



**R. NAGPAL ASSOCIATES**  
CHARTERED ACCOUNTANTS

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## **Independent Auditor's Report**

**To the Members of  
JAYPEE CEMENT CORPORATION LIMITED**

### **Report on the Indian Accounting Standards (Ind AS) Financial Statements**

We have audited the accompanying financial statements of **JAYPEE CEMENT CORPORATION LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act and the Rules made thereunder, including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.



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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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, of the state of affairs of the Company as at March 31, 2018, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### **Emphasis of Matters**

1. Confirmations/ Reconciliation of balances of certain secured & unsecured loans, balances with banks, trade receivables, trade and other payables (including capital creditors) and loans and advances are pending. The management is confident that on confirmation / reconciliation there will not be any material impact on the financial statements.

2. We draw the attention to the following matters in the notes to the financial statements:

Note No.39 in the financial statements indicates that the company has accumulated losses. The company's ability to continue as a Going Concern is dependent upon the financial support of the holding Company. Therefore, the financial statements of the company have been prepared on a going concern basis for the reasons stated in the said Note.

Further, it is indicated that the auditor report is not a qualified report in respect of above matters emphasized.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report that:


- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements-Refer Note 36 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There are no amounts that were due for being transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For R. Nagpal Associates  
Chartered Accountants  
Firm Registration Number 002626N



  
(CA Ravinder Nagpal)  
Partner  
Membership No. 081594

Place: Noida  
Date: 16<sup>th</sup> May 2018

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **JAYPEE CEMENT CORPORATION LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R. Nagpal Associates  
Chartered Accountants  
Firm Registration Number 002626N



  
(CA Ravinder Nagpal)  
Partner  
Membership No. 081594

Place: Noida  
Date: 16<sup>th</sup> May 2018

**ANNEXURE 'B' referred to in paragraph 2 of our report of even date to the members of**

**JAYPEE CEMENT CORPORATION LIMITED** on the accounts of the Company for the year ended 31<sup>st</sup> March 2018.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- (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 were identified on such verification.  
  
(c) According to the information and explanations given to us and the records examined by us, we report that, other than the immovable properties acquired on amalgamations with the Company as per schemes approved by the Hon'ble High Courts in earlier years, the title deeds are held in the name of the Company as at the balance sheet date
- (ii) (a) As explained to us, the Inventory has been physically verified by the management at reasonable intervals during the year.  
  
(b) In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on physical verification.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees, and security, the provisions of Section 185 and 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 3(v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (vi) We have broadly reviewed the accounts and cost records maintained by the Company section 148(1) of the Companies Act, 2013, and are of the opinion that prima-facie the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the records.
- (vii) (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, Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Sales Tax/ Value Added Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities, except amount of Rs. 8.01 Lacs payable for Service Tax..



(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, Wealth tax, Service Tax, Customs duty, Excise Duty, Value Added Tax or Cess which have not been deposited on account of any dispute, except for the following:

Name of Statute (Nature of dues)	Period to which amount relates	Forum where Dispute is pending	Total (In Rs Lacs)
Central Excise	F.Y 2007-2016	Tribunal	1,215.21
Central Excise	F.Y 2009-2017	Commissionerate	1,799.90
UP Trade Tax	2012-2016	Commissionerate	14.28
Commercial tax	2012-13,2013-14	Tribunal	95.16
Gujarat Green Cess	2011-2014	Supreme Court	73.56

- (viii) During the year the company has defaulted in repayment of Principal and interest to Banks and Financial institution. The Interest and principal due have been adjusted in accordance with Scheme of arrangement between the Holding Company i.e Jaiprakash Associates Limited, the Company and Ultratech Limited the Purchaser.
- (ix) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained. The company has not raised any money by way of initial public offer or further public offer (including debt instruments).
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi Company. Accordingly, the provisions of clause 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xiii) Based on information and explanations given to us by the management, all transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the financial Statements as required by the applicable accounting standards.



- (xiv) Based on information and explanations given to us by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review. Accordingly, the provisions of clause 3(xi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transaction with directors or person connected with him which is covered by Section 192 of the Act. Accordingly, the provisions of clause 3(xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 Accordingly, the provisions of clause 3(xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

For R. Nagpal Associates  
Chartered Accountants  
Firm Registration Number 002626N



  
(CA Ravinder Nagpal)  
Partner  
Membership No. 081594

Place: Noida  
Date: 16<sup>th</sup> May 2018



Jaypee Cement Corporation Limited

Balance Sheet as on 31st March, 2018

(Rs. in Lacs)

	NOTE No.	As at 31st March, 2018	As at 31st March, 2017
<b>ASSETS</b>			
<b>[A] NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	3	109,196	350,293
(b) Capital Work-in-Progress	3	19,858	25,854
(c) Intangible Assets	3	-	66,346
(d) Financial Assets :			
(i) Investments	4	7,155	7,629
(ii) Trade Receivables		-	-
(iii) Loans		-	-
(iv) Other financial assets	5	58	318
(e) Deferred Tax Assets [Net]	6	27,003	27,003
(f) Other Non-Current Assets	7	8,380	8,699
<b>TOTAL</b>		<b>171,650</b>	<b>486,142</b>
<b>[B] CURRENT ASSETS</b>			
(a) Inventories	8	4,428	7,678
(b) Financial Assets :			
(i) Investments		-	-
(ii) Trade Receivables	9	1,226	4,270
(iii) Cash and Cash Equivalents	10	1,478	2,912
(iv) Bank Balances other than cash and cash equivalent	11	232	832
(v) Loans	12	4,523	4,039
(vi) Other financial assets	13	33,113	8,670
(c) Other Current Assets	14	7,337	9,449
<b>TOTAL</b>		<b>52,337</b>	<b>37,850</b>
<b>TOTAL ASSETS</b>		<b>223,987</b>	<b>523,992</b>
<b>EQUITY AND LIABILITIES</b>			
<b>[A] EQUITY</b>			
(a) Equity Share Capital	15	62,750	62,750
(b) Other Equity	16	(5,927)	12,662
<b>TOTAL</b>		<b>56,823</b>	<b>75,412</b>
<b>[B] LIABILITIES</b>			
<b>1 NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	17	57,234	216,774
(ii) Trade Payables		-	-
(iii) Other Financial Liabilities	18	95,953	87,187
(b) Provisions	19	390	487
(c) Other Non-Current Liabilities	20	2,206	2,700
<b>TOTAL</b>		<b>155,783</b>	<b>307,148</b>
<b>2 CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	21	-	2,010
(ii) Trade Payables	22	4,359	77,378
(iii) Other Financial Liabilities	23	4,897	56,249
(b) Other Current Liabilities	24	2,069	5,755
(c) Provisions	25	57	40
<b>TOTAL</b>		<b>11,382</b>	<b>141,432</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>223,987</b>	<b>523,992</b>

Summary of significant Accounting Policies. 1

The Note nos. 1 to 51 are integral part of the Financial Statements

As per our report of even date attached to the Financial Statements

For R. Nagpal Associates

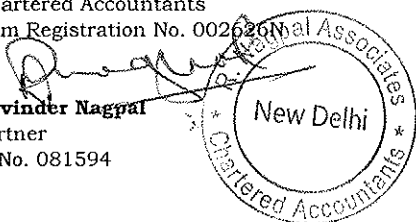
Chartered Accountants

Firm Registration No. 002626

Ravinder Nagpal

Partner

M.No. 081594



For and on behalf of the Board

Manoj Gaur

Chairman

DIN: 00008480

Alex Gaur

Director

DIN: 00112520

R S Kuchhal

Company Secretary

Registered office: Sector, 128, Noida - 201304

Place: Noida

Dated: 16th May, 2018

Jaypee Cement Corporation Limited

Statement of Profit and Loss for the year ended 31st March, 2018

(Rs. in Lacs)

	NOTE No.	2017-18	2016-17
<b>INCOME</b>			
Revenue from operations	26	25,772	74,011
Other Income	27	728	684
<b>TOTAL INCOME</b>		<b>26,500</b>	<b>74,695</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	28	9,597	22,474
Changes in Inventories of Finished Goods & Work-in-Progress	29	591	977
Manufacturing Expenses	30	2,586	9,628
Excise Duty on Sale of Goods		1,745	9,745
Employee Benefits Expenses	31	4,003	5,583
Finance Costs	32	16,634	38,224
Depreciation and Amortisation Expense	33	6,937	13,988
Other Expenses	34	6,130	22,124
<b>Total Expenses</b>		<b>48,222</b>	<b>122,743</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>(21,722)</b>	<b>(48,048)</b>
Exceptional Items		9,839	-
<b>Profit / (Loss) before tax</b>		<b>(11,884)</b>	<b>(48,048)</b>
<b>Tax Expense</b>			
Current Tax		-	-
Deferred Tax		-	-
<b>Profit / (Loss) for the year after tax</b>		<b>(11,884)</b>	<b>(48,048)</b>
<b>Profit/(loss) from continuing operations before tax</b>		<b>(16,617)</b>	<b>(21,910)</b>
Deferred Tax		-	-
Exceptional item		9,839	-
<b>Profit/(loss) from continuing operation after tax</b>		<b>(6,778)</b>	<b>(21,910)</b>
<b>Profit/(loss) from discontinuing operation</b>		<b>(5,106)</b>	<b>(26,138)</b>
<b>Profit/(loss) from discontinuing operation before Tax</b>		<b>-</b>	<b>(26,138)</b>
Deferred Tax		-	-
<b>Profit/(loss) from discontinuing operation after Tax</b>		<b>(5,106)</b>	<b>(26,138)</b>
<b>Other comprehensive Income</b>			
Items that will not be reclassified to Profit / (Loss)		-	-
Remeasurment gain / (loss) on defined benefit plans		(174)	301
<b>Other comprehensive Income for the year</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the year</b>		<b>(12,058)</b>	<b>(47,747)</b>
<b>Earnings per Equity Share :</b>			
Basic & Diluted Earnings Per Equity Share for continuing operation	42	(1.08)	(3.49)
Basic & Diluted Earnings Per Equity Share for discontinuing operation		(0.81)	(4.17)
<b>Basic &amp; Diluted Earnings Per Equity Share for continuing &amp; discontinuing operation</b>		<b>(1.92)</b>	<b>(7.61)</b>

**Summary of significant Accounting Policies.**

The Note nos. 1 to 51 are integral part of the Financial Statements

As per our report of even date attached to the Financial Statements

For and on behalf of the Board

For R. Nagpal Associates  
Chartered Accountants  
Firm Registration No. 002626N

Ravinder Nagpal  
Partner  
M.No. 081594



*(Signature)*  
Manoj Gaur  
Chairman  
DIN: 00008480

*(Signature)*  
Alok Gaur  
Director  
DIN: 00112520

*(Signature)*  
R S Kuchhal

Company Secretary

Place: Noida

Dated: 16th May, 2018

**Note No. "1" Corporate Information**

Jaypee Cement Corporation Limited, a wholly owned subsidiary of Jaiprakash Associates Limited, has a 1.20 MTPA cement grinding unit at Shahabad District Gulbarga, Karnataka alongwith a 60 MW captive power plant

**Note No. "2" Significant Accounting Policies**

**a. Basis of Preparation of financial statements**

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair value, the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, *first time adoption of Indian Accounting Standards*. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. There were no effect of the transition in the financial statement. Accounting policies have been consistently followed by the company.

**b. Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

Revenue includes excise duty, as excise duty flows to the company on its own account but excludes sales tax/ value added tax (VAT) which is received by the Company on behalf of the Government.

**Sale of goods**

Revenue from the sale of goods is recognised when all the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue from the sale of goods are net of value added tax and exclusive of self-consumption.

**Rendering of services**

Revenue from rendering of services is recognised by reference to the stage of completion. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

**Interest Income**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in Other income in the statement of profit and loss.

## Dividend

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

## Insurance Claim

Claims lodged with the insurance companies are accounted for on accrual basis to the extent these are measurable and ultimate collection is reasonably certain.

## c. Property, Plant and Equipment

Property, plant and equipment are stated at cost [i.e., cost of acquisition or construction inclusive of freight, erection and commissioning charges, non-refundable duties and taxes, expenditure during construction period, borrowing costs (in case of a qualifying asset) up to the date of acquisition/installation], net of accumulated depreciation and accumulated impairment losses, if any.

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset when the recognition criteria for a provision are met.

Depreciation on fixed assets is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013.

Freehold land is not depreciated.

## Leasehold Land

Leasehold lands are amortised over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in profit or loss when the asset is derecognised.

## d. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost which comprises purchase price (including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates) and any directly attributable cost of preparing the asset for its intended use. An intangible asset acquired in a business combination is recognised at fair value at the date of acquisition. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation is recognised on a straight line basis over their estimated useful life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates being accounted for on a prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Computer Softwares is amortized over a period of 6 years.

### **Research and development costs**

Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset when the Company can demonstrate:

- i. The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- ii. Its intention to complete and its ability and intention to use or sell the asset
- iii. Its potential to generate future economic benefits
- iv. The availability of resources to complete the asset
- v. The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

### **e. Government Grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit or loss in the period in which they become receivable. Grants related to depreciable assets are usually recognised in profit or loss over the periods and in the proportions in which depreciation expense on those assets is recognised. Grants related to non-depreciable assets may also require the fulfilment of certain obligations and would then be recognised in profit or loss over the periods that bear the cost of meeting the obligations.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset, i.e., by equal annual instalments. When loans or similar assistance or deferred liability are provided by governments, with nil interest rate or rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

## **f. Foreign Exchange Transactions**

### **Functional Currency**

The Company's financial statements are presented in Rupee, which is the company's functional currency.

### **Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income (OCI) or profit or loss are also recognised in OCI or profit or loss, respectively).

## **g. Inventories**

Inventories are valued at cost or net realisable value, whichever is less.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

**i.** Raw materials, construction materials, stores and spares, packing materials, operating stores and supplies: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

**ii.** Finished goods and work in progress / Stock in Process: cost includes cost of direct materials and labour and a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods, borrowing costs of qualifying asset. In case of item rate contract, work in progress is measured on the basis of physical measurement of work actually completed as at the balance sheet date. In case of cost plus contracts, work in progress is taken as cost not billed on the contractee.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## **h. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset, that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of the asset. The borrowing cost cease to be capitalised when the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they occur

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes finance charges in respect of finance lease and exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to the interest costs.

#### **i. Employee benefits**

The undiscounted amount of short-term employee benefits i.e. wages and salaries, bonus, incentive, annual leave and sick leave etc. expected to be paid in exchange for the service rendered by employees are recognized as an expense except in so far as employment costs may be included within the cost of an asset during the period when the employee renders the services.

Retirement benefit in the form of provident fund and pension contribution is a defined contribution scheme. and is recognized as an expense except in so far as employment costs may be included within the cost of an asset

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 done as per Projected Unit Credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to profit or loss through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

#### **j. Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of the ownership to the lessee. All other leases are classified as operating leases.

##### **Company as a lessee**

Asset held under finance leases are initially recognised as assets at its fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised immediately in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:

i. another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or

ii. the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.



## Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease

## k. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

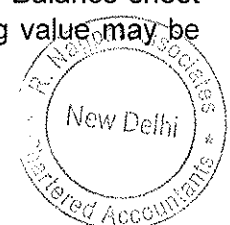
Goodwill is tested for impairment as at each Balance Sheet date and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at each Balance sheet date at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

*As*

*[Signature]*





## **I. Provisions**

### **General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. When the Company expects some or all of a provision to be reimbursed (like under an insurance contract, indemnity clauses or suppliers' warranties) and the Company is solely liable to pay the liability, the reimbursement is recognised as a separate asset. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement if the Company is not solely liable to pay the liability. The reimbursement of provision is only recognized when it is virtually certain that the company will receive the reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### **Restructuring provisions**

Restructuring provisions are recognised only when the Company has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs and an appropriate timeline and the employees affected have been notified of the plan's main features.

### **Warranties**

A warranty provision is recognised for the best estimate of the expenditure that will be required to settle the company obligation of relevant goods.

### **Decommissioning liability**

The Company records a provision for decommissioning costs with respect to manufacturing units/ project sites etc. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

### **Contingent liability is disclosed in the case of**

- i. a present obligation arising from past events, when no reliable estimate is possible;
- ii. a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

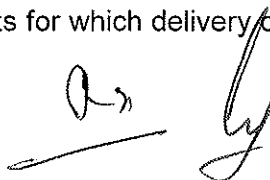
### **Contingent assets**

Contingent assets are disclosed in the financial statements only when the inflow of economic benefits is probable.

Contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

### **Liquidated damages**

Provisions for liquidated damages are recognised on contracts for which delivery dates are exceeded and computed in reasonable manner



## Other Litigation claims

Provision for litigation related obligation represents liabilities that are expected to materialise in respect of matters in appeal

## m. Taxes on Income

Tax expense represents the sum of the current income tax and deferred tax.

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be received from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred tax

Deferred tax is recognised using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity respectively.

### Minimum Alternate Tax

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

## n. Non-current assets held for sale/ distribution to owners and discontinued operations

The Company classifies non-current assets (or disposal groups) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Held for sale is classified only if the asset (or disposal group) is available for immediate sale in its present condition subject only to the terms that are usual and customary for sale for such assets (or disposal group) and its sale is highly probable i.e. Management is committed to sale, which is expected to be completed within one year from date of classification.

Sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. Non-current assets (or disposal group) that is to be abandoned are not classified as held for sale

Non-current assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Non-current assets once classified as held for sale are not depreciated or amortised. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are continue to be recognised.

Non-current asset (or disposal group) is reclassified from held to sale if the criteria are no longer met. And measured at lower of:

i. Its carrying amount before the asset (or Disposal group) was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held for sale, and

ii. Its recoverable amount at the date of the subsequent decision not to sell.

Any adjustment to the carrying amount of a non-current asset that ceases to be classified as held for sale is charged to profit or loss from continuing operations in the period in which criteria are no longer met.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed off, or is classified as held for sale, and:

i. Represents a separate major line of business or geographical area of operations,

ii. Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or

iii. Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

#### **o. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

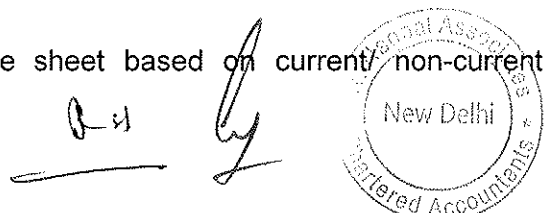
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### **p. Earnings per share**

Basic earnings per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

#### **q. Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.



An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### **r. Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

i. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

ii. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

iii. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### **s. Convertible Preference Shares/ Bonds**

Convertible Preference Shares/ Bonds are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible Preference Shares/ Bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised as equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the Preference Shares/ Bonds based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

#### **t. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instruments

## Financial assets

### Initial recognition and measurement

Financial instruments are initially measured at fair value including transaction costs unless they are classified at fair value through profit and loss, in which case the transaction costs are expensed immediately. Subsequent to initial recognition, these instruments are measured in accordance with their classification as set out below.

### Subsequent measurement

Financial assets are classified in four categories:

i. Amortised cost, if the financial asset is held within a business model whose object is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding,

ii. Fair value through other comprehensive income (FVOCI), if the financial asset is held within a business mode whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified date to cash flows that are solely payment of principal and interest on the principal amount outstanding. Any interest income, impairment losses & reversals and foreign exchange gain or loss is recognised in Profit or loss,

iii. Fair value through other comprehensive income, if the financial assets is investment in an equity instrument within the scope of this standard, that is neither held for trading nor contingent consideration recognised by company in a business combination, for which the company make an irrevocable election to present subsequent changes in fair value in other comprehensive income. Any dividend is recognised in profit or loss, or

iv. Fair value through profit or loss (FVTPL)

### De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised i.e. removed from the company's statement of financial position when:

i. The rights to receive cash flows from the asset have expired, or

ii. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

On derecognising of a financial asset in its entirety, the difference between the assets's carrying amount and the sum of the consideration received or receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

i. Financial assets that are debt instruments, and are measured at amortised cost, e.g., loans, debt securities, deposits, trade receivables and bank balance

ii. Financial assets that are debt instruments and are measured as at Fair Value Through Other Comprehensive Income (FVTOCI)

iii. Lease receivables under Ind AS 17

iv. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

v. Loan commitments which are not measured as at FVTPL

vi. Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and

- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit losses (ECLs) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL impairment loss allowance (or reversal) recognized during the period as income/ expense in the statement of profit and loss.

The balance sheet presentation for various financial instruments is described below:

*Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.*

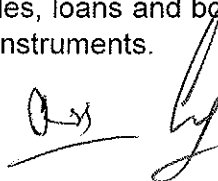
For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

## **Financial liabilities**

### **Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and in case of loan & borrowings and payable, net off directly attributable transaction cost.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.



## **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

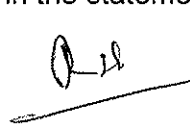


Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### **Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.



## Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

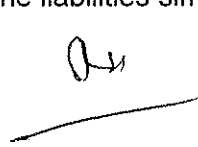
If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

## Reclassification of financial assets

The company reclassify all affected financial assets prospectively when, and only when company changes its business model for managing financial assets but financial liability is not reclassified in any case.

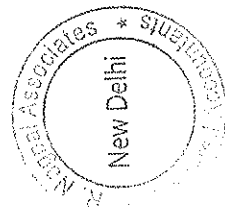
## Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



Particulars	TANGIBLE ASSETS										INTANGIBLE ASSETS							
	Freehold Land	Buildings	Plant & Machinery	Electrical Installation	Water Works, Tanks & Reservoir	Captive Thermal Power Plant				Railway Siding	Vehicles	Furniture, Pictures & Fittings	Office Equipment	Total	Goodwill	Mining Rights	Total	
						Plant & Machinery	Electrical Installation	Plant & Machinery	Electrical Installation									
Gross Block																		
As at 1st April 2016	17,572	39,979	287,650	6,520	2,322	21,635	2,478	5,057	663	265	760	100,949	384,901	100,949	6,825	107,774		
Additions	-	9,878	7,329	13	-	15,035	740	-	15	-	6	-	33,016	-	-	-	-	
Disposals	-	-	37	-	-	-	-	-	-	-	3	-	39	-	-	-	-	
As at 31st March 2017	17,572	49,857	294,942	6,533	2,322	36,670	3,218	5,057	678	265	763	100,949	417,877	100,949	6,825	107,774		
Additions	-	-	571	-	-	-	-	-	274	-	54	-	899	-	-	23	23	
Disposals	3,658	30,367	202,532	6,004	1,946	36,669	3,218	5,057	797	164	323	-	290,734	-	6,848	6,848		
As at 31st March 2018	13,914	19,490	92,981	530	376	-	-	-	156	101	495	100,949	128,043	100,949	-	100,949		
Depreciation																		
As at 1st April 2016	-	5,574	41,671	1,247	352	2,972	412	641	370	130	484	40,393	53,853	40,393	805	41,199		
Depreciation for the Year	-	1,561	10,695	251	91	584	97	320	87	22	51	-	13,759	-	230	230		
Disposals	-	-	13	-	-	-	-	-	1	-	14	-	28	-	-	-	-	
As at 31st March 2017	-	7,135	52,353	1,498	443	3,556	509	961	456	152	521	40,393	67,584	40,393	1,035	41,428		
Depreciation for the Year	-	1,035	5,332	84	31	212	28	78	39	13	29	60,555	6,880	60,555	56	60,611		
Disposals	-	4,552	43,254	1,367	368	3,768	536	1,039	387	100	247	-	55,618	-	1,091	1,091		
As at 31st March 2018	-	3,618	14,431	215	107	-	-	-	107	66	303	100,949	18,847	100,949	-	100,948		
Net Book Value																		
As at 31st March, 2017	17,572	42,722	242,589	5,035	1,879	33,114	2,709	4,096	223	112	242	60,556	350,293	60,556	5,790	66,346		
As at 31st March, 2018	13,914	15,872	78,550	315	270	-	-	-	48	35	192	-	109,196	-	-	-		
Net Book Value - Assets classified as held for sales																		
As at 31st March, 2017	3,658	26,045	160,659	4,690	1,595	33,113	2,709	4,096	182	68	80	-	236,895	-	5,790	5,790		
As at 31st March, 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Book Value Continuing operation																		
As at 31st March, 2017	13,914	16,677	81,930	345	284	1	-	-	41	45	162	60,556	113,999	60,556	-	60,556		
As at 31st March, 2018	13,914	15,872	78,550	315	270	-	-	-	48	35	192	-	109,196	-	-	-		

Note: Capital Work-in-Progress Rs. 19,868 Lacs (31st March, 2017) Rs. 25,654 Lacs



*[Handwritten signature]*

As at 31st March, 2018

(Rs. in Lacs)  
As at 31st March, 2017**ASSETS****NOTE 4****INVESTMENTS****Investments in Equity Instruments****Investment in Equity Shares of Subsidiary Company (At Cost)  
Unquoted , fully paid up**5,51,00,000 (31st March, 2017: 5,51,00,000) Equity  
Shares of Rs. 10/- each of Jaiprakash Agri  
Initiatives Company Limited

1,668

1,668

**Investment in Preference shares at fair value  
through Profit & (Loss)****Investment in Subsidiary Company  
Unquoted , fully paid up**1,00,00,000 (31st March, 2017: 1,00,00,000) 12%  
Non Cumulative Redeemable Preference Shares of  
Rs 100/- each of Jaiprakash Agri Initiatives  
Company Limited

5,477

5,961

Other Investments (Redeemable Preference Share of  
UltraTech Cement Limited)

10

-

7,1557,629**Aggregate Amount of:**

Quoted Investments in Equity and Preference Shares

-

-

Unquoted Investments in Equity and Preference Shares

7,155

7,629

**NOTE 5****OTHER FINANCIAL ASSETS**Term Deposits with Banks with maturity more than  
twelve months

57

317

Interest accrued on Fixed Deposits &amp; others

1

1

58318**NOTE 6****DEFERRED TAX ASSETS [Net]**

Deferred Tax Assets

54,178

54,178

Less:Deferred Tax Liabilities

27,175

27,175

27,00327,003**NOTE 7****OTHER NON-CURRENT ASSETS**

Capital Advance

4,683

4,176

Security Deposits with:

Govt Departments &amp; Public Bodies

2,531

3,425

Others

11

323

IncomeTax deducted at source

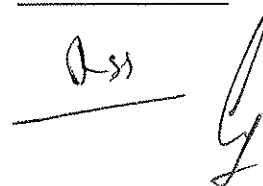
901

766

Prepaid Expenses

254

9

8,3808,699



As at 31st March, 2018

(Rs. in Lacs)  
As at 31st March, 2017**NOTE 8  
INVENTORIES**

Raw Materials	1,409	780
Raw Materials-in-Transit	10	8
Stock-in-Process	766	1,249
Finished Goods	1,836	2,740
Stores and Spare Parts	407	2,901
	<u>4,428</u>	<u>7,678</u>

**NOTE 9  
TRADE RECEIVABLES  
(Unsecured, considered good)**

Debts outstanding for a period exceeding six months	804	1,682
Less: Allowance for Bad and doubtful debts	<u>13</u>	<u>13</u>
Other debts	435	2,601
	<u>1,226</u>	<u>4,270</u>

**NOTE 10  
CASH AND CASH EQUIVALENTS**

Balances with Banks		
Current Accounts	1,473	2,894
Cheques on hand	-	1
Cash on hand	<u>5</u>	<u>17</u>
	<u>1,478</u>	<u>2,912</u>

**NOTE 11  
BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

Term Deposits with remaining maturity less than twelve months (Pledged with banks & Government Departments)	232	832
	<u>232</u>	<u>832</u>

**NOTE 12  
LOANS  
(Unsecured, considered good)**

Loan component of investment in Preference Shares of Jaiprakash Agri Initiatives Company Limited	4,523	4,039
	<u>4,523</u>	<u>4,039</u>

**NOTE 13  
OTHERS- FINANCIAL ASSETS**

Claim & Refunds Receivable	3,302	4,057
Interest accrued on Fixed Deposits & others	5	60
Staff Imprest and Advances	5	12
Interest transferrable to Jaypee Infrastructure Development Limited	3,376	-
Receivable from Related Parties	26,396	4,402
Deposits with Government Departments, Public Bodies & Others.	29	139
	<u>33,113</u>	<u>8,670</u>

**NOTE 14  
OTHER CURRENT ASSETS  
(Unsecured, considered good)**

Advances to Suppliers, Contractors & Others	1,697	3,408
Claims and Refunds Receivable	5,602	5,659
Prepaid Expenses	38	382
	<u>7,337</u>	<u>9,449</u>



As at 31st March, 2018

(Rs. in Lacs)  
As at 31st March, 2017**NOTE 15****EQUITY SHARE CAPITAL**

	31st March, 2018		31st March, 2017	
	Number	Rs. in lacs	Number	Rs. in lacs
Authorised				
Equity Shares of Rs. 10/- each	1,500,000,000	150,000	1,500,000,000	150,000
Preference Shares of Rs. 100/- each	400,000,000	400,000	400,000,000	400,000
<b>Total</b>		<b>550,000</b>		<b>550,000</b>
	31st March, 2018		31st March, 2017	
	Number	Rs. in lacs	Number	Rs. in lacs
Issued, Subscribed & Fully Paid up				
Equity Shares of Rs. 10/- each fully paid-up	627,500,000	62,750	627,500,000	62,750
<b>Total</b>	<b>627,500,000</b>	<b>62,750</b>	<b>627,500,000</b>	<b>62,750</b>

**Note 15.1 Reconciliation of the number of Equity shares outstanding**

Particulars	31st March, 2018		31st March, 2017	
	Number	Rs. in lacs	Number	Rs. in lacs
Equity Shares of Rs. 10/- each				
Shares outstanding at the beginning of the year	627,500,000	62,750	627,500,000	62,750
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<b>627,500,000</b>	<b>62,750</b>	<b>627,500,000</b>	<b>62,750</b>

**Note 15.2: The Rights attached to equity shares**

Each Equity shareholder holding equity shares of Rs. 10/- each is eligible for one vote per share and is entitled for dividend.

**Note 15.3 The shares held by the holding company**

Name of the shareholder	31st March, 2018		31st March, 2017	
	Number of shares held		Number of shares held	
Equity Shares of Rs. 10/- each				
Jaiprakash Associates Limited, the holding company	627,500,000		627,500,000	

**Note 15.4 The shares held by the shareholders more than 5% of the aggregate shares in the company.**

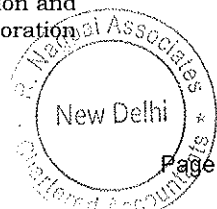
Name of Shareholder	31st March, 2018		31st March, 2017	
	No. of shares held	% of holding	No. of shares held	% of holding
Equity shares of Rs 10/- each				
Jaiprakash Associates Limited (inclusive of shares held by nominee shareholders)	627,500,000	100	627,500,000	100

**Note 15.5 Other clauses of Share Capital are not applicable to the company.****NOTE 16****OTHER EQUITY**

Security Premium Reserve		49,662		49,662
Equity component of Preference Shares		254,666		254,666
<b>Retained Earnings</b>				
Opening Balance	(291,666)		(243,919)	
Add: Profit / (Loss) for the year	(11,883)		(48,048)	
Add: Profit on Demerger	54,023		-	
Less: Amortisation of Good will	60,555	(310,082)	-	(291,967)
Other Comprehensive Income		(174)		301
<b>TOTAL</b>		<b>(5,927)</b>		<b>12,662</b>

**NOTE 17****BORROWINGS****Secured**

<b>Term Loans from Banks</b>		52,713		212,803
Loans from Uttar Pradesh Financial Corporation and The Pradeshiye Industrial & Investment Corporation of UP Limited		4,001		3,972
Loan from Srei Equipment Finance Limited		520		-
<b>TOTAL</b>		<b>57,234</b>		<b>216,774</b>



[a] Terms of Repayment of Secured Rupee Term Loans from Banks and others are given as under:

SN	Banks	Terms of Repayment/ Periodicity	(Rs in Lacs)	
			Outstanding (including current maturities) as	
			31.03.2018	31.03.2017
<b>A</b>	<b>Consortium of Banks</b>			
i	Punjab National Bank	In 44 quarterly installments from 30.06.18 to 31.03.29	-	44,811
ii	Corporation Bank	In 44 quarterly installments from 30.06.18 to 31.03.29	-	14,452
iii	Allahabad Bank	In 44 quarterly installments from 30.06.18 to 31.03.29	-	13,581
iv	Axis Bank Ltd	In 44 quarterly installments from 30.06.18 to 31.03.29	-	9,021
v	South Indian Bank Ltd	In 44 quarterly installments from 30.06.18 to 31.03.29	-	9,026
vi	State Bank of India	In 44 quarterly installments from 30.06.18 to 31.03.29	-	18,016
vii	Dena Bank	In 44 quarterly installments from 30.06.18 to 31.03.29	-	9,109
		<b>Total (A)</b>	-	<b>118,016</b>
<b>B</b>	<b>Consortium of Banks</b>			
viii	Axis bank Limited	In 24 quarterly instalments from 31.12.15 to 30.09.21	-	4,746
ix	Punjab National Bank	In 24 quarterly instalments from 31.12.15 to 30.09.21	-	6,416
x	Andhra Bank	In 24 quarterly instalments from 31.12.15 to 30.09.21	-	5,695
xi	Indian Bank	In 24 quarterly instalments from 31.12.15 to 30.09.21	-	5,567
xii	Bank of Baroda	In 24 quarterly instalments from 31.12.15 to 30.09.21	-	5,132
xiii	State Bank of India	In 24 quarterly instalments from 31.12.15 to 30.09.21	-	17,425
xiv	Vijaya Bank	In 24 quarterly instalments from 31.12.15 to 30.09.21	-	3,346
xv	Punjab and Sind Bank	In 24 quarterly instalments from 31.12.15 to 30.09.21	-	3,213
xvi	The Jammu & Kashmir Bank Ltd	In 24 quarterly instalments from 31.12.15 to 30.09.21	-	5,457
		<b>Total (B)</b>	-	<b>56,997</b>
<b>C</b>				
xvii	Yes Bank	In 77 quarterly instalments from 31.03.18 to 31.03.37	<b>4,820</b>	-
xviii	Yes Bank	In 28 quarterly instalments from 31.03.18 to 30.12.24	<b>2,881</b>	-
xix	Yes Bank	In 20 quarterly instalments from 29.06.15 to 29.03.20	-	9,790
xx	Yes Bank	In 12 quarterly instalments from 30.09.17 to 30.06.21	-	2,958
xxi	Yes Bank	In 12 quarterly instalments from 30.09.17 to 30.06.21	-	45,938
xxii	South Indian Bank Ltd	In 13 quarterly instalments from 29.03.17 to 29.06.20	-	600
xxiii	South Indian Bank Ltd	In 13 quarterly instalments from 26.03.17 to 26.06.20	-	824
xxiv	Karur Vysya Bank	In 5 Yearly instalments from 20.03.18 to 20.03.22	-	3,000
		<b>Total (C)</b>	<b>7,701</b>	<b>63,110</b>
<b>D</b>	xxv Yes Bank	Transferable to Jaypee Infrastructure Development Limited.	<b>45,623</b>	-
		<b>Total (D)</b>	<b>45,623</b>	-
<b>E</b>	xxvi Srei Equipment Finance Ltd	In 24 equated monthly instalments from 05.12.2017 to 05.11.2019	<b>1,244</b>	-
		<b>Total (E)</b>	<b>1,244</b>	-
		<b>Total (A to E)</b>	<b>54,568</b>	<b>238,123</b>
		<b>Less: Transferred to Current maturities of long term debts (Note no. 23)</b>	<b>1,335</b>	<b>25,320</b>
		<b>Long Term Borrowings</b>	<b>53,233</b>	<b>212,803</b>

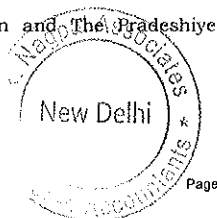
- b) Term Loans of Rs. 4,820 lacs and Funded Interest Term Loan Rs. 2,881 lacs as in note no. 17.1 (a)(c) XVII and XVIII above (forming part of facility one and five of Master Restructuring Agreement) together with all interest, liquidated damages, premia on prepayment or on redemption, costs, expenses and other monies are secured by way of first charge ranking Pari Passu over movable and immovable fixed assets of Jaiprakash Associates Limited to the extent as stipulated in Master Restructuring Agreement.
- c) Loan of Rs 45,623 Lacs as in Note no. 17.1(a)(D) above proposed to be transferred to SDZ Real Estate Undertaking, is to be secured by way of first pari-passu charge on non-core area identified land and project assets situated at Special Development Zone, Sector - 25, along Yamuna Expressway, Gautam Buddh Nagar, subject to approval of Scheme of Arrangement between Jaiprakash Associates Limited and Jaypee Infrastructure Development Limited by Hon'ble National Company Law Tribunal, Allahabad.
- d) Loan of Rs 1250 Lacs (outstanding Rs 1244 Lacs) sanctioned by Srei Equipment Finance Limited together with interest, liquidated damages, costs, expenses and other monies, stipulated in the Loan Agreement is secured by extension of pledge of 5.51 crore equity shares of Rs. 10/- each held by the company in Jaiprakash Agri Initiatives Company Limited and sub-servient charge on the moveable fixed assets of the company (Previous Year: Nil).
- e) Term Loans specified as Shahabad Project Loans in Master Restructuring Agreement are further secured by first charge ranking pari-passu among Shahabad Project Lenders over movable and immovable fixed assets of Shahabad Cement Plant (both present & future) situated at Shahabad, Distt. Gulbarga, Karnataka.

17.2 Interest Free Loans of Rs 6,403 Lacs (outstanding Rs 5930 Lacs) granted by Uttar Pradesh Financial Corporation under Audhyogik Nivesh Protsahan Yojna are secured by way of First Charge on the Fixed Assets of Jaypee Cement Products, Sadwa Khurd and Bank Guarantee. The said loans are repayable 10 years from the date of disbursement and repayment will commence from F.Y. 2018-19 onwards (Previous Year: Rs 5,938 lacs).

Interest Free Loans of Rs 761 Lacs (outstanding Rs 724 Lacs) granted by The Pradeshiye Industrial & Investment Corporation of UP Limited under Audhyogik Nivesh Protsahan Yojna are secured by way of First Charge on the Fixed Assets of Jaypee Chunar Cement Products, Chunar and Bank Guarantee. The said loans are repayable 7 years from the date of disbursement and repayment will commence from F.Y. 2022-23 onwards (Previous year: Rs. 734 lacs)

17.3 Financial Assistance is guaranteed by Directors of the Company as under:

	(Rs. in Lacs)	
	Outstanding as on	
	31.03.2018	31.03.2017
Term Loans from Banks	7,701	237,223
Loans from Uttar Pradesh Financial Corporation and The Pradeshiye Industrial & Investment Corporation of UP Limited	6,654	6,672
	<b>14,355</b>	<b>243,895</b>



**NOTE 18****OTHER FINANCIAL LIABILITIES**

Interest transferrable to Jaypee Infrastructure Development Limited	3,376	-
Deposits	944	5,372
Liability component of Preference Shares	91,633	81,815
	<u>95,953</u>	<u>87,187</u>

**NOTE 19****PROVISIONS**

Provision for Employee Benefits:

Gratuity	259	275
Leave Encashment	131	210
Others:		
Mining Restoration Liability	-	1
	<u>390</u>	<u>487</u>

**NOTE 20****OTHER NON-CURRENT LIABILITIES**

Government Grants (by way of Loans from Uttar Pradesh Financial Corporation and The Pradeshiye Industrial & Investment Corporation of UP Limited)

	2,206	2,700
	<u>2,206</u>	<u>2,700</u>

**NOTE 21****BORROWINGS****UNSECURED**

Banks	-	2,010
	<u>-</u>	<u>2,010</u>

**NOTE 22****TRADE PAYABLES**

Others	3,739	11,905
Advances from Related Parties	620	65,473
	<u>4,359</u>	<u>77,378</u>

**NOTE 23****OTHER FINANCIAL LIABILITIES**

Current maturities of Long term Debt:

Term Loans from Banks (Note no. 17(i)(a))	611	25,320
Loan From Srei Equipment Finance Limited	724	-
Loans from Uttar Pradesh Financial Corporation and The Pradeshiye Industrial & Investment Corporation of UP Limited	447	-
Interest accrued and due	237	16,744
Interest accrued but not due	-	7,819
Other Payables:		
Capital Suppliers	1,145	3,895
Staff Dues	324	577
Other Creditors	1,408	1,894
	<u>4,897</u>	<u>56,249</u>

**NOTE 24****OTHER CURRENT LIABILITIES**

Advances from Customers	1,354	2,906
Statutory Dues	715	2,849
	<u>2,069</u>	<u>5,755</u>

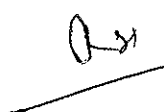

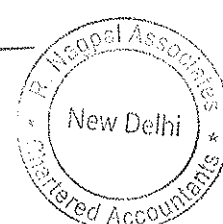
**NOTE 25****PROVISIONS**

Provision for employee benefits:

Gratuity	43	18
Leave Encashment	14	22
	<u>57</u>	<u>40</u>

(Rs. in lacs)

	2017-18	2016-17
<b>NOTE 26</b>		
Revenue from Operations		
Sale of Products (Refer Note 26.1)	23,040	70,317
Sale of Services (Refer Note 26.2)	1,497	1,306
Other Operating Revenues (Refer Note 26.3)	1,235	2,388
	<u>25,772</u>	<u>74,011</u>
<b>NOTE 26.1</b>		
<b>SALE OF PRODUCTS</b>		
Cement Sales (Including Clinker Sales)	8,103	56,794
Asbestos Sheets Sales	14,937	13,523
	<u>23,040</u>	<u>70,317</u>
<b>NOTE 26.2</b>		
<b>SALE OF SERVICES</b>		
Manpower Supply	1,497	1,306
	<u>1,497</u>	<u>1,306</u>
<b>NOTE 26.3</b>		
<b>OTHER OPERATING REVENUE</b>		
Lease Rent	960	960
Sale of Power	-	850
Sale of Scrap	-	56
Sundry Balance Written Back (Net)	56	325
Other Receipts	219	197
	<u>1,235</u>	<u>2,388</u>
<b>NOTE 27</b>		
<b>OTHER INCOME</b>		
Interest	232	188
Rent	1	1
Miscellaneous	495	495
	<u>728</u>	<u>684</u>
<b>NOTE 28</b>		
<b>COST OF MATERIALS CONSUMED</b>		
Raw Materials Consumed	7,711	12,004
Stores & Spares Consumed	651	1,259
Coal Consumed	1,029	7,675
Packing Materials consumed	206	1,536
	<u>9,597</u>	<u>22,474</u>



2017-18

2016-17

**NOTE 29**  
**CHANGES IN INVENTORIES OF FINISHED GOODS**  
**AND WORK-IN-PROGRESS**

**Opening Stocks**

Finished Goods	2,740	2,971
Stock-In-Process	1,249	2,209
	<u>3,989</u>	<u>5,180</u>

**Less:Closing Stocks**

Finished Goods	1,836	2,740
Stock-In-Process	766	1,249
	<u>2,602</u>	<u>3,989</u>

Less : Transfer to UltraTech Cement Limited	437	-
Excise Duty Difference on changes in Closing Stocks	359	214
	<u>591</u>	<u>977</u>

**NOTE 30**  
**MANUFACTURING EXPENSES**

Hire Charges & Lease rental of Machinaries	2	18
Power , Electricity & Water Charges	2,064	8,422
Repairs & Maintainance of Machinery	312	660
Repairs to Buildings	170	481
Freight, Octroi & Transportation charges	38	47
	<u>2,586</u>	<u>9,628</u>

**NOTE 31**  
**EMPLOYEE BENEFITS EXPENSES**

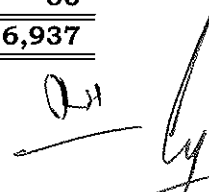

Salaries, Wages & Bonus	3,637	5,084
Gratuity	44	78
Contribution to Provident & Other Funds	200	197
Staff Welfare	122	224
	<u>4,003</u>	<u>5,583</u>

**NOTE 32**  
**FINANCE COSTS**

Interest on Term Loans	6,095	27,057
Interest on Bank Borrowings & Others	702	1,730
Interest on Liability Component of Preferential shares	9,818	8,766
Financing Charges	19	671
	<u>16,634</u>	<u>38,224</u>

**NOTE 33**  
**DEPRECIATION AND AMORTISATION EXPENSE**

Depreciation on Property, Plant & Equipment	6,881	13,759
Amortisation	56	230
	<u>6,937</u>	<u>13,988</u>

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2017-18

2016-17

**NOTE 34****OTHER EXPENSES**

Loading , Transportation & Other Charges	3,851	15,488
Commission & Discount On Sales	40	671
Sales Promotion	886	1,330
Rent	196	610
Rates & taxes	379	330
Insurance	63	157
Foreign Exchange Fluctuations	13	1,385
Travelling & conveyance	184	343
Bank Charges & Guarantee Commission	21	118
Loss on Sale / Disposal / write off of Assets (Net)	1	11
Postage & Telephone	19	46
Vehicle running & Maintainance	26	103
Legal & Professional	121	838
Security & Medical Services	121	199
Directors' fee	4	4
Auditors' Remuneration		
Audit Fee	3	4
Tax Audit Fee	1	1
Miscellaneous Expenses	201	487
	<u>6,130</u>	<u>22,124</u>

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**NOTE 35**

Contingent Liabilities not provided for :

	31st March, 2018	31st March, 2017
(a) Claims against the Company not acknowledged as debts	8,461	8,364
Amount deposited under protest	1,938	1,843
BG Against Above	138	-
(b) Outstanding amount of Bank Guarantees	13,996	14,225
Margin Money deposited against the above	96	402
(c) Excise matters under appeal	3,216	3,177
Amount deposited under protest	230	227
(d) Entry Tax/VAT/Sales/Commercial Tax matters under appeal	150	796
Amount deposited under protest	54	60
(e) Gujrat Green Cess Act 2011	139	139
Deposit Against Above	65	65

**NOTE 36**

Estimated amount of Contracts remaining to be executed on capital account and not provided for (net of advances).

-	2,785
---	-------

**NOTE 37**

In compliance of Accounting Standard-2 IND AS, the Company has provided liability of Excise Duty amounting to **Rs. Nil** (previous year Rs. 248 Lacs) on the stocks of Finished Goods lying at Works.

**NOTE 38**

The Excise Duty **Rs. 359 Lacs** (previous year Rs. 214 Lacs) related to difference between Closing and Opening Stock has been debited in the statement of Profit & Loss separately.

**NOTE 38A**

As per the information available with the Company, the Company has no dues to any supplier as on 31st March, 2018 under the Micro, Small and Medium Enterprise Development Act, 2006 in terms of Notification No. G.S.R. (E) dated 4th September, 2015 issued by the Department of Company Affairs (previous year: Rs. NIL).

**NOTE 39**

The accumulated losses of the company as at 31st March, 2018 are Rs. 5,927 lacs, as per financial statements prepared on going concern basis and paid up share capital of Rs. 62,750 lacs. The company's ability to continue as a going concern is dependent upon the financial support of the Holding Company.

**NOTE 40**

Investment in Preference Shares has been fair valued as on date of acquisition in accordance with Ind AS. The impact of fair valuation from the date of acquisition till date of transition and at each reporting date thereafter has been taken to retained earnings and statement of Profit & Loss respectively.

**NOTE 41**

	2017-18	2016-17
<b>(A) Value of Imports (on CIF basis)</b>		
Stores & Spares	-	350
Coal	-	1
Raw Materials	4,146	3,053
	<u>4,146</u>	<u>3,403</u>
<b>(B) Expenditure in foreign currency (including expenditure during construction period)</b>		
Technical/Engineering Fee	23	7
	<u>23</u>	<u>7</u>

**NOTE 42****Earnings Per Equity Share (EPS) in accordance with Accounting Standards (IND AS - 33)**

Profit/(Loss) after Tax for the year (Rs. In Lacs)	(12,057)	(47,747)
Nominal value per Equity Share (in Rs.)	10.00	10.00
Number of Equity Shares at the beginning of the year	627,500,000	627,500,000
Number of Equity Shares issued during the year	-	-
Number of Equity Shares at the end of the year	627,500,000	627,500,000
Weighted Average No. of Equity Shares	627,500,000	627,500,000
<b>Basic and Diluted Earnings per Share (in Rs.)</b>	(1.92)	(7.61)
<b>Basic &amp; Diluted Earnings Per Share for continuing operation</b>	(1.08)	(3.49)
<b>Basic &amp; Diluted Earnings Per Share for dis continuing operation</b>	(0.81)	(4.17)

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#### Note 43

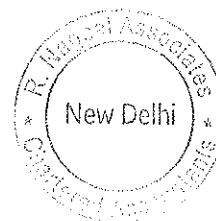
Related Party Disclosures, as required in terms of 'Indian Accounting Standard (IND AS ) - 24' are given below:

(I) **Relationships:**

- (a) **Holding Company:** Jaiprakash Associates Limited.
- (b) **Subsidiary Company:** Jaiprakash Agri Initiatives Company Limited
- (c) **Fellow Subsidiary Companies (including their subsidiaries):**
- (i) Jaypee Infratech Limited.
- (ii) Jaypee Agra Vikas Limited.
- (iii) Jaypee Fertilizers & Industries Limited.
- (iv) Jaypee Cement Hockey (India) Limited
- (v) Jaypee Ganga Infrastructure Corporation Limited.
- (vi) Jaypee Assam Cement Limited
- (vii) Bhilai Jaypee Cement Limited.
- (viii) Gujarat Jaypee Cement & Infrastructure Limited.
- (ix) Himalayan Expressway Limited.
- (x) Jaypee Infrastructure Development Limited
- (xi) Himalayaputra Aviation Limited
- (xii) Jaypee Healthcare Limited (subsidiary of Jaypee Infratech Limited)
- (xiii) Yamuna Expressway Tolling Limited
- (xiv) Jaypee Uttar Bharat Vikas Private Limited.(w.e.f. 26.07.2017)
- (xv) Kanpur Fertilizers & Cement Limited.(w.e.f. 26.07.2017)

(d) **Associate 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) Jaypee International Logistics Company Private Limited (subsidiary of Jaypee Infra Ventures).
- (vi) Andhra Cements Limited. (subsidiary of Jaypee Development Corporation Limited).
- (vii) Tiger Hills Holiday Resort Private Limited (subsidiary of Jaypee Development Corporation Limited).
- (viii) Gaur & Nagi Limited (subsidiary of JIL Information Technology Limited).
- (ix) Ibonshourne Limited (subsidiary of Indesign Enterprises Private Limited)
- (x) RPJ Minerals Private Limited
- (xi) Sarveshwari Stone Products Private Limited (subsidiary of RPJ Minerals Private Limited).
- (xii) Rock Solid Cement Limited (subsidiary of RPJ Minerals Private Limited).
- (xiii) Madhya Pradesh Jaypee Minerals Limited.
- (xiv) MP Jaypee Coal Limited.
- (xv) MP Jaypee Coal Fields Limited.
- (xvi) Sonebhadra Minerals Private Limited.



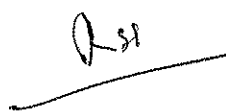
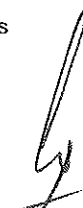

- (xvii) JC World Hospitality Private Limited
- (xviii) Jaiprakash Exports Private. Limited
- (xix) JC Wealth & Investment Private Limited
- (xx) C K World Hospitality Private Limited
- (xxi) Librans Venture Private Limited
- (xxii) Librans Real Estate Private Limited
- (xxiii) Jaypee Hotels Limited
- (xxiv) Ceekay Estates Private Limited
- (xxv) Bhumi Estate Developers Private Limited
- (xxvi) Jaypee Technical Consultants Private Limited
- (xxvii) Think Different Enterprises Private Limited
- (xxviii) Samvridhi Advisors LLP
- (xxix) Kram Infracon Private Limited
- (xxx) Jaypee Jan Sewa Sansthan ['Not for Profit' Private Limited Company]
- (xxxi) First Light Estates Private Limited
- (xxxii) Jaiprakash Power Ventures Limited
- (xxxiii) Jaypee Powergrid Limited (A subsidiary of Jaiprakash Power Ventures Limited)
- (xxxiv) Jaypee Arunachal Power Limited (A subsidiary of Jaiprakash Power Ventures Limited)
- (xxxv) Sangam Power Generation Company Limited (A subsidiary of Jaiprakash Power Ventures Limited)
- (xxxvi) Jaypee Meghalaya Power Limited (A subsidiary of Jaiprakash Power Ventures Limited)
- (xxxvii) Bina Power Supply Limited (A subsidiary of Jaiprakash Power Ventures Limited)
- (xxxviii) Prayagraj Power Generation Company Limited (upto 17.12.2017)
- (xxxix) Sparton Growth Fund Private Limited
- (xxxx) Jaypee Uttar Bharat Vikas Private Limited.(upto 25.07.2017)
- (xxxxi) Kanpur Fertilizers & Cement Limited.(upto 25.07.2017)

**(e) Key Management Personnel**

- (i) Shri Manoj Gaur, Chairman
- (ii) Shri Pankaj Gaur, Director

Note: Related party relationships are as identified by the company and relied upon by the Auditors.

Transactions carried out with related parties referred to above in ordinary course of business

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

(Rs in Lacs)

Nature of Transactions	Referred in (a) above	Referred in (b) above	Referred in (c) above	Referred in (d) above
<b>Receipts</b>				
Sales	23 (49)		4 -	180 (398)
Manpower Supply	1,497 (1,306)	- -	- -	- -
Services	2 -	- -	- -	- -
Rent	960 (960)	- -	- -	- -
<b>Expenditure</b>				
Purchases	3,027 (2,610)	-	- (17)	48 (202)
Other Expenses	702 (2,013)		- -	97 (226)
<b>Outstanding</b>				
Receivable	23,540 -	1,881 (2,162)	426 (424)	267 (2,706)
Payable	- (66,176)	- -	115 -	504 (37)

Previous Year figures are given in brackets

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Financial Instruments and Risk Management

Note No 44

Fair Value Measurement

(i) Financial instruments by category

(Rs. in lacs)

	31st March, 2018		31st March, 2017	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Assets</b>				
Investments				
- Equity Shares	1,668	-	1,668	-
- Preference Shares	5,477	-	5,961	-
Trade Receivables	-	1,226	-	4,270
Loans	-	4,523	-	4,039
Other Financial Assets	-	33,171	-	8,988
Cash and Cash Equivalents	-	1,478	-	2,912
Bank Balance Other than Cash and Cash Equivalents	-	232	-	832
<b>Total Financial Assets</b>	<b>7,145</b>	<b>40,631</b>	<b>7,629</b>	<b>21,041</b>
<b>Financial Liabilities</b>				
Borrowings	-	57,234	-	218,784
Trade Payables	-	4,359	-	77,378
Other Financial Liabilities	-	100,850	-	143,436
<b>Total Financial Liabilities</b>	<b>-</b>	<b>162,442</b>	<b>-</b>	<b>439,598</b>

Fair value hierarchy

The fair value hierarchy of assets and liabilities measured at fair value as on 31st March 2018 are as follows:

(Rs. in lacs)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment at FVTPL				
Equity investment-Unquoted	-	1,668	-	1,668
Preference Shares	-	5,477	-	5,477
<b>Total Financial Assets</b>	<b>-</b>	<b>7,145</b>	<b>-</b>	<b>7,145</b>

The fair value hierarchy of assets and liabilities measured at fair value as on 31st March 2017 are as follows:

(Rs. in lacs)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment at FVTPL				
Equity investment-Unquoted	-	1,668	-	1,668
Preference Shares	-	5,961	-	5,961
<b>Total Financial Assets</b>	<b>-</b>	<b>7,629</b>	<b>-</b>	<b>7,629</b>

Level 1:

This hierarchy includes financial instruments measured using quoted prices. **Not Applicable**

Level 2:

Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case of unlisted equity shares and preference shares. The fair value of preference shares is determined using discounted cash flow analysis.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no significant changes in the classification and no significant movements between the fair value hierarchy classifications of assets and liabilities during FY 2017-18.

(ii) Valuation technique used to determine fair value (Level 1): Not Applicable

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended 31st March, 2018 and 31st March, 2017

(Rs. in lacs)

Particulars	Unquoted Equity Share		Preference Shares	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
As at 1st April	1,668	1,668	5,477	5,961
Gain / (Loss) recognised in profit or loss	-	-	-	-
As at 31st March	1,668	1,668	5,477	5,961



**(iv) Fair value of financial assets and liabilities measured at amortised cost**

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents, bank balances are considered to be the same as their fair values.

The fair value for loans, security deposits are calculated based on cash flows discounted using a current lending rate.

The fair value of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair value in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**Note No 45**

**Financial Risk Management**

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

**(A) Credit Risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

**Credit risk management**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Trade receivables, Loans and Other receivables are typically unsecured. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of the adoption of Ind AS 109, the Company uses ECL model to assess the impairment loss or gain. The Company uses a provision matrix to compute the ECL allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies and the Company's historical experience for customers.

**Credit risk exposure**

The allowance for life time ECL on trade receivables and other receivables for the year ended 31st March, 2018 Rs. 13 lacs and for the year ended 31st March, 2017: Rs. 13 Lacs

Particulars	Trade Receivables		Other Receivables		(Rs. in lacs) Total	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
As at 1st April	13	6	-	-	13	6
Impairment loss recognised	-	7	-	-	-	7
As at 31st March	13	13	-	-	13	13

Credit risk on cash and cash equivalents and bank balances is limited as the Company generally invest in deposits with banks. Investments primarily include investments in unquoted equity shares and Preference Shares.

**(B) Liquidity Risk**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

**(i) Liquidity risk management**

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance lease. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits.

**(ii) Maturity of financial liabilities**

The detail of contractual maturities of significant financial liabilities as on 31st March 2018 are as follows:

Particulars	(Rs. in lacs)		
	Less Than One Year	More than One Year	Total
Borrowings	1,782	57,234	59,016
Trade payables	4,359	-	4,359
Other financing liabilities	3,115	95,953	99,068
Total financial liabilities	9,255	153,187	162,442

The detail of contractual maturities of significant financial liabilities as on 31st March 2017 are as follows:

Particulars	(Rs. in lacs)		
	Less Than One Year	More than One Year	Total
Borrowings	25,320	216,774	242,094
Trade payables	77,378	-	77,378
Other financing liabilities	30,929	87,187	118,116
Total financial liabilities	133,627	303,961	437,588



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### (C) Market Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

#### (i) Foreign Currency Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company is not exposed to foreign exchange risk arising from foreign currency borrowings. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is managed through a forecast of highly probable foreign currency cash flows.

#### Foreign Currency Risk Management

The Company's risk management team is responsible to frame, implement and monitor the risk management plan of the Company. The team carry out risk assessment with regard to foreign exchange variances and suggests risk minimization procedures and implement the same.

#### Foreign Currency Risk Exposure

Foreign Currency Exposure as on 31.03.2018: NIL

The Company does not have any long term contracts including derivative contracts for which there are any material foreseeable losses as at 31st March 2018.

The Company's exposure to foreign currency risk at the end of the reporting period expressed in Rs: NIL

#### Sensitivity Analysis

The sensitivity of profit or loss to changes in the exchange rates from foreign currency denominated financial instruments. - Not Applicable

#### (ii) Interest Rate Risk

The Company's main interest rate risk arises from long term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rate.

#### Interest Rate Risk Management

The Company's risk management team ensures all the current and future material risk exposures are identified, assessed, quantified, appropriately mitigated, minimised, managed and critical risks when impact the achievement of the Company's objective or threatens its existence are periodically reviewed.

#### Sensitivity Analysis

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates.

#### (iii) Price Risk

The price risk for the company is risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

#### Price Risk Management

To manage its price risk arising from investments, the Company diversifies its portfolios. Diversification of the portfolio is done in accordance with the limits set by the Company.

#### Price risk exposure

The Company's exposure to price risk arises from investments held by the Company and classified in the balance sheet as fair value through profit or loss.

### Note No 46

#### Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The objective of the company's capital management is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits other stakeholders and maintain an optimal capital structure to reduce the cost of capital. The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The company monitors capital structure using gearing ratio, which is net debt divided by total equity plus net debt. The company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents excluding discontinued operations.

Particulars	(Rs. in lacs)	
	31.03.2018	31.03.2017
Borrowings	59,016	244,104
Trade payables	4,359	77,378
Other financial liabilities	3,115	30,929
	66,489	352,412
Less: Cash and cash equivalents	(1,478)	(2,912)
(a) Net debt	65,011	349,499
Total Equity	56,823	75,412
(b) Total equity plus net debt	121,834	424,912
Gearing ratio (a/b)	53%	82%

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**NOTE 47**

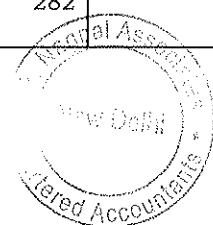
(a) Provident Fund - Defined Contribution Plan:

All employees are entitled to Provident Fund benefits. A sum of **Rs. 200 Lacs** (Previous year Rs. 204 Lacs) has been debited to Statement of Profit & Loss and Incidental Expenditure during Construction Period (IEDC) during the year.

(b) Gratuity and Leave Encashment-Defined Benefit Plans – Provision has been made as per actuarial valuation. Jaiprakash Associates Limited (JAL) (the holding company) has constituted a Gratuity Fund Trust under the name Jaiprakash Associates Employees Gratuity Fund Trust vide Trust Deed dated 30th March, 2009 for JAL and its subsidiaries. SBI Life Insurance Company Limited and ICICI Prudential Life Insurance Company Limited have been appointed for management of the Trust Fund for the benefits of the employees. As a subsidiary of JAL, the company is participating in the Trust Fund by contributing its liability accrued upto the close of each financial year to the Trust Fund:

(Rs in Lacs)

SN	Particulars	FY 2017-18		FY 2016-17	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
I	<b>Expenses recognised in the Statement of Profit and Loss / IEDC for the year ended 31st March, 2018</b>				
	1 Current Service Cost	36	27	49	56
	2 Interest Cost	20	18	42	20
	3 Expected return on plan assets	-	-	-	-
	4 Actuarial (Gains) / Losses	-	27	-	(47)
	5 Net impact on Profit/(Loss) before Tax	56	71	91	29
II	<b>Expenses recognised in the Statement of Other comprehensive income for the year ended 31st March, 2018</b>				
	1 Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-	-	-
	2 Actuarial (Gain)/Loss on arising from Change in Financial Assumption	-	-	-	-
	3 Actuarial (Gain)/Loss on arising from Experience Adjustment	174	33	(302)	(48)
	4 Actuarial (Gain)/Loss for the year on Asset	-	-	-	-
	5 Net impact on other comprehensive income	174	33	(302)	(48)
III	<b>Net Asset/ (Liability) recognised in the Balance Sheet as at 31st March, 2018</b>				
	1 Present Value of Defined Benefit Obligation	282	145	282	233
	2 Fair Value of Plan Assets	(20)	-	2	-
	3 Funded Status [Surplus/ (Deficit)]	(302)	(145)	(280)	(233)
	4 Net Asset/ (Liability)	(302)	(145)	(280)	(233)
IV	<b>Change in Present Value of Obligation during the Year</b>				
	1 Present value of Defined Benefit Obligation at the beginning of the year	282	233	544	255
	2 Liability transferred to other company during the year	(175)	(117)	-	-
	3 Current Service Cost	36	27	49	56
	4 Interest Cost	21	18	44	20
	5 Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-	-	-
	6 Actuarial (Gain)/Loss on arising from Change in Financial Assumption	171	31	(303)	(48)
	7 Actuarial (Gain)/Loss on arising from change in Experience Adjustment	-	-	-	-
	8 Benefit Payments	(54)	(47)	(52)	(50)
	9 Present Value of Defined Benefit Obligation at the end of the year	282	145	282	233



(Rs in Lacs)

SN	Particulars	FY 2017-18		FY 2016-17	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
V	<b>Change in Fair value of Assets during the Year</b>				
	1 Plan Assets at the beginning of the year	2	-	17	-
	2 Expected return on plan assets	-	-	1	-
	3 Actuarial Gains/ (Losses)	-	-	-	-
	4 Contribution by employer	-	-	-	-
	5 Actual Benefit Paid	(21)	-	(16)	-
	6 Plan Assets at the end of the year	(20)	-	2	-
VI	<b>Maturity Profile of Defined Benefit Obligation</b>				
	1 Within the next 12 months (next annual reporting period)	17	14	17	23
	2 Between 2 and 5 years	58	27	60	62
	3 Beyond 5 years	176	105	206	148
	<b>Total</b>	<b>252</b>	<b>145</b>	<b>282</b>	<b>233</b>
VII	<b>Sensitivity Analysis of the defined Benefit Obligations</b>				
	<b>Impact of the change in Discount Rate</b>				
	1 Impact due to increase of 0.50%	(13)	(7)	(13)	(12)
	2 Impact due to decrease of 0.50%	14	8	14	13
	3 Present Value obligation at the end of the Year	282	145	282	233
	<b>Impact of the change in Salary Increase</b>				
	1 Impact due to increase of 0.50%	14	8	15	13
	2 Impact due to decrease of 0.50%	(13)	(7)	(14)	(12)
	3 Present Value obligation at the end of the year	282	145	282	233

**C Actuarial Assumptions****Economic Assumptions**

- (i) Discount Rate  
(ii) Future Salary Increase

7.50% [Previous year 8.00%]

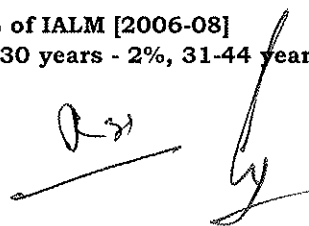
5.00% [Previous year 5.50%]

**Demographic Assumptions**

- (i) Mortality  
(ii) Turnover Rate

100% of IALM [2006-08]

Upto 30 years - 2%, 31-44 years - 5%, Above 44 years - 3%




**NOTE 48**

The Board of Directors of the Company at its meeting held on 31st March, 2016 approved the disinvestment of company's 5 MTPA capacity Integrated Cement plant along with captive power Plant. The said transaction was consummated on 29th June 2017:

(Rs. In Lacs)

Particulars	Discontinuing operations		Continuing Operations		Total	
	Balaji Cement Plant		Other Businesses		2017-18	2016-17
	2017-18	2016-17	2017-18	2016-17		
i Total Revenues	8,357	59,041	18,143	15,654	26,500	74,695
ii Operating Expenses	7,678	51,028	16,974	19,503	24,651	70,531
iii Pre-tax Loss from operating activity	680	8,013	1,169	(3,849)	1,849	4,164
iv Finance Costs	3,206	23,931	13,427	14,293	16,634	38,224
v Depreciation & Amortization	2,579	10,220	4,358	3,768	6,937	13,988
vi Profit (Loss) before tax	(5,106)	(26,138)	(16,616)	(21,910)	(21,722)	(48,048)
vii Deferred Tax	-	-	-	-	-	-
viii Exceptional Item	-	-	9,838	-	9,838	-
ix Profit (Loss) after tax	(5,106)	(26,138)	(6,778)	(21,910)	(11,883)	(48,048)

**Note 49**

There is no separate segment other than Cement and Cement products, which exceeds 10% of segment assets, liabilities, revenues of the company, hence segment reporting is not applicable.

**Note 50**

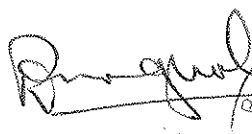
Figures for the previous year have been regrouped/recast/rearranged wherever considered necessary.


**Note 51**

All the figures have been rounded off to the nearest Rs. in Lacs.

As per our report of even date annexed

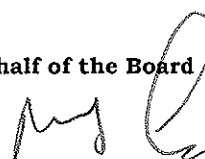
**For R Nagpal Associates**  
Chartered Accountants  
Firm Registration No. 002626N

  
**Ravinder Nagpal**  
Partner  
M.No. 081594



Place: Noida  
Dated: 16th May, 2018

**For and on behalf of the Board**

  
**Manoj Gaur**  
Chairman  
DIN: 00008480

  
**Aloke Gaur**  
Director  
DIN: 00112520

  
**R S Kuchhal**  
Company Secretary

Registered office: Sector, 128, Noida - 201304

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018**

(Rs. in Lacs)

PARTICULARS		2017-18	2016-17
<b>(A) Cash flow from Operating Activities:</b>			
Profit / (Loss) before Tax as per statement of Profit and Loss		(18,416)	(48,048)
Profit / (Loss) for the year	(11,883)		
Add: Profit on Demerger	54,023		
Less: Amortisation of Good will	60,555		
Other Comprehensive Income		(174)	301
<b>Add Back:</b>			
(a) Finance Costs		16,634	38,224
(b) Depreciation & Ammortisation		6,937	13,988
		23,570	52,212
<b>Deduct</b>			
Interest Income		232	188
		232	188
Operating Profit before working Capital Changes		4,749	4,277
<b>Change in Working Capital</b>			
<b>Deduct</b>			
(a) Decrease in Trade Payable		73,020	36,382
(b) Increase / (Decrease) in Trade Receivables		(3,046)	(5,353)
(c) Increase / (Decrease) in Loans & Advances		485	432
(d) Increase / (Decrease) in prepaid exps & income tax deducted at source		36	(297)
(e) Increase / (Decrease) in Current Liabilities		7,174	576
(f) Increase / (Decrease) in Long term Liabilities		(8,835)	(8,198)
(g) Increase / (Decrease) in other Current & Non Current Assets		(2,980)	(4,541)
		65,854	19,001
<b>Add</b>			
(a) Decrease in Inventories		3,250	2,497
(b) Increase in Short Term Borrowings		(49,942)	29,997
(c) Increase in Provisions		(80)	(281)
		(46,772)	32,213
<b>Cash Generated from Operations</b>		(107,878)	17,489
<b>Deduct</b>			
Tax paid		-	-
<b>Net Cash flow from Operating Activities</b>		(107,878)	17,489
<b>(B) Cash flow from Investing Activities:</b>			
<b>Inflow</b>			
(a) Interest Income		232	188
(b) Decrease in Capital Advances		(507)	336
(c) Decrease in Investment		475	433
		200	957
<b>Outflow</b>			
(a) Purchases/ Constructions of Fixed Assests (Inclusive of Capital Work-in-progress)		(306,502)	4,329
(b) Deposits with Banks		(858)	595
		(307,360)	4,924
<b>Net Cash flow from Investing Activities</b>		307,560	(3,967)
<b>(C) Cash flow from Financing Activities:</b>			
<b>Inflow:</b>			
Increase / (Decrease) in LongTerm Borrowings		(160,035)	(6,957)
		(160,035)	(6,957)
<b>Outflow:</b>			
(a) Finance Costs		16,634	38,224
(b) Increase in Other Financial Assets		24,449	(25,241)
		41,083	12,983
<b>Cash flow from Financing Activities</b>		(201,118)	(19,940)
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>		(1,434)	(6,418)
<b>Cash and Cash Equivalents at the beginning of the year (Opening balance)</b>		2,912	9,331
<b>Cash and Cash Equivalents at the end of the year (Closing balance)</b>		1,478	2,912

For R. Nagpal Associates  
Chartered Accountants  
Firm Registration No. 002626N

Ravinder Nagpal  
Partner  
M.No. 081594



For and on behalf of the Board

*[Signature]*  
Manoj Gaur  
Chairman  
DIN: 00008480

*[Signature]*  
Alok Gaur  
Director  
DIN: 00112520

*[Signature]*  
R S Kuchhal  
Company Secretary

Registered office: Sector, 128, Noida - 201304

Place: Noida  
Dated: 16th May, 2018

**Jaypee Cement Corporation Limited**

**Statement of Changes in Equity for the year ended 31st March,2018**

**A. Equity Share Capital**

(Rs. in lacs)

Particulars	No. of Shares	Amount
<b>As at 1st April, 2016</b>	<b>627,500,000</b>	<b>62,750</b>
Changes in the Equity Share Capital during the year	-	-
<b>As at 1st April, 2017</b>	<b>627,500,000</b>	<b>62,750</b>
Changes in the Equity Share Capital during the year	-	-
<b>As at 31st March, 2018</b>	<b>627,500,000</b>	<b>62,750</b>

**B. Other Equity**

(Rs. in lacs)

Particulars	Reserves and surplus	Other items of other comprehensive income	Total
	Retained earnings		
<b>Balance at the beginning of the year 01.04.2016</b>	<b>60,409</b>	-	<b>60,409</b>
Total comprehensive income/(loss) for the year	(47,747)	-	(47,747)
<b>Balance at the beginning of the year 01.04.2017</b>	<b>12,662</b>	-	<b>12,662</b>
Total comprehensive income/(loss) for the year	(18,589)	-	(18,589)
<b>Balance at the end of year 31.03.2018</b>	<b>(5,927)</b>	-	<b>(5,927)</b>

As per our report attached.

**For R. Nagpal Associates**  
Chartered Accountants  
Firm Registration No. 002626N

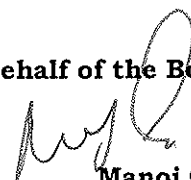


**Ravinder Nagpal**  
Partner  
M.No. 081594



Place: Noida  
Dated: 16th May, 2018

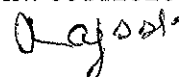
**For and on behalf of the Board**



**Manoj Gaur**  
Chairman  
DIN: 00008480



**Manoj Gaur**  
Director  
DIN: 00112520



**R S Kuchhal**

Company Secretary

Registered office: Sector, 128, Noida - 201304