u>7,974.20</u>	<u>7,486.42</u>
Note No.2.13: Trade Receivables(Unsecured)		
Less Than Six Months	2,879.79	4,091.55
More Than Six Months	-	43.18
	<u>2,879.79</u>	<u>4,134.73</u>
Note No. 2.14: Cash and Cash equivalents		
Cash on hand	19.78	19.84
Balances with banks		
In Current Accounts		
Union Bank of India, Babupur	93.90	243.17
State Bank of india, Satna	0.86	1.72
Axis Bank, Satna	20.20	16.19
Axis Bank, Bhilai	67.17	137.58
State Bank of india, Bhilai	2.31	2.31
Axis Bank-HO	19.97	130.59
J&K Bank -HO	2.36	2.36
Oriental Bank of Commerce-HO	50.08	373.07
IDBI, Bank-HO	2.83	2.83
SBI Current Account-HO	1.63	1.68
ICICI-BJCL-C.A/C-037-HO	0.33	0.58
State Bank of india(Deposit for IEX Power), HO	23.93	15.47
Axis Bank -HO	1,252.92	686.47
In Deposit Accounts		
AXIS BANK	117.61	16.97
State Bank of Patiala	96.85	88.97
Axis Bank	39.84	38.22
	<u>1,812.54</u>	<u>1,778.02</u>
Notes No. 2.15: Short-Term Loans and Advances		
Loans and advances to (Unsecured but considered good) :-		
Related Party-Jaiprakash Associate Ltd.	198.30	-
Others(Unsecured but considered good):-		
Advances to Suppliers,Contractors & Transporters		
--Suppliers	749.47	456.37
--Contractors	335.71	370.30
--Transporters	1.31	28.91
--Others	523.84	358.98
Advances to Employees	47.04	24.60
	<u>1,855.67</u>	<u>1,239.16</u>
Note No. 2.16: Other Current Assets		
Tax Receivables	1,094.96	1,648.44
Insurance Claim	-	-
Prepaid Expenses	89.27	81.43
Other receivables	372.47	285.09
	<u>1,556.70</u>	<u>2,014.96</u>



BHILAI JAYPEE CEMENT LTD.

Notes to the Financial Statements for the Year Ended as on From 01.10.2012 to 31.03.2013

(` in Lacs)

	Oct 12 to Mar 13	Apr'11 to Sep'12
Note No.2.17: Revenue from Operations		
Sale-Cement	39,406.62	93,198.64
Sale-Clinker	5,984.57	18,379.70
	45,391.19	111,578.35
Less: Excise Duty	5,853.72	15,092.45
	39,537.47	96,485.90
Note No.2.18: Other Income		
Sale- Scrap	46.78	135.26
Interest Received	28.55	96.17
Miscellaneous Receipts	2.21	226.09
Total	77.54	457.52
Note No.2.19: Cost of Material Consumed		
Lime Stone	1,430.90	3,769.19
Latrite Consumed	247.50	469.96
Slag Consumed	1,320.81	2,716.00
Gypsum Consumed	721.70	1,856.64
Packing Material Consumed	1,633.93	3,567.77
Freight-Clinker	3,438.87	7,680.97
Total	8,793.70	20,060.53
Note No.2.20: Other Direct Manufacturing Exp.		
Power and Fuel	4,955.89	11,693.14
Coal Consumed	5,204.05	16,382.69
Store and Spares Consumed	469.29	1,493.81
Repair and maintenance -Plant Machinery	450.03	698.50
Less: Excise Duty on Opening Stock	(148.17)	(1,246.20)
Total	10,931.08	29,021.94
	10,839	
Note No. 2.21: Employee benefits expense		
Salaries & Wages	1,584.76	4,274.14
Gratuity	5.07	108.60
Leave Encashment	13.87	50.91
Contribution To Provident & Other Funds	63.37	176.14
Staff Welfare	82.37	217.14
Total	1,749.44	4,826.93
Note No.2.22: Selling & Distribution Expenses		
Loading, Transportation etc.	9,454.97	24,061.31
Discounts	745.10	2,144.95
Commission	409.68	826.93
Publicity & Advertisements	122.07	355.34
Sales Promotion Exp.	190.66	293.56
Total	10,922.48	27,682.09
Note No.2.23: Financial Cost		
Interest On Term Loans	2,264.18	8,289.60
Interest On Bank Borrowings & Other Charges	639.15	1,799.91
Total	2,903.33	10,089.51



BHILAI JAYPEE CEMENT LTD.

Notes to the Financial Statements for the Year Ended as on From 01.10.2012 to 31.03.2013

(` in Lacs)

	Oct 12 to Mar 13	Apr'11 to Sep'12
Note No.2.24: Other Expenditure		
<i>Repair & Maintenance</i>	262.52	773.09
Safety & Security Expenses	300.82	792.20
Rent	30.38	101.14
Rates & Taxes (Excluding excise duty on sale)	382.76	716.56
Insurance	35.88	192.15
Travelling Expenses	94.00	280.85
Postage, Telephone & Internet	21.29	75.98
Legal & Professional Expense	60.47	205.45
Vehicle Hire and running Charges	55.65	174.12
Bank Charges & Guarantee Commission	15.68	95.33
Payments to auditor:-	-	-
Statutory Fee	1.50	2.67
Tax audit fee	-	0.25
For reimbursement of expenses	0.08	0.02
News Paper, Magazine and Advertisement	5.95	15.81
Printing and Stationery	7.43	25.19
Provision for Excise duty	(53.67)	148.17
Miscellaneous Expenses	54.29	105.91
Total	1,275.06	3,704.89
Note No. 2.25: Exceptional Items		
Excess Provision written back	26.36	120.31
Total	26.36	120.31
Note No.2.26: Extraordinary Items		
Prior Period Adjustments		
REPAIR AND MAINTENANCE - PLANT AND MACHINERY	(36.61)	10.12
REPAIR AND MAINTENANCE - OTHERS	-	9.60
MACHINERY HIRE CHARGES	-	7.61
Total	(36.61)	27.33
Note No.2.27: Earning Per Share		
Net Profit/ (Loss) before tax after Extraordinary Items (in Rs.)	433.09	(9,255.55)
Nominal value of equity share (in Rs.)	10	10
Total number of equity shares outstanding at the beginning of the year/period	3,796.85	2,019.60
Total number of equity shares outstanding at the end of the year/period	3,796.85	3,796.85
Weighted average number of equity shares	3,796.85	3,796.85
Basic Earning Per Share (in Rs.)	0.11	(2.44)
Weighted average number of equity shares	3,796.85	3,796.85
Adjusted Basic Earning Per Share(in Rs.)	0.11	(2.44)
Nominal value of equity share (in Rs.)	10.00	10.00
Weighted average number of equity shares used to compute diluted earnings per share	3,796.85	3,796.85
Profit/ (Loss) after tax (in Rs.)	433.09	(9,255.55)
Diluted earning per share (in Re.)	0.11	(2.44)

