

# **BHILAI JAYPEE CEMENT LIMITED**

## **DIRECTORS' REPORT**

To

The Members

Your Directors have pleasure in presenting the Seventh Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2014.

### **WORKING RESULTS**

During the period under report, the Company has achieved a gross turnover of Rs.787 crore, as against Rs.454 crore during the Financial Year 2012-13 which comprised a period of 6 months.

The working results of the Company for the year resulted in an operating profit of Rs.55.62 crore as against Rs. 55.46 crore during the previous year. After taking into account the impact of interest (Rs.53.56 crore), the Cash profit comes to Rs.2.06 crore during the Financial Year 2013-14 as against Cash profit of Rs. 26.43 crore in the previous year. After considering depreciation of Rs.44.54 crore, the Company has incurred loss of Rs. 42.48 crore before tax.

### **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 finalised 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, 2014, the same as at the end of the previous financial year.

## **DIRECTORATE**

Shri D. P Bajaj, Shri R. B Singh and Shri Sunny Gaur, 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 141 of the Companies Act, 2013, 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 2013-14.~~

## **FIXED DEPOSITS**

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

## **PARTICULARS OF EMPLOYEES**

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

## **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 March 31, 2014 are annexed (Annexure – I) and form an integral part of this Report. The information with regard to foreign exchange outgo is given in Note No. 2.28 (iv) (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, 2014, 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, 2014 and the Statement of Profit and Loss of the Company for the year ending March 31, 2014;

- (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, 2014, 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 : May 6, 2014

  
**R.B. SINGH**  
Director

**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 1<sup>st</sup> April'2013 to 31<sup>st</sup> March'2014.**

**CLINKERISATION PLANT AT BABUPUR**

**A. Conservation of Energy**

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

- Connections of motors of 431FNA and 431FN1 changed from Delta to Star as the motors were running on less 60% load. There was saving of 4KWH/Hr.
- 3 Nos. turbo ventilators installed in Annapurna in place of exhaust fans. Turbo ventilators operate without electric power. There was a saving of 2KWH/Hr.
- The blades of inlet damper of Pre-Heater fan set right to minimize pressure drop across the damper. There was a saving of 35KWH/Hr.
- Ampere load of Raw Mill close looped with weigh feeders for optimization of Raw Mill feed. There was a saving of 1.5 units /ton of Clinker.
- Energy Audit carried out by CII, Hyderabad. Some of the recommendations on energy conservation have been revaluated and under process.
- The Magnetic separator 331MS1 which was running continuously, interlocked with operation of feeding belt conveyors.

**B. Technology absorption, adoption and innovation**

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

- The operation of Mines and Lime Stone Crusher Changed from 03 Shift working to 02 shift Working. Thereby reduce idle running and improved working hours for maintenance and development in mines.
- 08 Nos. special groups were formed for predictive and preventive maintenance in E&I and Mechanical department.
- A winch machine capacity 10 ton has been installed between Pre-heater and Coal Mill building for lifting of material to the various floors, required during maintenance and breakdowns.
- 04 Nos. Rotary airlocks installed for 431BF1, BF2, BF3 and BF4 to avoid Kiln feed area bag filter discharge jamming problem and feed fluctuation.

- Stand-by pump (471PU1) installed for water injection system to avoid plant tripping due to ESP inlet temperature.
- Standby blower (411FN B) installed for Kiln feed extraction air slide to avoid plant tripping.
- Raw Mill & Coal Mill are stopped from 06PM to 10PM to avail incentive on Energy charges during peak load hours.

#### **C. Integrated Management System**

- Second 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 on 12-14 December'2013.

#### **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. In first attempt The British safety council issued occupational health and safety certificate on 14<sup>th</sup> March'2013.
- b. In first attempt, our company also received **Sword of Honor** on 29<sup>th</sup> November'2013 from British Safety Council, London (UK).

#### **E. 5S implementation**

Our company has engaged with Quality Circle Forum of India (QCFI), Secunderabad for 5S implementation. Their visits started from January'2014 and final Audit on 5S is expected in May'2014.

### **GRINDING PLANT AT BHILAI**

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

Following measures were taken for conservation of energy.

1. Mill output increased from 173TPH to 175TPH on dry basis by increasing mill outlet temperature, grinding pressure, and reduced fineness of cement. Due to these steps taken, mill power consumption has been reduced.
2. Whenever both mills will be stopped only one bag filter fan will run at Cement Silo Top for ventilation, previously 03 Bag filter fans were running for the same.

3. Consumption of coal is reduced by using low ash coal (35% instead of 40% ash coal).
4. By optimization of draft of packing plant bag filters 11KW power saving achieved.
5. By providing Air to coal spreaders of both HAG's from CA Fan duct and stopped the 06 Nos. blowers and saved 12KW in HAG -2 and 6KW in HAG -1 achieved.
6. Reduced the ID Fan RPM by one step saved 40KWH.
7. To avoid frequent mill tripping by product transport, logic modified and mill feed-off incorporated in place of mill tripping.
8. To improve power factor 1200 KVAR HT capacitor bank had been installed. Now, two more capacitor banks of 1200 KVR indoor automatic power factor correction type installed and now power factor achieved upto 0.99.

## **B. RESEARCH AND DEVELOPMENT**

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.
- Continue extraction from cement Silo on rotation basis.

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

- Made, an in-house arrangement for open Cement Wagon (N Box) loading to reduce loading time.
- To control dust emission during the Clinker Wagon tipping Two Bag filters has been installed at Wagon tippler.
- To reduce fugitive dust emission 02 Nos. Screw conveyors installed for Transportation of coal ash at coal combustors.
- Installed an additional/standby bag filter for proper de-dusting of product bucket elevator to avoid the unwanted stoppage in account of boot level.
- Stopped the mills during the peak load hours to avail incentive of energy charge.

**D. Reduced Power demand from 22600KVA to 19500KVA**

By reducing our Power demand from 22600 KVA to 19500 KVA  
We have saved approx 15 Lacs per month.

**E. Quality Management System**

- Recertification audit was conducted by BSI India and issued certificate of ISO 9001:2008.

**F. 5S implementation**

Our company has engaged Quality Circle Forum of India (QCFI), Secunderabad for 5S implementation. Their visits started and first Two 'S' activity has been completed and further activities are going on.



## FORM A

A: POWER & FUEL CONSUMPTION	CURRENT YEAR From 01.04.2013 31.03.2014	PREVIOUS YEAR From 01.10.2012 to 31.03.2013
<b>I) ELECTRICITY</b>		
(a) PURCHASED	133867748	76,480,292
UNITS (KWH)		
TOTAL AMOUNT (Rs.)	795558381	463,584,141
RATE PER UNIT (RS.)	5.94	6.06
 (b) OWN GENERATION		
(i) THROUGH DIESEL GENERATION		
UNITS (KWH)	47720	78,350
UNITS PER LITRE OF-		
-DIESEL & FURNANCE OIL (KWH)	2.1	3.22
COST PER UNIT (RS.)	27.51	17.79
 (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.)		
 <b>II) (a) COAL FOR KILN</b>		
QUALITY(for Babupur)	Imported Coal , B C & D Grade & Pet coke	Imported Coal , B C & D Grade & Pet coke
WHERE USED	CALCINISING OF RAW MEAL	CALCINISING OF RAW MEAL
QUANTITY USED (M.T.)	132154	63,191
TOTAL COST (Rs.)	1120199953	463,431,355
AVERAGE RATE PER M.T./RS.	8476	7334

**(b) COAL FOR HAG**

QUALITY(for Bhilai) E GRADE  
WHERE USED

COAL  
COMBUSTOR

COAL COMBUSTOR

QUANTITY USED (M.T.)	19003	11,904
TOTAL COST (Rs.)	87174025	56,973,645
AVERAGE RATE PER RS./M.T	4587	4786

iii) FURNACE OIL	NA	NA
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IV) OTHERS/INTERNAL GENERATION	NA	NA
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V) ELECTRICITY (KWH)/MT Cement	74.81	77.23
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**B: I. CONSUMPTION PER UNIT OF CLINKER PRODUCTION**

PRODUCT	CLINKER	CLINKER
UNIT	M.T.	M.T.
ELECTRICITY (KWH)	63.66	66.46
FURNACE OIL	N.A	N.A
COAL PER M.T. OF CLINKER	0.1168	0.1177
COAL QUALITY		
-AVERAGE ASH CONTENTS (%)	16.88	18.08
AVERAGE CALORIFIC VALUE (Kcal/Kg)	6101	6130
OTHERS	NIL	NIL

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

PRODUCT	CEMENT	CEMENT
UNIT	M.T.	M.T.
ELECTRICITY (KWH)	45.69	47.26
FURNACE OIL	N.A.	N.A
COAL PER M.T. OF CEMENT	0.0139	0.0138
COAL QUALITY	E- Grade	E- Grade
-AVERAGE ASH CONTENTS (%)	35.22	35.47
AVERAGE CALORIFIC VALUE (Kcal/Kg)	4231	4200
OTHERS		

# AWATAR & CO.

CHARTERED ACCOUNTANTS  
New Delhi - Alwar - Bhilai

## Head Office:

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3, Tolstoy Marg  
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23320537  
Fax: 23358544

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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, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, 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 notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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.

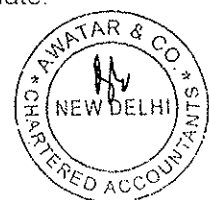
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



## 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, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.;
  - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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

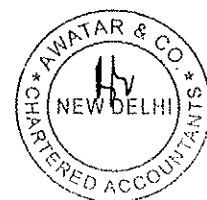


Place : New Delhi  
Date : May 06, 2014

## ANNEXURE TO AUDITORS' REPORT

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

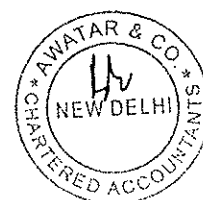
- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - (b) As explained to us, all the fixed assets have been physically verified by the management 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 year and the going concern status of the Company is not affected.
- (ii) In respect of its inventories:
  - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not entered into loan transactions to which provisions of Sections 297 and 299 of the Companies Act, 1956 are applicable. Therefore, the provisions of clause (iii) of paragraph 4 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 year 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 accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.



(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, 2014 for a period of more than six months from the date of becoming payable.
- (c) Details of dues of Royalty, Sales Tax, Excise Duty, Customs Duty and Building Cess which have not been deposited as on March 31, 2014 on account of disputes are given below:

S. No.	Name of Statute	Nature of Dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where the dispute is pending
1	Mines and Minerals (Development and Regulation) Act, 1957	Royalty	381.30	December 2009 to March 2011	High Court of Jabalpur
2	Local Sales Tax Act	VAT	161.81	2009-10	Commercial Taxes Tribunal, Bhopal
3	Entry Tax	Entry Tax	660.56	2010-11	Addl. Commissioner, Commercial Taxes, Jabalpur
4	Central Excise Act 1944	Excise Duty	44.68	2009-10	Excise & Service Tax Tribunal, New Delhi
5	Custom Act, 1962	Custom Duty	614.00	2012-13	Commissioner of Customs-Custom House-Port Area - Visakhapatnam
6	Central Excise Act 1944	Excise Duty	57.98	2009-10	Commissioner, Raipur
7	Central Excise Act 1944	Excise Duty	8.88	2009-10	Addl. Commissioner, Raipur
8	Central Excise Act 1944	Excise Duty	2.20	2009-10	Asst. Commissioner, Range-I, Bhilai
9	Building and Other Construction Worker Welfare Cess Act.	Building Cess	278.00	2010-11	Asst. Labour Commissioner, Durg
10	Local Sales Tax Act	VAT	4.84	2010-11	Commissioner of Commercial Taxes, West Bengal
11	Local Sales Tax Act	VAT	5.59	2010-11	Commissioner of Commercial Taxes, West Bengal
<b>TOTAL</b>			<b>2,219.84</b>		

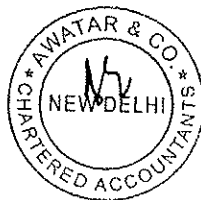


- (x) The Company's accumulated losses at the end of the financial year are less than fifty percent of its net worth. The Company has not incurred cash losses during the financial year and in the immediately preceding financial year.
- (x) Based on our audit procedures and according to the information 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.
- (xi) 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.
- (xii) 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.
- (xiii) 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.
- (xiv) 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.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, the term loans raised during the year have been applied for the purposes for which they were raised.
- (xvi) 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.
- (xvii) 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.
- (xviii) According to the information and explanations given to us, the Company has not issued any debentures during the year under audit report.
- (xix) The Company has not raised any monies by way of public issue during the year.
- (xx) 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 year.

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

*Brijendra Agrawal*

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



Place : May 06, 2014  
Date : New Delhi

BHILAI JAYPEE CEMENT LTD.  
Balance Sheet as at 31.03.2014

(₹ in Lacs)

	PARTICULARS	Note No.	31st Mar. 2014	31st Mar. 2013
<b>I.</b>	<b><u>EQUITY AND LIABILITIES</u></b>			
(1)	Shareholders' funds			
	Share capital	2.01	37,968.48	37,968.48
	Reserves and surplus	2.02	(11,128.61)	(8,235.83)
(2)	Non-current liabilities			
	Long-term borrowings	2.03	12,000.12	24,000.00
	Deferred tax liabilities (Net)	2.04	-	-
	Long-term provisions	2.05	202.10	246.99
(3)	Current liabilities			
	Short-term borrowings	2.06	7,915.48	8,764.40
	Trade payables	2.07	10,993.53	12,850.21
	Other current liabilities	2.08	33,703.21	19,778.61
	Short-term provisions	2.09	3,550.09	2,123.26
	<b>TOTAL</b>		<b>95,204.40</b>	<b>97,496.12</b>
<b>II.</b>	<b><u>ASSETS</u></b>			
(1)	Non-current assets			
	Fixed assets			
	(i) Tangible assets	2.10	70,799.07	75,019.55
	(ii) Capital work-in-progress	2.10	614.63	567.42
	Deferred tax assets (net)	2.04	5,967.59	4,612.21
	Long-term loans and advances	2.11	2,099.25	1,218.04
(2)	Current assets			
	Inventories	2.12	5,447.24	7,974.20
	Trade receivables	2.13	2,325.77	2,879.79
	Cash and cash equivalents	2.14	2,193.75	1,812.54
	Short-term loans and advances	2.15	4,695.06	1,855.67
	Other current assets	2.16	1,062.04	1,556.70
	<b>TOTAL</b>		<b>95,204.40</b>	<b>97,496.12</b>

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*

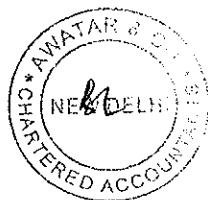
(Brijendra Agrawal)

Partner

M. No. 087787

Place: 06/05/2014

Dated: New Delhi



For and on behalf of the Board

*Rahul Kumar*  
Managing Director

*R. B. Singh*  
Director

*Anjan*  
Anjan Kumar Bajpai  
Company Secretary



BHILAI JAYPEE CEMENT LTD.  
Profit and Loss statement for the Period From 01.04.2013 to 31.03.14

( ` in Lacs)

	PARTICULARS	Note No.	Apr'13 to Mar'14	Oct'12 to Mar'13
I.	Revenue from operations	2.17	69,402.87	39,537.47
II.	Other income	2.18	377.87	77.54
III.	<b>Total Revenue (I + II)</b>		<b>69,780.74</b>	<b>39,615.01</b>
IV.	<b>Expenses:</b>			
	Cost of materials consumed	2.19	15,989.77	8,793.70
	Other Direct Manufacturing Exp.	2.20	21,804.55	11,079.26
	Changes in inventories of finished goods work-in-progress & Stock in Trade	2.21	1,521.41	258.38
	Employee benefits expense	2.22	3,273.82	1,749.44
	Selling & Distribution Exp.	2.23	19,164.58	10,922.48
	Finance costs	2.24	5,356.09	2,903.33
	Other expenses	2.25	2,640.41	1,328.72
	Depreciation and amortization expense	2.10	4,453.69	2,209.58
	<b>Total expenses</b>		<b>74,204.32</b>	<b>39,244.89</b>
V.	Profit before exceptional and extraordinary items and tax (III-IV)		(4,423.58)	370.12
VI.	Exceptional items[income/(Expenditure)]			
	Excess provision written back	2.26	179.68	26.36
	Prior Period Adjustments	2.27	(4.01)	36.61
VII.	Profit before extraordinary items and tax (V - VI)		(4,247.91)	433.09
VIII.	Extraordinary Items [income/(Expenditure)]			
IX.	<b>Profit before tax (VII- VIII)</b>		<b>(4,247.91)</b>	<b>433.09</b>
X	Tax expense:			
	(1) Current taxes:-			
	--Wealth Tax		(0.25)	(0.49)
	(2) Deferred tax	2.04	1,355.38	(506.86)
XI	<b>Profit (Loss) for the period (IX + X)</b>		<b>(2,892.78)</b>	<b>(74.26)</b>
XII	Transfer to/(from) Reserves:-			
	Capital Reserve	2.02	-	-
XIII	<b>Profit (Loss) for the period after app.(XI - XII)</b>		<b>(2,892.78)</b>	<b>(74.26)</b>
XIV	Profit / (Loss) of Previous Period		(12,525.70)	(12,451.44)
XV	<b>Profit / (Loss) transferred to Balance Sheet (XIII+XIV)</b>		<b>(15,418.48)</b>	<b>(12,525.70)</b>
XVI	Earnings per equity share:	2.28	(1.12)	0.11

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



For and on behalf of the Board

*Rahul Kumar*  
Rahul Kumar  
Managing Director

*R. B. Singh*  
R. B. Singh  
Director

*Anjan Kumar Bajpaie*  
Anjan Kumar Bajpaie  
Company Secretary

Place : New Delhi  
Dated : 06/05/2014

BHILAI JAYPEE CEMENT LTD.

Cash Flow Statement for the Period from APRIL '13 to Mar'14

(₹ in Lacs)

PARTICULARS	April '13 to Mar'14	Oct'12 to Mar'13
<b>(A) Cash Flow From Operating Activities:</b>		
Net Profit before Tax and extraordinary Items as per Profit and Loss Account	(4,247.91)	433.09
<b>ADD BACK:</b>		
(a) Interest Paid	5,356.09	2,903.33
(b) Depreciation	4,453.69	2,209.58
(c) Preliminary Expenses W/O	-	-
(d) Provision not required	-	-
(d) Deficit on Sale of Asset	-	-
Total (i)	<b>9,809.78</b>	<b>5,112.91</b>
<b>Deduct</b>		
(a) Interest Income	146.63	28.55
(b) Surplus on Sale of Assets	-	-
(c) Prior period adjustment/excess prov. Written back	-	-
(c) Insurance Claim Receipts	100.70	-
Total (ii)	<b>247.33</b>	<b>28.55</b>
<b>Operating Profit before working Capital Changes (a)+(i)-(ii)</b>	<b>5,314.54</b>	<b>5,517.45</b>
<b>Deduct</b>		
(a) Increase in Inventories	-	487.77
(b) Increase in Trade Receivables	-	-
(c) Increase in Other Receivables	-	-
(d) Increase in Loan & Advances	2,839.39	616.51
(e) Decrease in Trade Payable	1,856.68	-
(f) Decrease in Other Liabilities	-	8,578.17
(g) Decrease in Short Term Provision	-	-
(h) Decrease in Long Term Provision	44.88	-
	<b>4,740.96</b>	<b>9,682.45</b>
<b>Add</b>		
(a) Decrease in Inventories	2,526.96	-
(b) Decrease in Trade receivables	554.01	1,254.95
(c) Decrease in Other receivables	494.67	458.26
(d) Decrease in Loan & Advances	-	-
(e) Increase in Trade Payable	-	3,792.92
(f) Increase in Other Liabilities	13,924.60	-
(g) Increase in Long term Provision	-	46.44
(h) Increase in Short Term Provision	1,426.84	200.88
	<b>18,927.08</b>	<b>5,753.45</b>
<b>Cash Generated from Operations</b>	<b>19,500.66</b>	<b>1,588.45</b>
<b>Deduct</b>		
(a) Tax paid / Payable	0.25	0.49
<b>CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>19,500.41</b>	<b>1,587.95</b>
<b>(B) Cash From Investments</b>		
<b>Inflow</b>		
(a) Interest Income	146.63	28.55
(b) Insurance Claim Receipts	100.70	-
(c) Decrease in Capital Advances	-	0.03
(d) Sale of Fixed Assets	-	-
	<b>247.33</b>	<b>28.58</b>
<b>Outflow</b>		
(a) Purchases/ Constructions of Fixed Assests & CWIP	280.42	463.02
(b) Increase in Capital Advances	-	-
(c) Initial Public Offer	-	-
	<b>280.42</b>	<b>463.02</b>
<b>CASH INFLOW/(OUTFLOW) FROM INVESTMENT ACTIVITIES</b>	<b>(33.09)</b>	<b>(434.44)</b>



BHILAI JAYPEE CEMENT LTD.

Cash Flow Statement for the Period from APRIL '13 to Mar'14

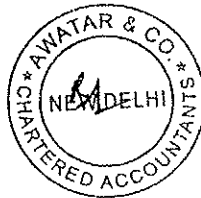
(₹ in Lacs)

PARTICULARS	April '13 to Mar'14	Oct'12 to Mar'13
<b>(C) Cash Flow from Financing Activities</b>		
<b>Inflow:</b>		
(a) Proceeds from issue of Share Capital	-	-
(b) Increase in Reserve		4,180.00
(c) Decrease in Deposits(Assets)		4.45
(d) Proceeds from Borrowings Long Term		-
(e) Proceeds from Borrowings Short Term Borrowings		1,100.14
		5,284.59
<b>Outflow:</b>		
(a) Repayment of Borrowings Long Term	11,999.88	3,500.24
(b) Repayment of Borrowings Short Term Borrowings	848.92	-
(c) Increase in Deposits(Assets)	881.22	-
(d) Decrease in Reserve		-
(e) Interest Paid	5,356.09	2,903.33
	19,086.11	6,403.57
<b>CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>(19,086.11)</b>	<b>(1,118.98)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS "A+B+C"</b>	<b>381.21</b>	<b>34.53</b>
<b>CASH AND CASH EQUIVALENT AS AT THE BEGINNING OF THE YEAR</b>	<b>1,812.54</b>	<b>1,778.01</b>
<b>CASH AND CASH EQUIVALENT AS AT THE END OF THE YEAR</b>	<b>2,193.75</b>	<b>1,812.54</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS:</b>		
In Balance with Scheduled Banks		
In Current accounts	2,167.26	1,538.47
In Deposit accounts	-	254.29
Cash and Cheque in hand	26.49	19.78
	<b>2,193.75</b>	<b>1,812.54</b>

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 : *06/05/2014*

*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 at the rates 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

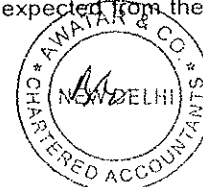
Inventories of raw materials, work-in-process and finished goods are valued at lower of cost or estimated net realizable value. Values of inventories of finished goods lying in the factory premises and at dumps include excise duty, pursuant to the Accounting Standard (AS-2) [Revised].

Inventories in respect of Stores & Spares are valued at 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 31.03.2014

(i) Contingent Liabilities & Commitments:-

(Amount ₹ in Lacs)

	31.03.2014	31.03.2013
a) Contingent Liabilities:-		
a. Claims against the company not acknowledged as debt	1,994.98	NIL
b. Outstanding balances of Bank Guarantees	70.95	335.52
c. Outstanding Letters of Credit (including Foreign LCs)	1,214.31	3,986.76
b) Commitments :-		
a. Estimated amount of Contract remaining to be executed on Capital Account and not provided for (net of Advances)	588.07	675.81

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

(iii) 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.

(iv) Additional Information

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

(i) Raw Material:

S.No.	Particulars	Apr'13 to Mar'14	Apr 2012 to Mar'13
		Value (₹ in Lacs )	Value (₹ in Lacs )
1.	Lime Stone	3,325.53	3015.34
2.	Laterite/Iron Ore	508.86	514.72
3.	Gypsum	1,320.19	1293.76
4.	Slag	2,291.01	2510.09

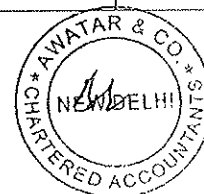
b) Value of imported and indigenous stores & spares consumed and percentage of each to the total consumption:

S.No.	Particulars	Apr'13 to Mar'14		Apr'12- Mar'13	
		Value (₹ in Lacs)	%age	Value (₹ in Lacs)	%age
1.	Indigenous	786.12	97.49%	963.92	99.18%
2.	Imported	20.24	2.51%	7.99	0.82%

(c) CIF Value of Imports:

(Amount ₹ in Lacs)

S.No.	Particulars	Apr'13 - Mar'14	Apr'12- Mar'13
1.	Capital Goods	20.59	NIL
2.	Components, Spares and Others	8,158.96	6313.79



## (d) Foreign Exchange Outflow:

(Amount ₹ in Lacs)

S.No.	Particulars	Apr'13- Mar'14	Apr'12- Mar'13
1.	Payment to Capital Suppliers	20.59	29.10
2.	Against Supplies	8057.70	825.27
3.	Against Services	NIL	12.93

## (e) Opening &amp; Closing of Stocks

(Amount ₹ in Lacs)

S.No.	Particulars	Apr'13- Mar'14	Apr'12- Mar'13
1.	Opening Stock		
	- Clinker	409.71	1,533.92
	- Cement	3,814.89	1,398.46
2.	Closing Stock		
	- Clinker	29.84	409.71
	- Cement-FG-(Bags)	2,750.84	3,814.89

## (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.

## (v) 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:

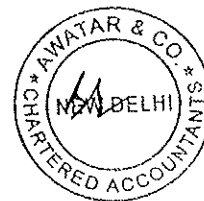
- (i) Jaiprakash Power Ventures Limited
- (ii) Jaypee Powergrid Limited (subsidiary of Jaiprakash power ventures limited)
- (iii) Himalayan Expressway Limited
- (iv) Jaypee Infratech Limited
- (v) Jaypee Sports International Limited
- (vi) Bokaro Jaypee Cement Limited
- (vii) Gujarat Jaypee Cement & 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)
- (xxi) Himachal Baspa Power Limited (w.e.f. 14.03.2014)
- (xxii) Himachal Karcham Power Limited (w.e.f. 14.03.2014)
- (xxiii) Jaypee Uttar Bharat Vikas Pvt. Ltd. (w.e.f. 12.09.2013)
- (xxiv) Kanpur Fertiliser & Cement Limited (w.e.f. 12.09.2013)
- (xxv) Jaiprakash Agri Initiatives Company Limited (w.e.f. 25.03.2013)

**(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) Jaypee International Logistics Company Private Limited (Subsidiary of Jaypee Ventures Private Limited)
- (vii) Tiger Hill Holiday Resorts Private Limited (Subsidiary of Jaypee Development Corporation Limited)
- (viii) ANVI Hotels Private Limited (Subsidiary of Jaypee Ventures Private Limited)
- (ix) RPJ Minerals Private Limited
- (x) Sarveshwari Stone Products Private Limited (Subsidiary of RPJ minerals Private Limited)
- (xi) Rock Solid Cement Limited (Subsidiary of RPJ minerals Private Limited)
- (xii) Sonebhadra Minerals Private Limited
- (xiii) Jaiprakash Kashmir Energy Limited
- (xiv) Andhra Cements Ltd.
- (xv) Indesign Enterprises Private Limited (Subsidiary of Jaypee Ventures Private Limited)
- (xvi) Jaypee Hotels Limited.
- (xvii) Ceekay Estates Pvt. Ltd.
- (xviii) Jaiprakash Exports Private Ltd.
- (xix) Bhumi Estate Developers Pvt. Ltd.
- (xx) PAC Pharma Drugs and Chemicals Private Limited
- (xxi) MP Jaypee Coal Limited
- (xxii) MP Jaypee Coal Fields Limited
- (xxiii) Madhya Pradesh Jaypee Minerals Limited
- (xxiv) Steel Authority of India Limited (Holding 26% of the Paid-Up equity share capital)
- (xxv) Jaypee Technical Consultants Private Limited
- (xxvi) Jaypee Jan Sewa Sansthan (Not for Profit, Private Limited Company)





ii) Key Management Personnel:

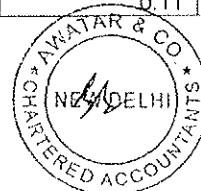
Shri Rahul Kumar, Managing Director

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	Apr'13- Mar'14	Apr'12- Mar'13
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	NIL	4,180.00
3.	Cement Purchased	Jaiprakash Associates Limited	12.54	15.99
4.	Sale of Clinker Purchase of Clinker	Jaiprakash Associates Limited	7,317.08	4774.68
			NIL	398.81
5.	Advance Recd. for Clinker Freight	Jaiprakash Associates Limited	18,713.80	4899.88
			942.32	829.11
6.	Material transferred on Loan - Coal (To JAL) (from JAL) Gypsum (From JAL)	Jaiprakash Associates Limited	NIL	NIL
			NIL	NIL
			NIL	2.05
7.	Refractories purchased	Jaiprakash Associates Limited (SIDHI PLANT)	NIL	22.42
8.	Purchases of Assets	Jaiprakash Associates Limited	NIL	3.05
		Bokaro Jaypee Cement Limited	NIL	1,332.04
9.	Sale of Assets	Jaiprakash Power Ventures Ltd.(Nigeri Plant)	NIL	119.06
10.	Sale of Assets	Jaiprakash Associates Limited	9.61	1358.15
11.	Advance for land development ( for Railway Yard)	Steel Authority of India Limited	233.72	262.10
12.	Rent & Water Charges.	Steel Authority of India Limited	84.75	99.09
13.	Slag Purchased	Steel Authority of India Limited	2,580.73	2,595.26
14.	Sale of Assets	Andhra Cement Limited	NIL	0.80
15.	Purchases/Repairing of Stores & Spares	Jaypee Cement Corporation Ltd.(Jaypee Hi- Tech Casting & H.E.W.)	195.40	220.14
16.	Purchases of Packing Bags	Jaypee Cement Corporation Ltd.(New Age Packaging))	631.91	1,017.61
17.	Safety & security/ Medical service	Jaypee Development Corporation Limited	551.87	479.34
18.	i)Purchase of Hardware items ii) AMC for Projector & Other Services	JIL Information Technology Limited	NIL	0.28
				20.79
19.	Purchases of Musturd & Soya Oil	Jaiprakash Agri Initiative Co. Ltd.	NIL	2.35
20.	Purchase of Coal	Jaiprakash Associates Limited	NIL	1133.30
21.	Purchase of Store	Jaiprakash Associates Limited	37.77	NIL
22.	Sale of Spare	Jaiprakash Associates Limited	0.11	NIL



- (vi) As per the information available to the company, the company has no dues to the micro and small enterprises during the year ended Mar. 31<sup>st</sup>, 2014 and Mar. 31<sup>st</sup>, 2013.
- (vii) Figures of previous year have been regrouped / recast / rearranged wherever considered necessary to conform to the requirements of Revised Schedule VI.
- (viii) 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



**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

Place: *New Delhi*  
Date: *06/05/2014*

**BHILAI JAYPEE CEMENT LTD.**

Notes to the Financial Statements for the Year Ended as on 31.03.2014

	(₹ in Lacs)	
	As at 31.03.2014	As at 31.03.2013
<b>Note No. 2.01: Share Capital</b>		
<b>Authorised Share Capital</b>		
380000000 Equity Shares of Rs. 10/- each (Previous Year-202,000,000 Shares of Rs.10/- each fully paid-up)	38,000.00	38,000.00
<b>Issued, subscribed and paid up capital</b>		
Equity Share Capital	37,968.48	37,968.48
37,96,84,800 Equity Shares of Rs.10/- each fully paid-up (Previous Year-37,96,84,800 Shares of Rs.10/- each fully paid-up)	37,968.48	37,968.48

**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 31.03.2014	As at 31.03.2013
	No. of Shares	No. of Shares
74%	2,809.67	2,809.67
26%	987.18	987.18
100%	3,796.85	3,796.85

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 2012-13, 4,62,08,448 Equity Share and 13,15,16,352 Equity Shares of Rs. 10 each have been issued as bonus to Steel Authority India Ltd. & Jaiprakash Associate Ltd. respectively

**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	3,796.85	2,019.60
Addition During the Year (Bonus Issue)	-	1,777.25
Equity Shares Outstanding at the End of the Year	3,796.85	3,796.85

**Note No. 2.02: Reserves and Surplus**

**Capital Reserves**

Balance at the beginning	4,289.87	109.87
Addition During the Year	-	4,180.00
Balance at the end	4,289.87	4,289.87

**Surplus**

Balance at the beginning	(12,525.70)	(12,451.44)
ADD: Profit After Tax Transferred from Statement of Profit & Loss	(2,892.78)	(74.26)
Balance at the end	(15,418.48)	(12,525.70)

(11,128.61) (8,235.83)

Capital Reserve of ₹ 42.90 Crores (Previous Year-₹42.90 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	12,000.12	24,000.00
	12,000.12	24,000.00



**BHILAI JAYPEE CEMENT LTD.**

Notes to the Financial Statements for the Year Ended as on 31.03.2014

	(₹ in lacs)	
	As at 31.03.2014	As at 31.03.2013
<b>Details of Term Loan</b>		
<b>Current</b>		
State Bank of India	11,999.76	9,999.76
	<u>11,999.76</u>	<u>9,999.76</u>
<b>Non Current</b>		
State Bank of India	12,000.12	24,000.00
	<u>12,000.12</u>	<u>24,000.00</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:-

- Timely servicing of debt/repayment
- 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**

<b>Deferred Tax Liability:</b>		
On account of Timing Difference in WDV of Fixed Assets	9,312.26	8,644.38
<b>Deferred Tax Asset:</b>		
On account of Employees Benefit	70.89	85.78
On account of Unabsorbed Business Loss	3,143.77	3,151.25
On account of Unabsorbed Depericiation	12,065.19	10,019.56
On account of Others	-	-
	<u>(5,967.59)</u>	<u>(4,612.21)</u>
<b>Net Deferred Tax Liability/(Assets)</b>		

**Note No. 2.05: Long-term provisions**

<i>Provision for employee benefits</i>		
Gratuity	95.03	94.02
Leave Encashment	107.07	152.97
	<u>202.10</u>	<u>246.99</u>

**Note No.2.06: Short Term Borrowings**

**From Banks. (Secured):-**

State Bank Of Patiala*	4,529.58	5,598.86
SIDBI(HUNDIS)**	3,385.90	3,165.54
	<u>7,915.48</u>	<u>8,764.40</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**

others		
- Due to micro and small enterprises		
- Others		
	<u>10,993.53</u>	<u>12,850.21</u>
	<u>10,993.53</u>	<u>12,850.21</u>



BHILAI JAYPEE CEMENT LTD.

Notes to the Financial Statements for the Year Ended as on 31.03.2014

	(₹ in Lacs)	
	As at 31.03.2014	As at 31.03.2013
<b>Note No. 2.08: Other Current Liabilities</b>		
<b>Current Maturities of Long Term Debts (Secured):-</b>		
State Bank of India(Term Loan Installments due with in 12 months)*	11,999.76	9,999.76
<b>Other Payables:-</b>		
Due to Staff	250.06	311.25
Tax Dues	550.47	423.44
<b>Advances from Customer (Unsecured)</b>		
<i>Clinker</i>		
Related Party-Jaiprakash Associates Ltd.	12,562.28	850.32
Others	2,346.38	740.88
<i>Cement</i>	2.89	1,061.52
Security Deposits-Interest Bearing	3,068.76	2,664.12
Security Deposits-Non Interest Bearing	793.35	799.96
Retention Money	214.22	219.44
<i>Loans and advances from related parties (Unsecured)</i>	1,862.22	2,587.64
<i>Others Current Liabilities</i>	52.82	120.28
	<b>33,703.21</b>	<b>19,778.61</b>

\* Two Instalments of Rs. 60 Crores each shall be payable as on Aug. 2014 & Feb. 2015 respectively. (ref. Note. No. 2.03)

	As at 31.03.2014	As at 31.03.2013
<b>Note No. 2.09: Short-term provisions</b>		
<i>Provision for employee benefits</i>		
Gratuity	7.04	2.03
Leave Encashment	20.28	28.59
<i>Others</i>		
Wealth Tax	0.25	0.49
Provision for Discounts	980.19	611.63
Excise Duty On Closing Stock	23.48	57.77
Other Provisions	2,518.85	1,422.75
	<b>3,550.09</b>	<b>2,123.26</b>



PARTICULARS	Gross Block			Depreciation			Net Block	
	As on 01.04.2013	Addition During the Year	Sale/ Disposal Adjustment during the year	As on 31.03.2014	For the year 2013-14	Depreciation on Sale/Disposal Adjustment	As on 31.03.2014	As on 31.03.2013
LAND FREEHOLD	1,233.63	70.31	-	1,303.94	-	-	1,303.94	1,233.63
LAND LEASEHOLD	97.27	-	-	97.27	6.31	-	65.82	72.13
LAND LEASEHOLD-OTHER	602.78	-	-	602.78	23.21	-	533.16	556.37
BUILDINGS	5,174.02	33.38	-	5,207.40	125.92	-	4,747.35	4,839.89
P&M PLANT & MACHINERIES	75,567.49	67.71	-	75,635.21	3,991.37	-	59,580.88	63,504.54
P&M ELECT.INSTAL.	170.03	30.37	-	200.39	8.85	-	171.69	150.18
P&M WATER TANK, PIPE	29.04	-	-	29.04	1.41	-	25.42	26.83
P&M RAILWAY SIDING	4,531.17	24.96	9.61	4,546.52	229.05	-	3,899.33	4,113.03
VEHICLES	164.24	-	-	164.24	16.32	-	86.53	102.94
OTHER FIXED ASSETS	137.89	6.20	-	144.08	6.85	-	114.99	115.65
EDP MACHINES	182.02	7.56	-	189.58	28.90	-	82.32	103.66
AC AND COOLERS	41.89	1.43	-	43.32	1.68	-	28.89	29.14
REFRIG. & WATER COOLR	34.76	-	-	34.76	1.67	-	25.49	28.17
TEL.TV, CINEMAUTO	52.81	0.19	-	53.00	3.35	-	36.32	39.48
FURNITURE & FIXTURE	178.20	0.72	-	178.92	8.64	-	92.84	100.76
OFFICE EQUIPMENTS	3.86	-	-	3.86	0.16	-	2.99	3.16
<b>Grand Total</b>	<b>88,201.10</b>	<b>242.83</b>	<b>9.61</b>	<b>88,434.32</b>	<b>4,453.69</b>	<b>-</b>	<b>70,799.07</b>	<b>75,019.55</b>
Previous Year	87,746.00	1,726.30	1,271.22	88,201.07	2,209.62	16.63	75,019.55	76,757.41
Capital Work In Progress							614.63	567.42



**BHILAI JAYPEE CEMENT LTD.**

Notes to the Financial Statements for the Year Ended as on 31.03.2014

	(₹ in Lacs)	
	As at 31.03.2014	As at 31.03.2013
<b>ASSETS</b>		
<b>Note No.2.11: Long-term loans and advances</b>		
Capital Advances(Unsecured and Considered good)	596.37	48.13
Security Deposits(Unsecured and Considered good)		
With Govt. & Public Bodies	1,305.87	1,018.99
With Others	197.01	150.92
	<u>2,099.25</u>	<u>1,218.04</u>
<b>Note No. 2.12: inventories</b>		
Raw materials	873.01	1,755.36
Work-in-progress	841.82	1,324.54
Finished goods	2,750.84	3,814.89
Stores and spares		
In Store	981.57	1,076.36
In Transit		3.05
	<u>5,447.24</u>	<u>7,974.20</u>
<b>Note No.2.13: Trade Receivables(Unsecured)</b>		
Others Less Than Six Months	2,325.77	2,879.79
Others More Than Six Months	-	-
	<u>2,325.77</u>	<u>2,879.79</u>
<b>Note No. 2.14: Cash and Cash equivalents</b>		
Cash on hand	26.49	19.78
Balances with banks		
<i>In Current Accounts</i>		
Union Bank of India, Babupur	156.45	93.90
State Bank of india, Satna	22.65	0.86
Axis Bank, Satna	1.29	20.20
Axis Bank, Bhilai	13.80	67.16
State Bank of india, Bhilai	2.30	2.30
Axis Bank-HO	23.49	19.96
J&K Bank -HO	2.36	2.36
Oriental Bank of Commerce-HO	163.26	50.08
IDBI, Bank-HO	2.83	2.83
SBI Current Account-HO	1.63	1.63
ICICI-BJCL-C.A/C-037-HO	0.52	0.33
State Bank of india(Deposit for IEX Power), HO	6.08	23.93
Axis Bank -HO	857.03	1,252.92
Axis Bank -HO C/A 914020010405202	913.57	
<i>In Deposit Accounts</i>		
AXIS BANK	-	117.61
State Bank of Patiala	-	96.85
Axis Bank	-	39.84
	<u>2,193.75</u>	<u>1,812.54</u>
<b>Notes No. 2.15: Short-Term Loans and Advances</b>		
<i>Loans and advances (Unsecured and considered good) :-</i>		
Related Party-Jaiprakash Associate Ltd.	1,157.64	198.30
<i>Others(Unsecured but considered good):-</i>		
Advances to Suppliers,Contractors & Transporters		
--Suppliers	3,006.25	749.47
--Contractors	217.90	335.71
--Transporters	16.95	1.31
--Others	225.35	523.84
Advances to Employees	70.97	47.04
	<u>4,695.06</u>	<u>1,855.67</u>
<b>Note No. 2.16: Other Current Assets</b>		
Tax Receivables	525.40	1,094.96
Insurance Claim	0.23	-
Prepaid Expenses	58.53	89.27
Other receivables	477.88	372.47
	<u>1,062.04</u>	<u>1,556.70</u>



**BHILAI JAYPEE CEMENT LTD.**

Notes to the Financial Statements for the Year Ended as on From 01.04.2013 to 31.03.2014

	(₹ in Lacs)	(₹ in Lacs)
	Apr'13 to MAR '14	Oct'12 to Mar'13
<b>Note No.2.17: Revenue from Operations</b>		
Sale-Cement	64,694.26	39,406.62
Sale-Clinker	13,990.09	5,984.57
	<u>78,684.35</u>	<u>45,391.19</u>
Less: Excise Duty	9,281.48	5,853.72
	<u>69,402.87</u>	<u>39,537.47</u>
<b>Note No.2.18: Other Income</b>		
Sale- Scrap	91.79	46.78
Less: Excise Duty	13.91	
Sale- Scrap net of excise duty	77.88	
Interest Received	146.63	28.55
Miscellaneous Receipts	153.36	2.21
<b>Total</b>	<b><u>377.87</u></b>	<b><u>77.54</u></b>
<b>Note No.2.19: Cost of Material Consumed</b>		
Lime Stone	3,325.52	1,430.90
Latrite Consumed	508.86	247.50
Slag Consumed	2,291.01	1,320.80
Gypsum Consumed	1,320.19	721.70
Packing Material Consumed	2,958.40	1,633.93
Freight-Clinker	5,585.79	3,438.87
<b>Total</b>	<b><u>15,989.77</u></b>	<b><u>8,793.70</u></b>
<b>Note No.2.20: Other Direct Manufacturing Exp.</b>		
<b>Power and Fuel</b>	<b>8,425.50</b>	<b>4,955.89</b>
Coal Consumed	12,073.73	5,204.05
Store and Spares Consumed	806.36	469.29
Repair and maintenance -Plant Machinery	498.96	450.03
<b>Total</b>	<b><u>21,804.55</u></b>	<b><u>11,079.26</u></b>
<b>Note No. 2.21: (Increase)/Decrease in Stock</b>		
<b>Opening Stock :-</b>		
Work In Progress	1,324.54	2,099.51
Finished Goods	3,814.89	3,500.14
<b>Total (A)</b>	<b>5,139.43</b>	<b>5,599.65</b>
<b>Closing Stock :-</b>		
Work In Progress	841.82	1,324.54
Finished Goods	2,750.84	3,814.89
<b>Total (B)</b>	<b>3,592.66</b>	<b>5,139.43</b>
<b>(C) =(B)-(A)</b>	<b>1,546.77</b>	<b>460.22</b>
Excise Duty on Opening Stock (D)	57.77	148.17
Excise Duty on Closing Stock (E)	23.48	(53.67)
<b>Increase/(Decrease) in Excise Duty on Stock (D)</b>	<b>(34.29)</b>	<b>(201.84)</b>
<b>Total (Inc.) Dec. In Stock (C) +(D)</b>	<b><u>1,512.48</u></b>	<b><u>258.38</u></b>
<b>Note No. 2.22: Employee benefits expense</b>		
Salaries & Wages	2,982.82	1,584.76
Gratuity	6.02	5.07
Leave Encashment	41.76	13.87
Contribution To Provident & Other Funds	131.90	63.37
Staff Welfare	111.32	82.37
<b>Total</b>	<b><u>3,273.82</u></b>	<b><u>1,749.44</u></b>





**BHILAI JAYPEE CEMENT LTD.**

Notes to the Financial Statements for the Year Ended as on From 01.04.2013 to 31.03.2014

	(₹ in Lacs)	(₹ in Lacs)
	Apr'13 to MAR '14	Oct'12 to Mar'13
<b>Note No.2.23: Selling &amp; Distribution Expenses</b>		
Loading, Transportation etc.	15,384.81	9,454.97
Discounts	2,927.47	745.10
Commission	523.92	409.68
Publicity & Advertisements	162.38	122.07
Sales Promotion Exp.	166.00	190.66
<b>Total</b>	<b>19,164.58</b>	<b>10,922.48</b>
<b>Note No.2.24: Financial Cost</b>		
Interest On Term Loans	4,018.03	2,264.18
Interest On Bank Borrowings & Other Charges	1,338.06	639.15
<b>Total</b>	<b>5,356.09</b>	<b>2,903.33</b>
<b>Note No.2.25: Other Expenditure</b>		
<i>Repair &amp; Maintenance</i>	424.90	262.52
Safety & Security Expenses	513.08	300.82
Rent	77.77	30.38
Rates & Taxes (Excluding excise duty on sale)	1,082.46	382.76
Insurance	75.03	35.88
Travelling Expenses	103.55	94.00
Postage, Telephone & Internet	47.32	21.29
Legal & Professional Expense	92.04	60.47
Vehicle Hire and running Charges	115.05	55.65
Bank Charges & Guarantee Commission	31.38	15.68
<b>Payments to auditor:-</b>	-	-
Statutory Fee	2.25	1.50
Tax audit fee	0.25	-
For reimbursement of expenses	0.44	0.08
News Paper, Magzine and Advertisement	5.06	5.95
Printing and Stationery	11.97	7.43
Miscellaneous Expenses	57.86	54.29
<b>Total</b>	<b>2,640.41</b>	<b>1,328.72</b>
<b>Note No. 2.26: Exceptional Items</b>		
Excess Provision written back	179.68	26.36
<b>Total</b>	<b>179.68</b>	<b>26.36</b>
<b>Note No.2.27: Extraordinary Items</b>		
<b>Prior Period Adjustments</b>	4.01	(36.61)
	-	-
<b>Total</b>	<b>4.01</b>	<b>(36.61)</b>
<b>Note No.2.28: Earning Per Share</b>		
Net Profit/ (Loss) before tax after Extraordinary Items ( in Rs.)	(4,247.91)	433.09
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
<b>Basic Earning Per Share (In Rs.)</b>	<b>(1.12)</b>	<b>0.11</b>

