



ROHIT MEHRA & ASSOCIATES
CHARTERED ACCOUNTANTS

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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
JAIPRAKASH AGRI INITIATIVES COMPANY LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **JAIPRAKASH AGRI INITIATIVES COMPANY LIMITED** which comprises the Balance Sheet as at 31st March, 2014 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for preparation of these financial statements that give a true and fair view of the financial position and financial performance 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") read with the General Circular 15/2013 dated 13 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 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements . The procedure selected depend on the auditor's judgement including the assessment of the risk of material misstatements of the financial statements, whether due to fraud and error. In making those risk assessment, the auditor consider internal control relevant to the companies 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 the 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:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014,
- ii) in the case of the Statement of Profit & Loss, of the Loss of the Company for the year ended 31st March, 2014,
- iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended 31st March, 2014.

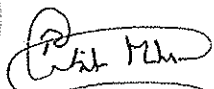
1. As required by the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order 2004 (together the 'Order') issued by the Central Government of India, in terms of Section 227(4-A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said 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 have been kept by the Company as required by law so far as appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement referred to in this report, are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13 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 31st March, 2014, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2014 from being appointed as a director in terms of clause (g) of sub-Section (1) of Section 274 of the Act;

PLACE: NOIDA
DATED: 26th May 2014

For Rohit Mehra & Associates
Chartered Accountants
Firm Registration No.-014926N



(ROHIT MEHRA)
Prop.
M. No. 93910

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our report of even date on the accounts for the year ended 31st March, 2014 of JAIPRAKASH AGRI INITIATIVES COMPANY LIMITED

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) A substantial portion of the Fixed Assets have been physically verified by the management during the year and to the best of our knowledge and information given to us, no material discrepancies have been noticed on such physical verification.
- (c) No fixed assets have been disposed off during the year.
- (ii) (a) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. In our opinion the frequency of verification is reasonable.
- (b) In our opinion 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 is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore the provisions of sub-clauses (b), (c), (d), (f) and (g) of clause 4(iii) of the order are not applicable to the Company.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) Based on the audit procedures applied by us and according to the information and explanations given to us we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered into the register required to be maintained under that section. The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit from the public during the year.
- (vi) We are of the opinion that during the period under observation, the Company had an internal audit system commensurate with its size & nature of its business wherein it was observed that all transactions are carried out under the personal supervision of senior officials/directors of the Company.




- (vii) We have broadly reviewed the books of account relating to material, labour and other items of cost 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 a detailed examination of the records.
- (ix) (a) As per records produced before us and according to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues applicable to it like, Income-tax etc with the appropriate authorities, and there were no arrears of such dues at the year-end which have remained outstanding for a period of more than six months from the date they became payable.
- (b) As per records produced before us and according to the information and explanations given to us there are no dues of Income-tax, Sales-tax, Customs duty, Wealth tax, Service Tax, Excise Duty or Cess which have not been deposited on account of any dispute.
- (x) The Company has incurred cash loss during the year as well as in previous year, but its accumulated losses are not more than 50% of its Net worth.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to any financial institution, bank or debenture holder.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion the Company is not a chit fund or a nidhi/mutual benefit fund/society. Hence, Clause (xiii) of Para 4 of the Order is not applicable.
- (xiv) In our opinion the Company is not dealing in or trading in shares, debentures or other investments. Accordingly, Clause (xiv) of Para 4 of the Order is not applicable.
- (xv) The company has not given any guarantee for loans taken by others from banks or financial institutions; hence Clause (xv) of Para 4 of the Order is not applicable.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we find that funds amounting to Rs. 13.06 Cr raised on short term basis have been used for long term purposes.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act.
- (xix) As the Company has not issued any debentures, Clause (xix) of Para 4 of the Order is not applicable.



- (xx) As the Company has not raised any money by way of public issues, Clause (xx) of Para 4 of the Order is not applicable.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Rohit Mehra & Associates
Chartered Accountants
Firm Registration No.-014926N




(ROHIT MEHRA)
Prop.
M. No. 93910

PLACE: NOIDA
DATED: 26th May 2014

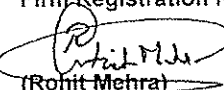

Jaiprakash Agri Initiatives Company Limited

Balance Sheet as at 31st March, 2014

Particulars	Note No	31st March, 2014 ₹	31st March, 2013 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	1,551,000,000	551,000,000
(b) Reserves and Surplus	3	(773,976,691)	(572,651,414)
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	307,146,009	466,395,801
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long term provisions	5	737,808	3,371,247
(3) Current Liabilities			
(a) Short-term borrowings	6	2,334,509	595,036,818
(b) Trade payables	7	224,320,021	185,783,216
(c) Other current liabilities	8	125,328,448	130,417,204
(d) Short-term provisions	9	16,496	203,138
Total		1,436,906,601	1,359,556,010
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	1,123,600,341	1,182,016,337
(ii) Capital work-in-progress	10A	73,565,123	73,565,123
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	11	3,723,780	4,618,650
(e) Other non-current assets	12	14,656,000	656,000
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	13	25,783,400	29,665,294
(c) Trade receivables	14	7,688,981	7,843,324
(d) Cash and Bank balances	15	185,374,664	59,485,203
(e) Short-term loans and advances	16	1,194,019	1,059,736
(f) Other current assets	17	1,320,292	646,343
Total		1,436,906,601	1,359,556,010


Summary of Significant Accounting Policies & Notes to the Financial Statements 1 to 33

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

For Rohit Mehra & Associates
Chartered Accountants
Firm Registration No.014926N

(Rohit Mehra)
Proprietor
M.No. 093910


For and on Behalf of the Board


Manoj Gaur
Chairman


Rahul Kumar
Director


Vipul Sharma
Company Secretary

Place : Noida
Dated : 26th May, 2014

Jaiprakash Agri Initiatives Company Limited

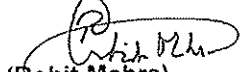
Statement of Profit and Loss for the year ended 31st March, 2014

Particulars	Note No	2013-14 ₹	2012-13 ₹
Revenue from operations	18	172,814,139	3,115,440,540
Other Income	19	4,328,412	6,091,605
Total Revenue		177,142,551	3,121,532,145
Expenses:			
Cost of Materials Consumed	20	141,431,169	2,528,283,055
Changes in inventories of finished goods & semi-finished goods	21	2,046,694	324,667,499
Employee Benefit Expenses	22	30,490,520	70,216,613
Financial Costs	23	85,108,286	175,684,923
Depreciation and Amortization Expenses		60,155,535	60,116,085
Other Expenses	24	59,235,625	175,456,664
Total Expenses		378,467,828	3,334,424,839
Profit/(Loss) before exceptional, prior period items and tax		(201,325,277)	(212,892,694)
Exceptional Items		-	-
Profit/(Loss) before tax		(201,325,277)	(212,892,694)
Tax Expense		-	-
Profit / (Loss) for the year		(201,325,277)	(212,892,694)
Earnings per Equity Share			
Basic & Diluted Earnings per share		(3.65)	(3.86)
Summary of Significant Accounting Policies & Notes to the Financial Statements	1 to 33		

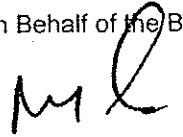
As per our report of even date attached to the Balance Sheet

For and on Behalf of the Board

For Rohit Mehra & Associates
Chartered Accountants
Firm Registration No.014926N

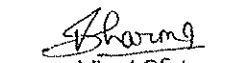

(Rohit Mehra)
Proprietor
M.No. 093910





Manoj Gaur
Chairman


Rahul Kumar
Director


Vipul Sharma
Company Secretary

Place : Noida
Dated : 26th May, 2014

Notes to the financial statements for the year ended 31st March, 2014

Note 1

1 Basis of preparation of Financial Statements

- A The accounts are prepared on historical cost basis and on the principles of a going concern.
- B Accounting policies not specifically referred to otherwise, are consistent and in consonance with generally accepted accounting principles and Accounting Standards notified by the Ministry of Corporate Affairs, Government of India u/s 211(3C) of the Companies Act, 1956 read with the General Circular no. 15/2013 dated 13.09.2013 u/s 133 of Companies Act, 2013.

2 Summary of Significant Accounting Policies

A Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principals requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results & estimates are recognized in the period in which the results are known / materialised.

B Fixed Assets

Fixed assets are stated at cost of acquisition or construction inclusive of freight, erection and commissioning charges, duties and taxes, expenditure during construction period, interest on borrowings and financing cost up to the date of acquisition / installation.

C Depreciation

(i) Depreciation on Fixed Assets is provided on Straight Line Method as per the classification and in the manner specified in Schedule – XIV to the Companies Act, 1956.

(ii) Depreciation on Assets of the Rs.5,000 or less is provided at 100% irrespective of actual use.

D Inventories

Inventories of Stores & Spares, Raw Materials are valued at weighted average cost and Stock in trade valued at Cost or Net Reliable Value whichever is Less as per AS-2.

E Employee Benefits

Employee benefits are provided in the books as per AS – 15 (revised) in the following manner:

- (i) Provident Fund and Pension contribution– as a percentage of salary/wages is a defined Contribution Scheme.
- (ii) Gratuity and Leave Encashment is a defined benefit obligation. 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.

F Capital Work-in-Progress

(i) Capital Work in Progress includes civil work in progress, construction/ erection/material lying at site, Machinery/equipment in transit/in hand, Payment to labour contractors, expenses incurred on renovation/up gradation of the existing assets, depreciation on assets used for construction and other pre-operative expenses.

(ii) Expenses during Construction: Expenditure incurred on projects/assets during construction/implementation is capitalized & apportioned to projects/assets on commissioning.

G Foreign Currency Transactions

(i) Monetary assets and liabilities related to foreign currency transactions and outstanding at the close of the year are expressed in Indian Rupees at the rate of exchange prevailing on the date of Balance Sheet.

(ii) Transactions in foreign currency are recorded in the books of accounts in Indian Rupees at the rate of exchange prevailing on the date of transaction.

H Miscellaneous Expenditure

Preliminary and Share Issue Expenses are written off in the year in which they are incurred.

I Impairment of Assets

If the carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price or the value in use determined by present value of estimated future cash flow.

J Borrowing Cost

All the Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes substantial period of time to get ready for intended use or sale. All other borrowing costs are taken as incidental expenses and will be allocated accordingly.



K Taxes on Income

Current tax is determined as per the provisions of the Income Tax Act in respect of the Taxable income. Deferred tax resulting from timing difference between the book and the tax profits is accounted for by applying tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date, to the extent that the timing difference are expected to crystallize.

L. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

M Segment Reporting

Revenue, operating results, assets and liabilities have been identified to represent separate segments on the basis of their relationship to the operating activities of the segment. Assets, liabilities, revenue and expenses which are not allocable to separate segment on a reasonable basis, are included under "unallocated".

AS *h*



31st March, 2014

31st March, 2013

Note 2

Share Capital

Authorised

	₹	₹
10,00,00,000 Equity Shares (Previous Year 10,00,00,000) of ₹ 10/- each	1,000,000,000	1,000,000,000
1,00,00,000 12% Non- Cumulative Redeemable Preference Share of ₹ 100/- each (Previous Year- Nil)	1,000,000,000	-
	<u>2,000,000,000</u>	<u>1,000,000,000</u>

Issued, Subscribed and Paid-up

5,51,00,000 Equity Shares (Previous Year 5,51,00,000) of ₹ 10/- each fully paid-up	551,000,000	551,000,000
1,00,00,000 12% Non- Cumulative Redeemable Preference Share of ₹ 100/- each fully paid-up (85,00,000 allotted for consideration other than cash against amount outstanding) (Previous Year- Nil)	1,000,000,000	-
	<u>1,551,000,000</u>	<u>551,000,000</u>

Note 2.1 Reconciliation of the number of the shares outstanding

Particulars	31st March, 2014		31st March, 2013	
	Number	₹	Number	₹
a. Equity Shares of ₹ 10/- each				
Shares outstanding at the beginning of the year	55,100,000	551,000,000	55,100,000	551,000,000
Shares issued during the year	-	-	-	-
Shares Outstanding at the end of the Year	55,100,000	551,000,000	55,100,000	551,000,000
b. Preference Shares of ₹ 100/- each				
Shares outstanding at the beginning of the year	-	-	-	-
Shares issued during the year	10,000,000	1,000,000,000	-	-
Shares Outstanding at the end of the Year	10,000,000	1,000,000,000	-	-

Note 2.2 The Rights attached to the each class of shares

a) Each Equity Shareholder holding Equity Shares of ₹ 10/- each is eligible for one vote per share and is entitled for dividend.

b. Preference Shareholder is entitled for dividend at a fixed rate of 12% p.a. Non-Cumulative Redeemable Preference Shares (NCRPS) are redeemable at par at the end of 12th year from the date of allotment i.e. 24th March, 2014 & 31st March, 2014 and in the event of liquidation of the company, the holders of NCRPS will have priority in the payment of dividend and re-payment of capital over Equity Share holders of the company.

Note 2.3 The shares held by the holding company

- a) 5,51,00,000 Equity Shares of ₹10/- each held by Jaypee Cement Corporation Limited, the holding company. (Previous year 5,51,00,000 Equity Shares)
- b) 1,00,00,000 12% Non Cumulative Redeemable Preference Shares of ₹ 100/- each held by Jaypee Cement Corporation Limited, the holding company. (Previous year Nil)

Note 2.4 The shares held by the shareholders more than 5% of the aggregate shares in the company.

Name of Shareholder	31st March, 2014		31st March, 2013	
	No. of shares held	% of holding	No. of shares held	% of holding
a. Equity Shares of ₹ 10/- each				
Jaypee Cement Corporation Limited	5,51,00,000	100	5,51,00,000	100
b. Preference Shares of ₹ 100/- each				
Jaypee Cement Corporation Limited	1,00,00,000	100	-	-

31st March, 2014

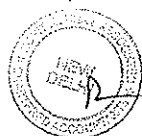
31st March, 2013

Note 3

Reserves and Surplus

Surplus

	₹	₹
Profit/(Loss) brought forward from previous year	(572,651,414)	(359,758,720)
Profit/(Loss) for the year	<u>(201,325,277)</u>	<u>(212,892,694)</u>
	<u>(773,976,691)</u>	<u>(572,651,414)</u>



/s/

/s/

31st March, 2014
₹31st March, 2013
₹

Note 4
Long Term Borrowings
Secured Loans

Rupee Term Loans from Banks

307,146,009
307,146,009

466,395,801
466,395,801

Security: Financial assistance of ₹ 30,71,46,009/- (previous year ₹ 46,63,95,801/-) from State Bank of Patiala together with all interest, other charges, dues & costs payable to the Lenders under the Agreement & Financing documents are secured / to be secured by first pari-passu mortgage and hypothecation of all immovable properties / assets, movables pertaining to the Project (both present and future) and collaterally secured by Current Assets i.e. Book debts, operating cash flows, receivables, commissions, revenues and any nature whatsoever arising, intangibles, goodwill, uncalled capital (present and future) and Personal Guarantee of Shri Manoj Gaur, Chairman

Terms of repayment : Repayable in 24 quarterly instalments commenced from April 2012.

Note 5
Long Term Provisions
Provision for employee benefits

Gratuity	630,788	1,423,897
Leave Encashment	107,020	1,947,350
	<u>737,808</u>	<u>3,371,247</u>

Note 6
Short Term Borrowings

Secured		
Working capital loans from Banks	-	593,027,853
Unsecured		
Deposits	2,334,509	2,009,164
	<u>2,334,509</u>	<u>595,036,818</u>

Note 7
Trade Payables (Refer Note No. 26)

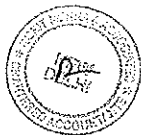
Due to Micro, Small & Medium Enterprises			
For Goods	70,397,666		49,482,270
For Expenses	5,673,859	76,071,525	5,660,475
		<u>148,248,497</u>	<u>130,640,471</u>
Amount due to Related Parties		<u>224,320,021</u>	<u>185,783,216</u>

Note 8
Other Current Liabilities

Current Maturities of Long Term Debts		123,065,479		123,115,258
Advances from Customers		335,736		559,854
Security Deposits		24,695		23,495
Other payables				
Staff Dues		903,975		4,855,218
Statutory Dues				
PF	108,644		433,464.00	
TDS	348,226		866,769.00	
Service Tax	14,546			
VAT	14,497	485,913	30,737	1,330,970
		<u>512,650</u>		<u>532,408</u>
Other Creditors		<u>125,328,448</u>		<u>130,417,203</u>

Note 9
Short Term Provisions

Provision for employee benefits			
Gratuity		6,401	41,528
Leave Encashment		10,095	161,610
		<u>16,496</u>	<u>203,138</u>

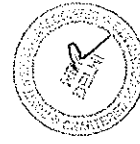


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Note 10 - Fixed Assets

(in ₹)

S.No.	Particulars	Gross Carrying Value			Depreciation/Amortisation			Net Carrying Value	
		As on 01.04.2013	Additions during the Year	As on 31.03.2014	Upto 31.03.2013	For the Year	Upto 31.03.2014	As on 31.03.2014	As on 31.03.2013
1	Free hold Land	5,416,005	-	5,416,005	-	-	-	5,416,005	5,416,005
2	Buildings	333,292,037	-	333,292,037	15,438,211	8,967,046	24,405,257	308,886,780	317,853,826
3	Plant & Machinery	912,111,767	1,654,789	913,766,556	79,948,166	47,992,408	127,940,574	785,825,982	832,163,601
4	Furniture & Fixture	6,473,663	-	6,473,663	1,052,305	375,865	1,428,170	5,045,494	5,421,359
5	Vehicles	3,671,897	-	3,671,897	653,080	348,829	1,001,909	2,669,988	3,018,817
6	Office Equipments	10,124,981	84,750	10,209,731	736,106	495,656	1,231,762	8,977,969	9,388,875
7	Computers	12,213,491	-	12,213,491	3,459,637	1,975,731	5,435,368	6,778,124	8,753,855
Total		1,283,303,841	1,739,539	1,285,043,380	101,287,504	60,155,535	161,443,039	1,123,600,341	1,182,016,337
Previous Year		1,235,507,171	47,796,670	1,283,303,841	41,171,419	60,116,085	101,287,504	1,182,016,337	



NOTE 10A - Capital Work-in-Progress including Incidental Expenditure during Construction, Pending Allocation

Sl. No.	Particulars	31st March, 2014	31st March, 2013
		₹	₹
a	Direct cost of project under construction		
	Opening Balance	42,968,682	35,546,445
	Add: Addition during the year	-	41,838,171
	Less: Capitalised During the year	-	(34,415,934)
	Capital Work in Progress	42,968,682	42,968,682
b	Incidental Expenditure During Construction, pending allocation		
	Opening Balance	30,596,441	33,805,460
	Employee Benefit Expenses		3,538,525
	Salary, Wages, Bonus & other Benefit	-	231,746
	Provident Fund & Admin Charges		
	Other Expenses		
	Architectural & Blocks	-	80,750
		30,596,441	37,656,481
	Less: Capitalised during the year	-	(7,060,040)
		30,596,441	30,596,441
	Carried over to Balance Sheet	73,565,123	73,565,123



	31st March, 2014	31st March, 2013
	₹	₹
Note 11		
Long Term Loans and Advances		
(Unsecured, considered good)		
Deposits with Govt Departments & Others		
Govt Departments	3,031,630	3,926,500
Others	692,150	692,150
	<u>3,723,780</u>	<u>4,618,650</u>
Note 12		
Other Non-Current Assets		
(Unsecured, considered good)		
Term Deposits having maturity of more than 12 months	14,656,000	656,000
	<u>14,656,000</u>	<u>656,000</u>
Note 13		
Inventories		
Stores and spares at weighted average cost	12,448,919	13,152,400
Raw materials at weighted average cost	12,587,496	13,719,215
Finished goods at cost	746,985	2,793,679
	<u>25,783,400</u>	<u>29,665,294</u>
Note 14		
Trade Receivable		
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months	43,020	-
Other Debts	7,645,961	7,843,324
	<u>7,688,981</u>	<u>7,843,324</u>
Note 15		
Cash and Bank Balances		
Cash and Cash Equivalents		
a. Cash In hand	184,758	633,050
b. Balances with Scheduled Banks		
i. In Current Accounts	159,814,534	23,316,361
ii. Term deposit with original maturity of less than three months	15,314,368	23,949,411
Other Bank Balances		
Term deposit with maturity less than 12 months	10,061,004	35,535,792
	<u>185,374,664</u>	<u>59,485,203</u>
Note 16		
Short Term Loans and Advances		
(Unsecured, considered good)		
Claims & Refunds Receivables	364,171	372,401
Income Tax deducted at source	824,475	663,019
Staff Imprest & Advances	5,373	24,316
	<u>1,194,019</u>	<u>1,059,736</u>
Note 17		
Other Current Assets		
(Unsecured, Considered good)		
Interest accrued on Fixed Deposits & others	522,806	167,443
Prepaid Expenses	797,486	478,900
	<u>1,320,292</u>	<u>646,343</u>
Note 18	2013-14	2012-13
	₹	₹
Revenue from Operations		
Sale of products	172,814,139	3,119,001,421
Less: Excise Duty	-	3,560,881
	<u>172,814,139</u>	<u>3,115,440,540</u>
Note 19		
Other Income		
Interest	2,702,266	4,215,184
Insurance Claims	3,461	1,272,488
Excess provisions written back	987,057	512,647
Misc. Receipts	635,628	91,286
	<u>4,328,412</u>	<u>6,091,605</u>



	2013-14 ₹	2012-13 ₹
Note 20		
Cost of Materials Consumed		
Raw materials	-	2,255,692,368
Coal	-	43,995,791
Chemicals	349,896	6,102,778
Hexane	-	24,591,128
Packing Materials	2,005,805	66,474,992
Fertilizers, Pesticides & Seeds	-	3,167,777
Cattle Feed	65,000	2,048,345
Milk	139,010,468	126,209,877
	<u>141,431,169</u>	<u>2,528,283,055</u>
Note 21		
Changes in Inventories of Finished Goods		
Opening Stock		
Semi Finished & Finished Goods	2,793,679	327,461,178
Closing Stock		
Semi Finished & Finished Goods	746,985	2,793,679
	<u>2,046,694</u>	<u>324,667,499</u>
Note 22		
Employee Benefit Expenses		
Salaries, wages, Bonus & other benefits	29,009,654	65,916,671
Gratuity	158,821	655,514
Contribution to provident and other funds	1,274,680	2,805,297
Staff welfare	47,365	839,131
	<u>30,490,520</u>	<u>70,216,613</u>
Note 23		
Finance Costs		
Interest on Term Loans	84,698,865	174,270,945
Financing Charges	409,421	1,413,978
	<u>85,108,286</u>	<u>175,684,923</u>
Note 24		
Other Expenses		
Power and fuel	13,805,921	35,362,843
Labour & Maintenance Contract	1,312,030	18,945,018
Rent	403,035	5,246,134
Rates and Taxes	23,053,631	1,532,927
Insurance	193,636	2,600,127
Travelling & Conveyance	61,786	5,049,820
Selling & Distribution	34,584	59,916,448
Repairs & Maintenance	964,437	6,172,320
Bank Charges	27,228	388,643
Telephone	54,692	801,128
Printing & Stationery	626,011	953,190
Stores & Spares	611,616	17,049,588
Vehicle Running and Maintenance	9,419,427	6,858,952
Legal & Professional	312,501	73,281
Auditors' Remuneration		
Audit Fee	112,360	112,360
Tax Audit Fee	56,180	56,180
Miscellaneous	8,186,550	14,337,706
	<u>59,235,625</u>	<u>175,456,664</u>



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Note 25

Contingent Liabilities not provided for:

Outstanding amount of Bank Guarantee ₹ 1,40,00,000/- (Previous year - ₹1,40,00,000/-)

Margin money deposited against the above ₹ 1,40,00,000/- (Previous Year -NIL)

Note 26

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

(in ₹)			
Sl. No.	Particulars	31st March, 2014	31st March, 2013
a)	The principal amount and interest due thereon remaining unpaid to any supplier		
	- Principal	Nil	Nil
	- Interest	Nil	Nil
b)	The amount of Interest paid by the buyer in terms of section 16 of the Micro, Small, and Medium Enterprises Development Act, 2006 along with the amount of payment made to the supplier beyond the appointed day.	Nil	Nil
c)	The amount of Interest due & payable for the year of delay in making payment(which have been paid beyond the appointed date during year)but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
d)	The amount of Interest accrued & remaining unpaid.	Nil	Nil
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil

Note 27

Deferred Tax Liabilities (net)

(in ₹)		
Particulars	31st March, 2014	31st March, 2013
(a) Deferred tax Liability		
On account of depreciation	128,359,899	109,512,763
	128,359,899	109,512,763
(b) Deferred tax Assets		
On account of Income Tax loss	384,413,844	300,272,778
On account of employee benefits	619,902	619,902
	385,033,746	300,892,680
Total (a-b)	(256,673,847)	(191,379,917)

Note : Deferred tax Assets ₹ 25,66,73,847/- (Previous year ₹ 19,13,79,917/-) has not been made due to absence of Revenue Reserve.

Note 28

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

(1) Relationships:

a) Holding Companies:

- (i) Jaypee Cement Corporation Limited
- (ii) Jaiprakash Associates Limited, being holding company of Jaypee Cement Corporation Limited

b) Fellow Subsidiary Companies (Including their subsidiaries):

- (i) Jaiprakash Power Ventures Limited.
- (ii) Jaypee Infratech Limited.
- (iii) Jaypee Fertilizers & Industries Limited.
- (iv) Jaypee Sports International Limited.
- (v) Bhilai Jaypee Cement Limited.
- (vi) Bokaro Jaypee Cement Limited.
- (vii) Gujarat Jaypee Cement & Infrastructure Limited.
- (viii) Himalayan Expressway Limited.
- (ix) Jaypee Arunachal Power Limited (subsidiary of Jaiprakash Power Ventures Limited).



- (x) Sangam Power Generation Company Limited (subsidiary of Jaiprakash Power Ventures Limited).
- (xi) Prayagraj Power Generation Company Limited (subsidiary of Jaiprakash Power Ventures Limited).
- (xii) Jaypee Meghalaya Power Limited (subsidiary of Jaiprakash Power Ventures Limited).
- (xiii) Jaypee Powergrid Limited (subsidiary of Jaiprakash Power Ventures Limited).
- (xiv) Jaypee Ganga Infrastructure Corporation Limited.
- (xv) Jaypee Agra Vikas Limited.
- (xvi) Jaypee Assam Cement Limited
- (xvii) Himalayaputra Aviation Limited
- (xviii) Jaypee Healthcare Limited (subsidiary of Jaypee Infratech Limited)
- (xix) Jaypee Cement Hockey (India) Limited (subsidiary of Jaypee Sports International Limited)
- (xx) Jaypee Cement Cricket (India) Limited (subsidiary of Jaypee Sports International Limited)
- (xxi) Himachal Baspa Power Company Limited (subsidiary of Jaiprakash Power Ventures Limited) (w.e.f. 14.03.2014)
- (xxii) Himachal Karcham Power Company Limited (subsidiary of Jaiprakash Power Ventures Limited) (w.e.f. 14.03.2014)

c) Associates Companies :

- (i) Jaypee Infra Ventures (A private company with unlimited liability)
- (ii) JIL Information Technology Limited (subsidiary of Jaypee Infra Ventures).
- (iii) Jaypee Development Corporation Limited (subsidiary of Jaypee Infra Ventures).
- (iv) Indesign Enterprises Private Limited (subsidiary of Jaypee Infra Ventures)
- (v) Anvi Hotels Private Limited (subsidiary of Jaypee Infra Ventures)
- (vi) Jaypee International Logistics Company Private Limited (subsidiary of Jaypee Infra Ventures).
- (vii) Gaur & Nagi Limited (subsidiary of JIL Information Technology Limited).
- (viii) Tiger Hills Holiday Resort Private Limited (subsidiary of Jaypee Development Corporation Limited).
- (ix) Jaypee Uttar Bharat Vikas Private Limited
- (x) Kanpur Fertilizers & Cement Limited
- (xi) RPJ Minerals Private Limited
- (xii) Sarveshwari Stone Products Private Limited (subsidiary of RPJ Minerals Private Limited).
- (xiii) Rock Solid Cement Limited (subsidiary of RPJ Minerals Private Limited).
- (xiv) Sonebhadra Minerals Private Limited.
- (xv) Madhya Pradesh Jaypee Minerals Limited.
- (xvi) Jaypee Mining Ventures Private Limited.
- (xvii) MP Jaypee Coal Limited.
- (xviii) MP Jaypee Coal Fields Limited.
- (xix) Jaiprakash Kashmir Energy Limited.
- (xx) Jaypee Hotels Limited.
- (xxi) Jaypee Technical Consultants Private Limited.
- (xxii) Ceekay Estates Private Limited
- (xxiii) Jaiprakash Exports Private Limited
- (xxiv) Bhumi Estate Developers Private Limited
- (xxv) PAC Pharma Drugs and Chemicals Private Limited
- (xxvi) Andhra Cements Limited. (subsidiary of Jaypee Development Corporation Limited).
- (xxvii) Jaypee Jan Sewa Sansthan ('Not for Profit' Private Limited Company)

d) Key Management Personnel :

- (i) Shri R.K. Mathur, Joint Managing Director
- (ii) Shri Shambhu Nath, Whole time Director (upto 31.07.2013)

(2) Transactions carried out with related parties referred to above in ordinary course of business :

(In ₹)

Nature of Transactions	Referred in (a) above	Referred in (b) above	Referred in (c) above	Referred in (d) above
Receipts				
Share Capital	1,000,000,000	-	-	-
	-	-	-	-
Expenditure				
Contract, Material purchase & services	72,836 (5,236,875)	-	-	-
		-	(177,578)	-
Sales	187,009 (35,854,438)	-	-	-
		(2,130,713)	(795,169)	-
Managerial Remuneration	-	-	-	11,429,519
	-	-	-	(12,984,486)
Outstanding				
Receivable	6,393,697 (10,275,636)	-	-	-
		-	-	-
Payable	154,642,193 (140,795,822)	-	-	599,105
		-	(120,285)	(844,197)

Previous year figures are given in brackets



(a) Provident Fund - Defined Contribution Plan:

All employees are entitled to Provident Fund benefits. A sum of ₹ 12,74,680/- (Previous year ₹ 28,05,297/-) has been debited to Statement of Profit & Loss and Incidental Expenditure during Construction Period (IEDC) during the year Nil (Previous Year ₹ 2,31,746/-).

(b) Provision for Gratuity and Leave Encashment has been made as per actuarial valuation:

Sl. No.	Particulars	Gratuity		Leave Encashment	
		31.03.2014	31.03.2013	31.03.2014	31.03.2013
I	Expenses recognized in the Statement of Profit & Loss and IEDC for the Year ended 31st March, 2014				
	1. Current Service Cost.	202,555	717,405	34,218	1,050,374
	2. Interest Cost	124,561	60,759	179,262	119,548
	3. Employee Contribution	-	-	-	-
	4. Actuarial (Gains)/Losses	(1,155,352)	(15,080)	355,511	18,303
	5. Past Service Cost	-	-	-	-
	6. Settlement Cost	-	-	-	-
	7. Expected Return on Plan Assets	-	-	-	-
	8. Total Expenses	(828,236)	763,084	568,991	1,188,225
II	Net Asset/ (Liability) recognized in the Balance Sheet as at 31st March, 2014.				
	1. Present Value of Defined Benefit /Obligation.	637,189	1,465,425	117,115	2,108,960
	2. Fair Value of Plan Assets	-	-	-	-
	3. Funded Status - Surplus/(Deficit)	(637,189)	(1,465,425)	(117,115)	(2,108,960)
	4. Net Asset/(Liability) as at March 31, 2014.	(637,189)	(1,465,425)	(117,115)	(2,108,960)
III	Change in Obligation during the Year ended 31st March, 2014.				
	1. Present value of Defined Benefit obligation at the beginning of the year.	1,465,425	714,808	2,108,960	1,406,450
	2. Current Service Cost.	202,555	717,405	34,218	1,050,374
	3. Interest Cost	124,561	60,759	179,262	119,548
	4. Settlement Cost	-	-	-	-
	5. Past Service Cost	-	-	-	-
	6. Employee Contributions	-	-	-	-
	7. Actuarial (Gains)/Losses	(1,155,352)	(15,080)	355,511	18,303
	8. Benefit Payments	-	(12,467)	(2,560,836)	(485,715)
	9. Present Value of Defined Benefit Obligation at the end of the year.	637,189	1,465,425	117,115	2,108,960
IV	Change in Assets during the Year ended 31st March, 2014				
	1. Plan Assets at the beginning of the year.	-	-	-	-
	2. Assets acquired on amalgamation in previous year.	-	-	-	-
	3. Settlements	-	-	-	-
	4. Expected return on Plan Assets	-	-	-	-
	5. Contribution by Employer	-	-	-	-
	6. Actual Benefit Paid	-	-	-	-
	7. Actuarial Gains/ (Losses)	-	-	-	-
	8. Plan Assets at the end of the year.	-	-	-	-
	9. Actual Return on Plan Assets	-	-	-	-
V	Estimated amount of contribution in the immediate next year	328,579	1,005,661	49,592	1,157,799
VI	Major categories of plan assets (as percentage of total plan assets)				
	Funds Managed by Insurer	-	-	-	-

(c) Actuarial Assumptions

- (i) Discount Rate 8.50%
- (ii) Mortality IALM (2006-08)
- (iii) Turnover Rate Upto 30 years - 2%, 31-44years - 5%, Above 44 - 3%
- (iv) Future Salary Increase 6.00%

(d) Other Details

Particulars	Gratuity		Leave Encashment	
	31.03.14	31.03.13	31.03.14	31.03.13
i) Present Value of Defined benefit obligation	637,189	1,465,425	117,115	2,108,960
ii) Fair value of Plan Assets	-	-	-	-
iii) Surplus/(Deficit) in plan	(637,189)	(1,465,425)	(117,115)	(2,108,960)
iv) Experience gain/(loss)	1,155,352	36,192	(355,511)	(18,303)



Note 30

Earnings Per Equity Share (EPS) in accordance with Accounting Standard (AS-20)

	2013-2014	2012-2013
Profit/(Loss) after Tax for the year	(201,325,277)	(212,892,694)
Nominal value per Equity Share	₹ 10/-	₹ 10/-
Number of Equity Shares at the beginning of the year	55,100,000	55,100,000
Number of Equity Shares issued during the year	-	-
Number of Equity Shares at the end of the year	55,100,000	55,100,000
Weighted Average Number of Equity Shares	55,100,000	55,100,000
Basic Earnings per Share (in ₹)	(3.65)	(3.86)
Diluted Earnings per Share (in ₹)	(3.65)	(3.86)

Note 31

Segment Information

Particulars	Edible Oil Division		Milk Division		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Revenue						
Sales	2,649,169	2,966,203,730	171,791,116	151,113,231	174,440,285	3,117,316,961
Total Revenue	2,649,169	2,966,203,730	171,791,116	151,113,231	174,440,285	3,117,316,961
Results						
Operating Profit/(Loss)	(108,994,880)	(39,612,610)	(556,569)	(666,729)	(109,551,449)	(40,279,338)
Interest Expenses	85,097,757	176,058,619	37,757	14,946	85,135,514	176,073,565
Interest Income	1,474,264	2,738,164	1,228,002	1,477,020	2,702,266	4,215,184
Profit/(Loss) from ordinary activities	(192,618,373)	(212,933,065)	633,676	795,345	(191,984,697)	(212,137,720)
Unallocated Corporate Expenses	-	-	-	-	9,340,580	754,974
Net Profit/(Loss)	(192,618,373)	(212,933,065)	633,676	795,345	(201,325,277)	(212,892,694)
Other Information						
Segment Assets	1,362,480,895	1,289,712,909	74,425,706	69,843,101	1,436,906,601	1,359,556,010
Total Assets	1,362,480,895	1,289,712,909	74,425,706	69,843,101	1,436,906,601	1,359,556,010
Segment Liabilities	589,264,434	1,314,537,495	70,618,858	66,669,929	659,883,292	1,381,207,424
Total Liabilities	589,264,434	1,314,537,495	70,618,858	66,669,929	659,883,292	1,381,207,424
Capital Expenditure CWIP	56,295,250	56,295,250	17,269,873	17,269,873	73,565,123	73,565,122
Depreciation / Amortisation	58,942,845	58,497,481	1,212,690	1,618,604	60,155,535	60,116,085
Provision for Gratuity & Leave						
Encashment	176,991	1,629,799	550,821	160,755	727,812	1,790,554

- a) Segment have been identified in accordance with accounting standards on Segmental Reporting (AS - 17) taking into account the organisation structure as well as differential risk and returns of these segments.
- b) Business segment has been disclosed as the primary segment.
- c) Types of Products and Services in each Business Segment:
- (i) Edible Oil Division Manufacturing of Soya Refined Oil & Mustard Oil
- (ii) Milk Division Trading of Milk & Milk products
- d) Segment Revenues, Operating Results, Assets & Liabilities include the amount identifiable to each segment and amounts allocated on a reasonable basis.
- e) Segment Assets exclude Miscellaneous Expenditure & Deferred Tax Asset and Segment Liabilities exclude Deferred Tax Liability.

Note 32

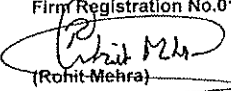
All figures have been rounded off to the nearest rupee.

Note 33

Previous Year's figures have been re-grouped / re-cast / re-arranged, wherever considered necessary.


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

For Rohit Mehra & Associates
Chartered Accountants
Firm Registration No.014926N


(Rohit Mehra)
Proprietor
M.No. 093910

For and on Behalf of the Board


Manoj Gaur
Chairman


Rahul Kumar
Director


Vipul Sharma
Company Secretary

Place : Noida

Dated : 26th May, 2014

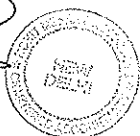
Jaiprakash Agri Initiatives Company Limited

Cash Flow Statement for the year ended 31st March, 2014

Particulars	2013-2014 ₹	2012-2013 ₹
(A) Cash Flow from Operating Activities		
Net Loss as per Statement of Profit & Loss	(201,325,277)	(212,892,694)
Add Back		
Depreciation	60,155,535	60,116,085
Finance Costs	85,108,286	175,684,923
Operating profit/(Loss) before working capital changes	(56,061,456)	22,908,314
Add:		
(Increase) / Decrease in Inventories	3,881,894	942,205,499
(Increase) / Decrease in Trade receivables	154,343	(3,480,502)
(Increase) / Decrease in Short-term loans and advances	(134,283)	1,419,877
(Increase) / Decrease in Other current assets	(673,949)	(93,169)
(Increase) / Decrease in Term Deposit	25,474,788	(35,535,792)
(Increase) / Decrease in Long term loans and advances	894,870	(612,150)
(Increase) / Decrease in Other non-current assets	(14,000,000)	(656,000)
Deduct:		
Increase / (Decrease) in Trade payables	38,536,805	(183,700,191)
Increase / (Decrease) in Other current liabilities	(5,088,756)	(414,280,745)
Increase / (Decrease) in Short-term provisions	(186,642)	84,263
Increase / (Decrease) in Current Maturities of Long Term Debts	49,779	-
Increase / (Decrease) in Short-term borrowings	(592,702,309)	8,339,902
Net Cashflow from Operating Activities	(599,854,916)	336,599,306
(B) Cash Flow from Investing Activities		
Acquisition of Fixed Assets	(1,739,539)	(52,009,889)
Net Cashflow from Investing Activities	(1,739,539)	(52,009,889)
(C) Cash Flow from Financing Activities		
Proceeds from issue of Share Capital	1,000,000,000	-
Increase / (Decrease) in Borrowing	(161,933,010)	(156,355,241)
Finance Costs	(85,108,286)	(175,684,923)
Net Cashflow from Financing Activities	752,958,704	(332,040,164)
Net Increase/(Decrease) in Cash And Cash Equivalents (A+B+C)	151,364,249	(47,450,747)
Cash and Cash Equivalents at the beginning of the year (Opening balance)	23,949,411	71,400,157
Cash and Cash Equivalents at the end of the year (Closing balance)	175,313,660	23,949,411

For Rohit Mehra & Associates
Chartered Accountants
Firm Registration No.014926N

(Rohit Mehra)
Proprietor
M.No. 093910



For and on Behalf of the Board

Manoj Gaur
Chairman

Rahul Kumar
Director

Vipul Sharma
Company Secretary

Place : Noida
Dated : 26th May, 2014