



Independent Auditor's Report

To the Members of
JAIPRAKASH AGRI INITIATIVES COMPANY LIMITED

Opinion

We have audited the accompanying financial statements of **JAIPRAKASH AGRI INITIATIVES COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss, Statement of changes in equity and Statement of cash flows for the year ended 31st March 2021, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March 2021, and its loss, changes in equity, and its cash flows for the year ended 31st March 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for the 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Emphasis of Matters

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

Note No.36 in the financial statements which indicate that the company has accumulated losses which has fully eroded its Net worth and the company has incurred cash loss during the current year and previous year(s) and the company current liabilities have exceeded its current assets at the balance sheet date. These conditions, along with other matters set forth in Note No. 36; indicate the existence of a material uncertainty that may cast significant doubt about the company ability to continue as a going concern. However, 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, 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 financial statements comply with the Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) We Report that there is no Company Secretary and Chief Financial Officer as on 31.03.2021 as required by section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- g) 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.
- h) 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 financial statements-Refer Note 25 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, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Sharma Vats & Associates
Chartered Accountants
Firm Registration No. 031486N



(CA MANOJ VATS)
Partner
M.No.-527922
Place- Delhi
Date- 11.06.2021
UDIN- 21527922AAAACV6051



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 **JAIPRAKASH AGRICULTURAL INITIATIVES COMPANY LIMITED** (“the Company”) as of March 31, 2021 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.

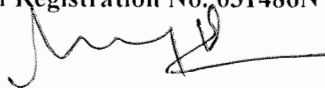
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, 2021, 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 Sharma Vats & Associates
Chartered Accountants
Firm Registration No. 031486N



(CA MANOJ VATS)
Partner
M.No.-527922
Place- Delhi
Date- 11.06.2021
UDIN- 21527922AAAACV6051



ANNEXURE 'B' referred to in paragraph 2 of our report of even date to the members of JAIPRAKASH AGRI INITIATIVES COMPANY LIMITED on the accounts of the Company for the year ended 31st March 2021.

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) The title deeds of immovable properties are held in the name of the company, except in the following cases

Land measuring 8 acres amounting to Rs. 32,65,570 at Distt Rewa Madhya Pradesh is yet to be transferred in the name of the company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year. No material discrepancies were noticed on physical verification carried out at the end of the year.

- (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, the company has not given any loans, made investments, given guarantees, and security, hence Clause 3(iv) of the Order is not applicable.

- (v) The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.

- (vi) In our opinion Clause (vi) of Para 3 of the Order relating to cost accounting records is not applicable during the period under report.

- (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, Income-tax etc, and other material statutory dues applicable to it with the appropriate authorities, and there were no arrears of such dues at the end of the year which have remained outstanding for a period of more than six months from the date they became payable.

(b) As per records produced before us and according to the information and explanations given to us there are no dues of Income-tax, Sales-tax, 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
Commercial Tax	F.Y 2011-2012	Addl. Commr. Commercial Taxes, Jabalpur	10,46,80,131/-
Commercial Tax	F.Y 2012-2013	Addl. Commr. Commercial Taxes, Jabalpur	1,99,55,649/-

- (viii) *During the year the company has defaulted in repayment of Principal and interest to Banks and Financial institution, wherein the period of delay ranges from 16 days to 990 Days.*

As per Information and records produced before us details of Overdue Interest on borrowings amounting to Rs. 1668.73 Lacs reflected in Note No 17 to the financial statements "Other Financial liabilities" which was outstanding as at 31st March 2021 is given below

<u>Name of Banks/Financial Institution/Others</u>	<u>Range Period</u>	<u>Amount in Rs. Lacs</u>
IFCI Limited	August, 2018 to March, 2021	1668.73

As per Information and records produced before us details of Overdue Principal Repayment of borrowings amounting to Rs.2088.10 Lacs reflected in Note No. 17 which was outstanding as at 31st March 2021 is given below

<u>Name of Banks/Financial Institution/Others</u>	<u>Range Period</u>	<u>Amount in Rs. Lacs</u>
IFCI Limited	July, 2018 to March, 2021	2088.10

- (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 not paid any managerial remuneration hence Clause 3(xi) of the Order is not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order 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(xiv) of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not 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 Order 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 Order are not applicable to the Company.

For Sharma Vats & Associates
Chartered Accountants
Firm Registration No. 031486N



(CA MANOJ VATS)
Partner

M.No.-527922

Place- Delhi

Date- 11.06.2021

UDIN- 21527922AAAACV6051



Jaiprakash Agri Initiatives Company Limited

Balance Sheet as at 31st March, 2021

			(In Rupees)
	NOTE	AS AT 31.03.2021	AS AT 31.03.2020
ASSETS			
[A] NON CURRENT ASSETS			
(a) Property, Plant and Equipment	3	434,890,037	476,285,239
(b) Capital Work-in-Progress		-	-
(c) Financial Assets			
(i) Loans		-	-
(ii) Other Financial Assets	4	837,506	707,877
(d) Deferred Tax Assets [Net]		-	-
(e) Other Non-Current Assets	5	164,587	164,587
		<u>435,892,130</u>	<u>477,157,703</u>
[B] CURRENT ASSETS			
(a) Inventories	6	8,168,296	13,328,132
(b) Financial Assets			
(i) Trade Receivables	7	555,866	555,866
(ii) Cash and Cash Equivalents	8	4,665,811	3,466,475
(iii) Bank Balances other than (iii) above	9	3,943,266	4,447,154
(iv) Other Financial Assets	10	1,889	527
(c) Current Tax Assets [Net]	11	531,545	563,984
(d) Other Current Assets	12	42,110,289	42,110,288
		<u>59,976,962</u>	<u>64,472,426</u>
TOTAL ASSETS		<u><u>495,869,092</u></u>	<u><u>541,630,129</u></u>
EQUITY AND LIABILITIES			
[A] EQUITY			
(a) Equity Share Capital	13	551,000,000	551,000,000
(b) Other Equity	14	<u>(1,643,968,043)</u>	<u>(1,454,886,516)</u>
		<u>(1,092,968,043)</u>	<u>(903,886,516)</u>
[B] LIABILITIES			
[1] NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables		-	-
(iii) Other Financial Liabilities	16	635,518,078	567,426,856
(b) Provisions		-	-
(c) Deferred Tax Liabilities [Net]		-	-
(d) Other Non-Current Liabilities		-	-
		<u>635,518,078</u>	<u>567,426,856</u>
[2] CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade Payables	17	20,661,271	20,660,646
(ii) Other Financial Liabilities	18	932,648,336	856,838,523
(b) Other Current Liabilities	19	9,450	590,620
(c) Provisions		-	-
(d) Current Tax Liabilities [Net]		-	-
		<u>953,319,057</u>	<u>878,089,789</u>
TOTAL EQUITY AND LIABILITIES		<u><u>495,869,092</u></u>	<u><u>541,630,129</u></u>

Summary of significant Accounting Policies. 2
The Note nos. 1 to 39 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 Sharma Vats & Associates
Chartered Accountants
Firm Registration No. 031486N

Manoj Vats
Partner
M.No. 527922



Mukesh Gupta
Chief Financial Officer

Alok Gaur
Director
DIN 00112520

R.K.Singh
Director
DIN 01859229

Place : New Delhi
Date : 11th June, 2021

Statement of Profit & Loss for the year ended 31st March, 2021

PARTICULARS	NOTE No.	(In Rupees)	
		2020-21	2019-20
Revenue From Operations		-	-
Other Income	20	284,986	543,241
TOTAL INCOME		284,986	543,241
Expenses:			
Employee Benefits Expenses	21	-	329,267
Finance Costs	22	141,940,003	129,918,190
Depreciation & Ammortization Expenses	23	41,395,203	41,546,931
Other Expenses	24	871,472	821,850
Total Expenses		184,206,678	172,616,238
Profit/(Loss) before exceptional items and tax		(183,921,692)	(172,072,997)
Exceptional Items		-	-
Loss due to Impairment	25	5,159,836	-
Profit/(Loss) before tax		(189,081,528)	(172,072,997)
Tax Expense:			
Current Tax		-	-
Deferred Tax		-	-
Profit/(Loss) for the year after tax		(189,081,528)	(172,072,997)
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		(189,081,528)	(172,072,997)
Earning per equity share	35		
Basic (In Rs.)		(3.43)	(3.12)
Diluted (In Rs.)		(3.43)	(3.12)
Summary of significant Accounting Policies.	2		
The Note nos. 1 to 39 are integral part of the Financial Statements			

For and on behalf of the Board

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

For Sharma Vats & Associates

Chartered Accountants
Firm Registration No.031486N



Manoj Vats
Partner
M.No. 527922





Mukesh Gupta
Chief Financial Officer

Alok Gaur
Director
DIN-00112520

R.K.Singh
Director
DIN 01859229

Place : New Delhi
Date : 11th June, 2021

Regd Office - Sector 128, Noida - 201304

Company Overview and Significant Accounting Policies

1. Company Overview

Jaiprakash Agri Initiative Company Limited, a wholly owned subsidiary of Jaypee Cement Corporation Limited, incorporated on 17.04.2008, had set up a Soya and Mustard processing plant at Rewa, Madhya Pradesh. The production activities have been kept in abeyance w.e.f. 01.02.2013.

2. Significant Accounting Policies

(a) Basis of Preparation of financial statements:-

These 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 values, 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.

(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.

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. 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.

Dividends

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



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(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 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.

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 assets 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.



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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 5 years.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are 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.



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(f) Foreign Exchange Transactions

The Company's financial statements are presented in INR, which is also its 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 OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(g) Inventories

Inventories are valued at the lower of cost and net realisable value.

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, stock of food and beverages, 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 is ceased to capitalise 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.



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(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.

Re measurements, 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 OCI in the period in which they occur. Re measurements are not reclassified to profit or loss in subsequent periods.

(j) Leases

Finance lease

Leases of property, plant and equipment are classified as finance leases where the lessor has substantially transferred all the risks and rewards of ownership to the Company.

Operating lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Indian Accounting Standard (Ind AS) 116, Leases, was notified as part of the Companies (Indian Accounting Standards) (Amendment) Rules, 2019, issued by the Ministry of Corporate Affairs, Government of India, vide notification dated March 30, 2019. These Rules came into force w.e.f. April 1, 2019. Accordingly, Ind AS 116, comes into effect in respect of annual reporting periods beginning on or after 1st April, 2019. The same is not applicable to the company.

(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.



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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 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.

(I) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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.



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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 Liabilities/ Contingent Assets

Contingent Liabilities are not recognized but are disclosed in the notes unless the possibility of an outflow of resources embodying economic benefits is remote.

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

Contingent liability and contingent assets are reviewed at each reporting date.

(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 recovered 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 in India, 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 recognized 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.



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(q) 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:

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

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 — 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.



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(r) 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.

(s) 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 when:

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



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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 FVTOCI

iii. Lease receivables under Ind AS 116

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 115

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 116

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 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 is recognized 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.



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Financial liabilities

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 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.



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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.



NOTE 3- Property, Plant and Equipment

(In Rs.)

Particulars	Free Hold Land	Buildings	Plant & Machinery	Furniture & Fittings	Office Equipments	Vehicles	Computers	Total
Cost or deemed cost								
Gross Block								
As at 1st April, 2019	5,416,005	333,292,037	886,776,577	6,453,611	10,209,731	2,501,277	11,774,381	1,256,423,619
Additions	-	-	-	-	-	-	-	-
As at 31st March, 2020	5,416,005	333,292,037	886,776,577	6,453,611	10,209,731	2,501,277	11,774,381	1,256,423,619
Additions	-	-	-	-	-	-	-	-
As at 31st March, 2021	5,416,005	333,292,037	886,776,577	6,453,611	10,209,731	2,501,277	11,774,381	1,256,423,619
Depreciation								
As at 1st April, 2019	-	77,887,047	633,150,699	5,450,186	8,669,879	2,246,717	11,186,920	738,591,449
Charge for the year	-	10,696,357	29,944,922	338,674	437,481	129,496	-	41,546,931
Other adjustments - Due to Impairment	-	-	-	-	-	-	-	-
As at 31st March, 2020	-	88,583,404	663,095,622	5,788,861	9,107,360	2,376,213	11,186,920	780,138,380
Charge for the year	-	10,696,359	29,944,746	326,544	427,554	-	-	41,395,203
Other adjustments - Due to Impairment	-	-	-	-	-	-	-	-
As at 31st March, 2021	-	99,279,763	693,040,368	6,115,404	9,534,914	2,376,213	11,186,920	821,533,582
Net Block(As at 31st March, 2019)	5,416,005	255,404,990	253,625,878	1,003,425	1,539,852	254,560	587,461	517,832,170
Net Block(As at 31st March, 2020)	5,416,005	244,708,633	223,680,955	664,751	1,102,371	125,064	587,461	476,285,239
Net Block(As at 31st March, 2021)	5,416,005	234,012,274	193,736,209	338,207	674,817	125,064	587,461	434,890,037

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ASSETS

(In Rs.)

AS AT 31.03.2021

AS AT 31.03.2020

NON-CURRENT ASSETS**NOTE 4****OTHER FINANCIAL ASSETS**Term Deposits with Banks (Pledged with Government Departments)
(maturity more than 12 months)

837,185

707,289

Interest accrued on Fixed Deposits & others

321

588

837,506

707,877

NOTE 5**OTHER NON-CURRENT ASSETS**

Claims and Refund Receivables - From Govt. Departments

164,587

164,587

164,587

164,587

CURRENT ASSETS**NOTE 6****INVENTORIES**

a) Raw Materials

3,500,064

6,307,547

b) Stores & Spare Parts

4,668,232

7,020,585

8,168,296

13,328,132

NOTE 7**TRADE RECEIVABLES**

Trade Receivables (Unsecured, considered good)-others

442,319

442,319

Related Party

113,547

113,547

555,866

555,866

NOTE 8**CASH AND CASH EQUIVALENTS**

a) Balance with Scheduled Banks

In Current Accounts in INR

4,031,009

3,464,718

b) Cash on hand

-

1,757

c) Term Deposits with maturity less than 3 months

634,802

-

* Pledged as security deposit

4,665,811

3,466,475

NOTE 9**BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

Term Deposits with Banks (with maturity less than 12 months)

3,943,266

4,447,154

Pledged as Security Deposits Rs. Nil (Previous Year Rs. 6,72,162/-)

3,943,266

4,447,154

NOTE 10**OTHER CURRENT FINANCIAL ASSETS**

Interest accrued on Fixed Deposits & others

1,889

527

1,889

527

NOTE 11**CURRENT TAX ASSETS [NET]**

Advance Tax & Tax Deducted At source

531,545

563,984

531,545

563,984

NOTE 12**OTHER CURRENT ASSETS**

a) Claims and Refunds Receivable (from Govt.)

41,548,000

41,548,000

b) Prepaid Expenses

555,739

555,738

c) Security Deposits

6,550

6,550

42,110,289

42,110,288



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EQUITY AND LIABILITIES

(In Rs.)

EQUITY

AS AT 31.03.2021

AS AT 31.03.2020

NOTE 13**EQUITY SHARE CAPITAL****Authorised**

10,00,00,000 Equity Shares of Rs. 10/- each fully paid up (Previous year 10,00,00,000)

1,000,000,000

1,000,000,000

1,000,000,000

1,000,000,000

Issued, Subscribed and Paid-up

5,51,00,000 Equity Shares of Rs. 10/- each fully paid up (Previous year 5,51,00,000)

551,000,000

551,000,000

551,000,000

551,000,000

NOTE 13.1: Reconciliation of the number of Equity shares outstanding

Particulars	31st March, 2021	31st March, 2020
	Number	Number
Equity shares of Rs 10/- each		
Shares outstanding at the beginning of the year	55,100,000	55,100,000
Shares issued during the year	-	-
Shares outstanding at the end of the year	55,100,000	55,100,000
	(Amount in Rs.)	(Amount in Rs.)
Shares outstanding at the beginning of the year	551,000,000	551,000,000
Shares issued during the year	-	-
Shares outstanding at the end of the year	551,000,000	551,000,000

NOTE 13.2: 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 13.3 The shares held by the holding company

Name of the shareholder	31st March, 2021	31st March, 2020
	Number of shares held	Number of shares held
Equity Shares of Rs. 10/- each		
Jaypee Cement Corporation Limited, the holding company	55,100,000	55,100,000

NOTE 13.4 The shares held by the shareholders more than 5% of the aggregate shares in the company.

Name of Shareholder	31st March, 2021	31st March, 2020
	No. of shares held	No. of shares held
Equity shares of Rs 10/- each		
Jaypee Cement Corporation Limited (inclusive of shares held by nominee shareholders)	55,100,000	55,100,000
	% of holding	% of holding
	100%	100%

NOTE 13.5 Other clauses of Share Capital are not applicable to the company.**NOTE 14 - OTHER EQUITY**

Reserve and Surplus

Equity Component of Preference Shares

256,675,093

256,675,093

Opening Balance

(1,711,561,609)

(1,539,488,612)

Profit / (Loss) for the year

(189,081,528)

(172,072,997)

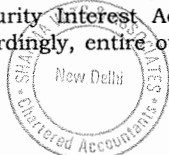
(1,643,968,043)

(1,454,886,516)

NOTE 15**BORROWINGS**

Financial assistance of Rs.30,82,23,468/- from IFCI Ltd. (previous year Rs.31,42,23,468/-) together with all interest, other charges, dues & costs payable to the Lenders under the Agreement & Financing documents are secured / to be secured by first pari-passu mortgage and hypothecation of all immovable properties / assets, movables pertaining to the Project (both present and future) and collaterally secured by 2nd charge on Current Assets i.e. Book debts, operating cash flows, receivables, commissions, revenues and any nature whatsoever arising, intangibles, goodwill, uncalled capital (present and future).

Notice dated 12.04.2019 received from IFCI Ltd, U/S 13(2) of Chapter III of "The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002" to recover entire principal amount of loan together with interest outstanding on 31.03.2019. Accordingly, entire outstanding of Term Loan of IFCI has been considered under the head Current Liability as per IND AS 10.



Terms of repayment: Loan from IFCI Ltd - Repayable in 16 quarterly instalments after the moratorium period of 2 years (Door to door tenure of 6 years from date of 1st disbursement which is 31.03.2016)

NOTE 16

(In Rs.)

OTHER FINANCIAL LIABILITIES

Unsecured Loan (Liability Component of Preference Shares)

AS AT 31.03.2021	AS AT 31.03.2020
635,518,078	567,426,856
635,518,078	567,426,856

NOTE 17

TRADE PAYABLES

Sundry Creditors
Small Scale Industrial Undertakings
Others

-	-
20,661,271	20,660,646
20,661,271	20,660,646

NOTE 18

OTHER FINANCIAL LIABILITIES

Current maturities of Long term Debt
Interest accrued and due
Interest accrued but not due
Credit Balance with schedule Banks - Overdraft
Other Payables
--- Others
--- Due to Related Party

308,193,643	313,959,375
166,872,966	93,929,825
3,739,208	3,076,697
-	18,717,010
9,263	7,520
453,833,256	427,148,096
932,648,336	856,838,523

NOTE 19

OTHER CURRENT LIABILITIES

TDS Payable

9,450	590,620
9,450	590,620

NOTE 20

OTHER INCOME

Interest
Excess Provision Written Back

2020-21	2019-20
284,986	536,715
-	6,526
284,986	543,241

NOTE 21

Employee Benefits Expenses

Salaries & other benefits
Contribution to Provident Fund

-	310,343
-	18,924
-	329,267

NOTE 22

Finance Cost

Interest on Term Loans
Interest on Liability component of Preference Shares

73,848,780	69,122,455
68,091,223	60,795,735
141,940,003	129,918,190

NOTE 23

Depreciation and Ammortization Expenses

Depreciation

41,395,203	41,546,931
41,395,203	41,546,931

NOTE 24

Other Expenses

Rates & Taxes
Insurance
Travelling & Conveyance
Legal & Professional Charges
Miscellaneous Expenses
Auditors' Remuneration
Audit Fee
Certification Charges

16,864	8,666
606,259	507,671
3,500	8,407
201,799	249,105
6,470	11,421
29,500	29,500
7,080	7,080
871,472	821,850

NOTE 25

Loss due to Impairment

Inventories/Raw Material

5,159,836	-
5,159,836	-



(Handwritten signatures)

NOTE 26**Contingent Liabilities not provided for :**Entry Tax Matters under Appeal **Rs.16,61,83,780/-** (Previous year -Rs.16,61,83,780/-)Amount Deposited under Protest **Rs.4,15,48,000/-** (Previous year - Rs.4,15,48,000/-)**NOTE 27**

The Disclosure as required in terms of Notification No. G.S.R. 679 (E) dated 4th September, 2015 issued by the Ministry of Corporate Affairs read with notification dated 22nd January 2019 (As certified by the Management):

(Amount in Rs.)			
Sl. No.	Particulars	31st March, 2021	31st March, 2020
a)	The principal amount and interest due thereon remaining unpaid to any supplier		
	- Principal	-	-
	- Interest	-	-
b)	The amount of Interest paid by the buyer in terms of section 16 of the Micro, Small, and Medium Enterprises Development Act, 2006 along with the amount of payment made to the supplier beyond the appointed day.	-	-
c)	The amount of Interest due & payable for the year of delay in making payment(which have been paid beyond the appointed date during year)but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d)	The amount of Interest accrued & remaining unpaid.	-	-
e)	The amount of further Interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006	-	-

NOTE 28**Deferred Tax Liabilities (net)**

(Amount in Rs.)			
Particulars		31st March, 2021	31st March, 2020
(a) Deferred tax Liability			
On account of depreciation		42,063,307	42,335,059
		42,063,307	42,335,059
(b) Deferred tax Assets			
On account of Income Tax loss		377,294,429	559,870,556
		377,294,429	559,870,556
Total (a-b)		(335,231,122)	(517,535,497)

Note : Deferred tax Assets **Rs. 33,52,31,122/-** (Previous year Rs. 51,75,35,497/-) has not been recognised for the carry forward of unused tax losses and unused tax credits as it is not probable that future taxable profit will be available against which such unused tax losses and unused tax credits can be utilised.

NOTE - 29 - Related Party Disclosures, as required in terms of "Indian Accounting Standard [IND AS] -24" are given below:

I - Relationships:

a) Holding Companies:

- 1 Jaypee Cement Corporation Limited
- 2 Jaiprakash Associates Limited, (Holding company of Jaypee Cement Corporation Limited)

b) Fellow Subsidiary Companies [including their subsidiaries]:

- 1 Jaypee Infratech Limited.
- 2 Jaypee Fertilizers & Industries Limited.
- 3 Jaypee Cement Hockey (India) Limited



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- 4 Jaypee Ganga Infrastructure Corporation Limited.
- 5 Jaypee Assam Cement Limited
- 6 Bhilai Jaypee Cement Limited.
- 7 Gujarat Jaypee Cement & Infrastructure Limited.
- 8 Himalayan Expressway Limited.
- 9 Jaypee Infrastructure Development Limited
- 10 Himalayaputra Aviation Limited
- 11 Jaypee Healthcare Limited (subsidiary of Jaypee Infratech Limited)
- 12 Jaypee Agra Vikas Limited
- 13 Yamuna Expressway Tolling Limited
- 14 Jaypee Uttar Bharat Vikas Private Limited
- 15 Kanpur Fertilizers & Cement Limited
- c) Associate Companies:**
- 1 Jaiprakash Power Ventures Limited
- 2 Jaypee Powergrid Limited (A subsidiary of Jaiprakash Power Ventures Limited) (upto 25.03.2021)
- 3 Jaypee Arunachal Power Limited (A subsidiary of Jaiprakash Power Ventures Limited)
- 4 Sangam Power Generation Company Limited (A subsidiary of Jaiprakash Power Ventures Limited)
- 5 Jaypee Meghalaya Power Limited (A subsidiary of Jaiprakash Power Ventures Limited)
- 6 Bina Power Supply Limited (A subsidiary of Jaiprakash Power Ventures Limited)
- 7 Jaypee Infra Ventures Private Limited
- 8 Mahabhadra Constructions Limited (w.e.f. 21.04.2020) (Formerly Jaypee Development Corporation Limited) (subsidiary of Jaypee Infra Ventures Private Limited)
- 9 Andhra Cements Limited (subsidiary of Mahabhadra Constructions Limited)
- 10 JIL Information Technology Limited (subsidiary of Jaypee Infra Ventures Private Limited)
- 11 Gaur & Nagi Limited (subsidiary of JIL Information Technology Limited)
- 12 Indesign Enterprises Private Limited (subsidiary of Jaypee Infra Ventures Private Limited)
- 13 Madhya Pradesh Jaypee Minerals Limited
- 14 MP Jaypee Coal Fields Limited
- 15 MP Jaypee Coal Limited
- 16 RPJ Minerals Private Limited
- 17 Rock Solid Cement Limited (subsidiary of RPJ Minerals Private Limited)
- 18 Sarveshwari Stone Products Private Limited (subsidiary of RPJ Minerals Private Limited)
- 19 Sonebhadra Minerals Private Limited
- 20 Tiger Hills Holiday Resort Private Limited (subsidiary of Mahabhadra Constructions Limited)
- 21 Ibonshourne Limited (subsidiary of Indesign Enterprises Private Limited)
- 22 Jaypee Hotels Limited
- 23 Jaypee Technical Consultants Private Limited
- 24 Ceekay Estates Private Limited
- 25 Jaiprakash Exports Private Limited
- 26 Bhumi Estate Developers Private Limited
- 27 Jaypee Jan Sewa Sansthan ('Not For Profit' Private Limited Company)
- 28 JC World Hospitality Private Limited
- 29 JC Wealth & Investments Private Limited
- 30 CK World Hospitality Private Limited
- 31 Librans Venture Private Limited
- 32 Think Different Enterprises Private Limited
- 33 Samvridhi Advisors LLP
- 34 Kram Infracon Private Limited (upto 30.09.2020)
- 35 First Light Estates Private Limited



- 36 AVU Enterprises Private Limited
- 37 Dixit Holdings Private Limited
- 38 iValue Advisors Private Limited
- 39 Kenbee Consultants LLP

d) Key Management Personnel :

- 1 Shri Alok Gaur
- 2 Smt. Urvashi Gaur
- 3 Shri R.K.Singh
- 4 Shri S K Thakral, CFO (upto 12.05.2020)

e) Key Management Personnel of holding companies:

- 1 Shri Jaiprakash Gaur, Director
- 2 Shri Manoj Gaur, Executive Chairman & CEO
- 3 Shri Sunil Kumar Sharma, Executive Vice Chairman
- 4 Shri Raj Narayan Bhardwaj, Independent Director
- 5 Ms. Homai A. Daruwalla, Independent Director
- 6 Shri Kailash Nath Bhandari, Independent Director
- 7 Shri Satish Charan Kumar Patne, Independent Director
- 8 Shri Keshav Prasad Rau, Independent Director
- 9 Shri Tilak Raj Kakkar, Independent Director
- 10 Shri Ravindra Kumar Singh (w.e.f. 23.12.2020)
- 11 Shri Sunny Gaur, Managing Director (Cement) (upto 04.07.2020)
- 12 Shri Pankaj Gaur, Managing Director (Construction)
- 13 Shri Ranvijay Singh, Whole-time Director
- 14 Shri Naveen Kumar Singh, Director
- 15 Shri Alok Gaur, Director
- 16 Shri R.B.Singh, Director
- 17 Shri M.N.Jha, Director
- 18 Smt Raina Dora, Director (w.e.f. 23.01.2021)
- 19 Shri R.S.Kuchhal, Company Secretary

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

(Amount in Rs.)

Nature of Transactions	Referred in (a) above
Advance received	26,685,160 (71,435,899)
Outstanding	
Receivable	113,547 (113,547)
Payable	453,833,256 (427,148,096)

Previous year figures are given in brackets

NOTE 30

The accumulated losses of the company as at 31st March, 2021 amounting to Rs. 164,39,68,043/-, as per financial statements prepared on going concern basis are more than the issued and paid up share capital of Rs. 55,10,00,000/- of the company and thus eroded the net worth of company to negative. The company's ability to continue as a going concern is dependent upon the continuing financial support of the ultimate Holding Company (Previous year: Rs. 145,48,86,516/-).

NOTE 31

Provident Fund - Defined Contribution Plan & Provision for Gratuity and Leave Encashment :

(a) Provident Fund - Defined Contribution Plan:

All employees are entitled to Provident Fund benefits. A sum of Rs.NIL (Previous year Rs.13,387/-) has been debited to Statement of Profit & Loss.

(b) As there were no employees at the end of current year, provision for leave encashment and gratuity has not been made.



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Financial Instruments and Risk Management

NOTE 32

Fair Value Measurement

(i) Financial instruments by category

(In Rs.)

	31.03.2021		31.03.2020	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Trade Receivables	-	555,866	-	555,866
Other Financial Assets	-	839,395	-	708,404
Cash and Cash Equivalents	-	4,665,811	-	3,466,475
Bank Balance Other than Cash and Cash Equivalents	-	3,943,266	-	4,447,154
Total Financial Assets	-	10,004,338	-	9,177,898
Financial Liabilities				
Other Financial Liabilities	-	635,518,078	-	567,426,856
Trade Payables	-	20,661,271	-	20,660,646
Other Financial Liabilities (Current)	-	932,648,336	-	856,838,523
Total Financial Liabilities	-	1,588,827,685	-	1,444,926,025

Fair value hierarchy

The fair value hierarchy of assets and liabilities measured at fair value as on 31 March 2021 are as follows: **Not Applicable**

NOTE 33

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. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(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 March 31, 2021 and for the year ended March 31, 2020 are NIL.

Credit risk on cash and cash equivalents and bank balances is limited as the Company generally invest in deposits with bank. Investments primarily include investments in liquid mutual fund units, quoted and unquoted equity shares, preference shares and quoted bonds.

(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, debentures, bonds 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 and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

(ii) Maturity of financial liabilities

The detail of contractual maturities of significant financial liabilities as on 31 March 2021 are as follows:

(In Rs.)

Particulars	Less than one year	More than one year	Total
Financial Liabilities	308,193,643	635,518,078	943,711,721
Trade payables	625	20,660,646	20,661,271
Other financial liabilities	624,454,693	-	624,454,693
Total financial liabilities	932,648,961	656,178,724	1,588,827,685

The detail of contractual maturities of significant financial liabilities as on 31 March 2020 are as follows:

(In Rs.)

Particulars	Less than one year	More than one year	Total
Borrowings	313,959,375	567,426,856	881,386,231
Trade payables	1,007,221	19,653,425	20,660,646
Other financing liabilities	542,879,148	-	542,879,148
Total financial liabilities	857,845,744	587,080,281	1,444,926,025

(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 do not expose 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 committee is responsible to frame, implement and monitor the risk management plan of the Company. The committee 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 31.03.2021 is Nil.

The Company does not have any long term contracts including derivative contracts for which there are any material foreseeable losses as at 31 March 2021.

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

Sensitivity Analysis

The sensitivity of profit or loss to changes in the exchange rates arises mainly 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 do not have fixed rate borrowings

Interest Rate Risk Management

The Company's risk management committee 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.



(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 at fair value through profit or loss.

NOTE 34**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.

(In Rs.)

Particulars	31.03.2021	31.03.2020
Other Financial Liabilities	635,518,078	567,426,856
Trade payables	20,661,271	20,660,646
Other payables	932,657,786	857,429,143
Less: Cash and cash equivalents	(4,665,811)	(3,466,475)
Net debt	1,584,171,324	1,442,050,170
Total Equity	(1,092,968,043)	(903,886,516)
Total equity plus net debt	491,203,280	538,163,654
Gearing ratio	323%	268%

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NOTE 35**Earnings Per Equity Share (EPS) in accordance with Accounting Standard (IND AS -33)**

	2020-21	(In Rupees) 2019-20
Net Profit / (Loss) after tax for the year (In Rs.)	(189,081,528)	(172,072,997)
Weighted average number of equity shares for earning per share computation		
Number of Equity Shares at the beginning of the year	55,100,000	55,100,000
Number of Equity Shares allotted during the year	-	-
Weighted Average Number of Equity Shares allotted during the year	-	-
Weighted Average Number of Equity Shares at the end of the year	55,100,000	55,100,000
Earnings per Equity Shares		
Basic (in Rs.)	(3.43)	(3.12)
Diluted (in Rs.)	(3.43)	(3.12)

NOTE 36**Impairment of Assets:**

The Company has carried out valuation of Fixed Assets & Inventories during the year and loss due to impairment has been provided in the books in FY 2020-21 based on the realisable value of the assets as per valuation carried out by the Company through a registered Valuer.

NOTE 37

All figures have been rounded off to the nearest rupee.

NOTE 38

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

NOTE 39

The financial statements were approved by the Board of Directors of the company at its meeting held on 11th June, 2021 at Vasant Vihar, New Delhi - 110057

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

For Sharma Vats & Associates

Chartered Accountants
Firm Registration No.031486N



Manoj Vats
Partner
M.No. 527922

**For and on behalf of the Board**


Mukesh Gupta
Chief Financial Officer



Alok Gaur
Director
DIN 00112520

R.K.Singh
Director
DIN 01859229

Place : New Delhi

Date : 11th June, 2021

Regd Office - Sector 128, Noida - 201304

Cash Flow Statement for the year ended 31st March, 2021

(In Rupees)
2019-20

Particulars	2020-21	2019-20
(A) Cash Flow from Operating Activities		
Net Loss as per Statement of Profit & Loss	(189,081,528)	(172,072,997)
Add Back		
Depreciation	41,395,203	41,546,931
Loss due to Impairment	5,159,836	-
Finance Costs	141,940,003	129,918,190
Operating profit/(Loss) before working capital changes	(586,486)	(607,876)
Add:		
(Increase) / Decrease in Trade receivables	-	-
(Increase) / Decrease in Current Tax Assets (net)	32,439	124,465
(Increase) / Decrease in Other Financial assets	(1,362)	(527)
(Increase) / Decrease in Other current assets	(1)	(98,589)
(Increase) / Decrease in Bank Balances other than cash equivalents	503,888	2,806,897
(Increase) / Decrease in Other non-current Financial assets	(129,629)	474,855
Deduct:		
Increase / (Decrease) in Trade payables	625	1,007,221
Increase / (Decrease) in Other current liabilities	(581,170)	204,148
Increase / (Decrease) in Short-term provisions	-	(230)
Increase / (Decrease) in Other current financial liabilities	75,809,813	67,760,944
Increase / (Decrease) in Provisions - non current	-	(6,296)
Net Cashflow from Operating Activities	75,048,117	71,665,011
(B) Cash Flow from Investing Activities		
Sale of Fixed Assets	-	-
Net Cashflow from Investing Activities	-	-
(C) Cash Flow from Financing Activities		
Increase / (Decrease) in Borrowing	68,091,223	60,795,735
Finance Costs	(141,940,003)	(129,918,190)
Net Cashflow from Financing Activities	(73,848,780)	(69,122,455)
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	1,199,337	2,542,556
Cash and Cash equivalents at the beginning of the year	3,466,475	923,919
Cash and Cash equivalents at the end of the year	4,665,811	3,466,475
Notes to Cash Flow Statement		
Cash and cash equivalents include :		
Cash and cash equivalents	634,802	1,757
Balance with Banks	4,031,009	3,464,718
Cash and Cash equivalents at the end of year	4,665,811	3,466,475

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

For Sharma Vats & Associates

Chartered Accountants

Firm Registration No.031486N



Manoj Vats



Partner

M.No. 527922




Mukesh Gupta
Chief Financial Officer

For and on behalf of the Board

Alok Gaur
Director
DIN 00112520

R.K.Singh
Director
DIN 01859229

Place : New Delhi

Date : 11th June, 2021

Jaiprakash Agri Initiatives Company Limited

Statement of Changes in Equity

Statement of Changes in Equity for the year ended March 31, 2021

A. Equity Share Capital

Particulars	No. of Shares	Amount (in Rs.)
As at 1st April, 2019	55,100,000	551,000,000
Changes in the Equity Share Capital during the year	-	-
As at 31st March, 2020	55,100,000	551,000,000
Changes in the Equity Share Capital during the year	-	-
As at 31st March, 2021	55,100,000	551,000,000


B. Other Equity

Particulars	(In Rupees)		
	Reserves and surplus	Equity component of Preference shares	Total Equity
	Retained earning		
Balance at the beginning of the year 01.04.2019	(1,539,488,612)	256,675,093	(1,282,813,519)
Total comprehensive income/(loss) for the year	(172,072,997)	-	(172,072,997)
Balance at the beginning of the year 01.04.2020	(1,711,561,609)	256,675,093	(1,454,886,516)
Total comprehensive income/(loss) for the year	(189,081,528)	-	(189,081,528)
Balance at the end of the year 31.03.2021	(1,900,643,136)	256,675,093	(1,643,968,043)

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

For Sharma Vats & Associates

Chartered Accountants
Firm Registration No.031486N

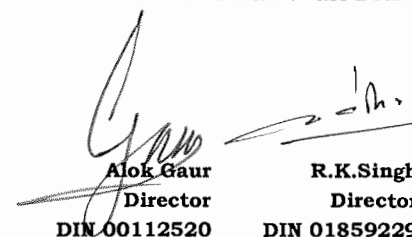


Manoj Vats
Partner
M.No. 527922




Mukesh Gupta
Chief Financial Officer

For and on behalf of the Board



Alok Gaur
Director
DIN 00112520

R.K.Singh
Director
DIN 01859229

Place : New Delhi

Date : 11th June, 2021

Regd Office - Sector 128, Noida - 201304