

# **Jaykaycem (Central) Ltd.**

CIN: U72305UP1987PLC009162

Regd. Office: Kamla Tower, Kanpur – 208 001, U.P., (India)

Ph. No. 91 512 237 1478-81 \* Fax: 91 512 233 2665

Email: [prabhat.srivastava@jkcement.com](mailto:prabhat.srivastava@jkcement.com)

## **DIRECTOR'S REPORT TO THE MEMBERS**

Your Directors are pleased to present **Thirty Forth Annual Report** together with the audited Statements of Account of the Company for the year ended 31<sup>st</sup> March, 2022.

### **1. FINANCIAL RESULTS:**

During the year under report, the Company has incurred loss of Rs. 97.32 Lakh (previous year loss of Rs. 32.37 Lakh).

### **2. BUSINESS ACTIVITIES:**

#### **PANNA, M.P.**

The company is setting up a greenfield Integrated Cement Plant Project for production of clinker (2.64 MnTPA) and cement (2.0 MnTPA) at Panna (M.P) and a Clinker Grinding Unit with cement production capacity of 2 MnTPA at Hamirpur (U.P). Construction at Panna is in full swing and upto 80% civil work has been completed. The plant commissioning is expected in the last quarter of F.Y. 2022-23.

#### **HAMIRPUR, U.P.**

Civil construction at Hamirpur Grinding Unit is also at advance stage. For setting up of Clinker Grinding Unit at Hamirpur, the Company has received environment clearance from State Level Environment Impact Assessment Authority, Directorate of Environment, U.P

#### **Mining Leases:**

The Company has two limestone mining leases: (i) Kakra-Panna mining lease admeasuring an area of 1594.34 hectare is adjacent to the northern side of the plant area.

2022-23

(ii) Koni-Simariya mining Lease, admeasuring an area of 3095.23 hect. within 4 KM Arial distance from the plant boundary. Your Company expects to start the mining operation from Koni-Simariya Mines from July-2022 onwards. All necessary clearances have been obtained by the Company, however the revision of mining plan from IBM and consent to operate (CTO) from state pollution control board is in process and expected to be received by end of June-2022.

**Land Purchase activities:**

Your Company has acquired land required keeping in mind future needs. The plant & colony land has also been acquired.

Your Company has also purchased land in mining area in Kakra-Panna Mines and in Koni-Simariya mines.

Your Company has also acquired land at Hamirpur for setting up Cement Grinding facility.

**Scheme of amalgamation:**

The Company's Board has approved Scheme of Amalgamation whereupon your Company is proposed to be merged with its holding Company J.K Cement Limited. In this regard an application and petition have been filed with National Company Law Tribunal (NCLT) seeking approval of the scheme of amalgamation. The application/petition is pending with NCLT as on date of reporting.

**3. FINANCE:**

During the year under report, your Company has made the consortium arrangement from Banks for availing Term Loan upto Rs.1680 Crores and Bank Guarantee for upto Rs.200 Crores. Total disbursement towards term loan was Rs 489 Crores and interest accrued but not due thereon was Rs.45.12 lacs. Repayment of first instalment will start from financial year 2025-2026.

M/s. JK Cement Ltd, holding Company of your Company has agreed to infuse equity and the balance has been tied up through Term Loan from Banks/Institutions.

The fund is being utilized for project at Panna and Hamirpur

**4. SUBSIDIARY COMPANY/ASSOCIATE COMPANY:**

The Company has no Subsidiary Company and/or Associate Company.

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**5. DIVIDEND:**

The Company is yet to commence its commercial activity and earn income therefrom. Since there is no earning, dividend is not considered.

**6. SHARE CAPITAL:**

The paid up Equity Share Capital as at March 31, 2022 stood at Rs. 40,80,57,740. During the year under report the Company has issued 2,01,91,189 No. of equity shares of Rs.10 each at a premium of Rs.330 per share on right basis to the Holding Company M/s. JK Cement Ltd.

**7. IMPACT OF COVID-19 PADEMIC**

Company's construction activities has been affected due to directives of lock down declared by Govt. during second phase of Covid-19 pandemic. Standard operating procedures has been adhered to for performing activities e.g. develop awareness amongst the employees about the social distancing, sanitization, thermal screening and wearing mask. Financial impact was remained negligible during this lockdown. Safety of employees were given utmost priority and the management have taken all the necessary measures for them.

The Company is wholly owned subsidiary of M/s J.K. Cement Ltd. It will have sufficient liquidity from the holding Company to continue to meet its business obligations in future. There does not exist any material uncertainty to the Company's ability to continue as a going concern in future.

**8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:**

During the year under report, the Company has not extended any loan and/or made any investment and issued any guarantee.

**9. SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATOR(S) OR COURT(S)/MATTER OF EMPHASIS:**

No significant or material order has been passed by any Regulator or Court or Tribunal during the financial year.

**10. PUBLIC DEPOSITS:**

During the year under report, Your Company has not invited any deposits from public/shareholders under Section 73 and 74 of the Companies Act, 2013.

**11. RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus disclosure in form AOC-2 is not required. Further, there are no material related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have any potential conflict with the interest of the Company at large.

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All Related Party Transactions are placed before the Board for approval. The transactions entered into pursuant to the approval so granted are audited and a statement giving details of all related party transactions has been placed before the Board of Directors for their approval.

None of the Directors has any pecuniary relationship on transactions *vis-a-vis* the Company.

**12. DIRECTORS:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, **Dr. Krishna Behari Agarwal (DIN 00339934)** will retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

**13. KEY MANAGERIAL PERSONNEL:**

During the year under report, following Officials acted as Key Managerial Personnel:-

S.No	Name of the Official	Designation
1	Shri Ajay Kumar Saraogi	Managing Director
2	Shri Rajnish	CFO
3	Shri Prabhat Srivastava	Company Secretary

**14. PERSONNEL:**

There is no employee whose remuneration attracts the provisions of Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975.

**15. MEETINGS OF THE BOARD OF DIRECTORS:**

During the financial year 2021-22, Fifteen Board Meetings were held on: (1) 15<sup>th</sup> April, 2021, (2) 5<sup>th</sup> May, 2021, (3) 7<sup>th</sup> June, 2021 (4) 26<sup>th</sup> July, 2021 (5) 6<sup>th</sup> August, 2021, (6) 14<sup>th</sup> August, 2021, (7) 3<sup>rd</sup> September, 2021, (8) 6<sup>th</sup> October, 2021, (9) 30<sup>th</sup> October, 2021, (10) 11<sup>th</sup> November, 2021, (11) 16<sup>th</sup> December 2021, (12) 28<sup>th</sup> January, 2022, (13) 5<sup>th</sup> February, 2022, (14) 3<sup>rd</sup> March, 2022 and (15) 30<sup>th</sup> March, 2022.

The intervening gap between the Meetings conforms the period prescribed under the Companies Act, 2013 and Rules, Circulars, Notifications issued time to time by Ministry of Corporate Affairs.

**16. STATUTORY AUDITOR:**

At the 30<sup>th</sup> Annual General Meeting held on 25.7.2018, M/s. Gupta Vinod & Company., Chartered Accountants, (Firm Registration No.002691C) were appointed as Statutory Auditors of the Company to hold Office till the conclusion of 35<sup>th</sup> Annual General Meeting. As per the amended provisions of Companies (Amendment) Act, 2017, notified on 7 May, 2018, the requirement for the annual ratification of auditor's appointment at the AGM has been omitted. The Statutory Auditors have

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confirmed that they are not disqualified from continuing as Auditors of the Company.

**17. AUDITORS' REPORT:**

Your Company prepares its financial statements under the historic cost convention on an accrual basis in accordance with the applicable mandatory Ind AS and according to Schedule III of the Companies Act, 2013. The estimates and judgments relating to the financial statements are made on a prudent basis, so as to reflect a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2022

Auditors' Report to the shareholders does not contain any qualification in the financial statements for the year under report.

**18. STATUTORY INFORMATION:**

**18.1. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.**

As there has been no manufacturing operation during the year, there is nothing to be reported with regard to conservation of energy and technology absorption. Further, with regards to the foreign exchange earnings and out go, for purchase of imported plant and machinery from Germany, USA, Greece, Switzerland and Japan Company made payment to the foreign suppliers in foreign exchange equivalent to Rs. 5415.55 lacs. The amount is standing as advance in the name of suppliers as on 31<sup>st</sup> March, 2022.

**18.2. EXTRACT OF ANNUAL RETURN**

As per the Companies (Management and Administration) Amendment Rule, 2021 vide notification dated 5.3.2021, The details forming part of the extract of the Annual Return in form MGT- 9 is no longer required.

**19. DIRECTORS' RESPONSIBILITY STATEMENT:**

The Directors pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013 do hereby confirm that:

- (i) In the preparation of the annual accounts, the applicable Accounting Standards have been followed and that no material departures have been made from the same;
- (ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;

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


- (iii) They have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) They have prepared the annual accounts on a going concern basis.
- (v) The proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- (vi) That system to ensure compliance with the provisions of all applicable laws were in place found to be adequate and operating effectively.

**20. ACKNOWLEDGEMENTS:**

Your Directors wish to place on record their appreciation for the valuable support received by your Company from Banks, Govt. of India, Govt. of Madhya Pradesh and Govt. of Uttar Pradesh. The Board thanks the employees at all levels for their dedication, commitment and hard work put in by them for Company's achievements. Your Directors are grateful to the Shareholders/ Stakeholders for their confidence and faith reposed in Board.

**FOR AND ON BEHALF OF THE BOARD**

  
**(Ajay Kumar Saraogi)**  
**Managing Director**  
**DIN: 00130805**

  
**(Anil Kumar Agrawal)**  
**Director**  
**DIN: 00134884**

Place : Kanpur  
Dated : 21.05.2022





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**(UDIN-22071745AKUDWS2188)**

## **Independent Auditors' Report**

**TO THE MEMBERS OF JAYKAYCEM (CENTRAL) LIMITED**

### **Report on the Standalone Financial Statements**

#### **Opinion**

*We have audited the standalone financial statements of Jaykaycem (Central) Limited (hereinafter referred to as "the Company"), which comprise the Standalone Balance Sheet as at 31st March 2022, and the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").*

*In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 2022, and its loss, changes in equity and its cash flows for the year ended on that date.*

#### **Basis for Opinion**

*We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.*

#### **Key Audit Matters**

*Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were*





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*addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have obtained an understanding of the systems, processes and controls implemented by the Company for recording and computing revenue and other financial transactions. The revenue recognized is in accordance with the revenue recognition accounting standard. There were no other key audit matters pertaining to the Company in our audit of the standalone financial statements for the period under report.*

**Other Information**

*The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.*

**Managements and Board of Directors' Responsibilities for the Standalone Financial Statements**

*The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 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 standalone*







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*financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.*

*In preparing the standalone financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.*

#### ***Auditor's Responsibilities for the Audit of the Standalone Financial Statements***

*Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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.*
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.*
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.*
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements 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*





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*the standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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, including any significant deficiencies in internal control 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. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.*

**Report on Other Legal and Regulatory Requirements**

*1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.*

*2. (A) 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.*

*d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.*





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e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements. {Ref. Note No.5.23(a), (b) and (c)}

b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c) There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

d) (I) During the year 2021-2022 the company took Fixed Deposits with banks out of the remaining amount of term loan disbursed from banks and share premium account to earn interest thereon for investment in the project, The interest earned on fixed deposits (Rs.91.04 lacs) during the period as above has been set off with the interest paid on term loan (Rs.747.88 lac) from banks. The net of which has been debited to "Preoperative expenses A/c"

(II) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and;

(III) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (I) and (II) above, contain any material mis-statement.

e) No dividend has been declared or paid during the year by the company.

f) The company's Board has approved the Scheme of Amalgamation of the company with its holding company under section 230 and 232 of the Companies Act, 2013. An application has already been filed with the National Company Law Tribunal for getting their approval of the scheme of amalgamation. The application was pending with NCLT as on 31<sup>st</sup> March, 2022.





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- g) The company has not traded or invested in crypto currency or virtual currency during the financial year under report.*
- h) The company has no subsidiary. The provisions of Companies (Restriction of Number of Layers) Rules, 2017 are not applicable.*
- i) Use of accounting software with audit trail effective from 01/04/2022-  
According to the information and explanation given to us the company is using SAP which also takes care of the requirement of audit trail as prescribed by law.*
- j) According to the information and explanation given to us the company did not transact during the year with the companies whose name was struck off from the list by the Registrar of Companies.*
- k) According to the information and explanation given to us there was no case of any charges or satisfaction to be registered with ROC beyond the statutory period.*



*For Gupta Vinod & Co.,  
Chartered Accountants  
(FRN-002691C)*

*V.K. Gupta*  
*(Vinod Kumar Gupta)*  
*(Proprietor)*  
*(M.No.071745)*

*(UDIN-22071745AKUDWS2188)*

*Place: KANPUR*

*Date : 21<sup>st</sup> May, 2022*



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**Jaykaycem (Central) Limited  
(CIN: U72305UP1987PLC009162)**

***ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT  
(FY-2021-2022)***

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Jaykaycem (Central) Limited of even date]

*We report that:*

(i) *In respect of the Company's fixed assets:*

- (a) *1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
2. The Company is maintaining proper records showing full particulars of intangible assets.*

(b) *Physical verification of asset:*

*According to the information and explanation given to us by the management, project office at Panna and Hamirpur are taking due care of the physical verification of all the fixed assets. On such physical verification the management did not notice any material discrepancies. Project at both the sites is under construction and all turnkey contracts have been assigned to contractors. The work is expected to be completed in 2022-2023. Till the time contractors are handling the site, store department at respective project sites are having control over the physical count of the store and other asset items.*

- (c) *The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company. Mutation of land measuring 160.485 Acre (including 21.700 Acre for the period 2020-2021) purchased in the name of the company was pending as on 31<sup>st</sup> March, 2022. For land measuring 2.15 hectare for the year 2019-2020 (Rs.61.30 lac) mutation application rejected by the authorities. The company has filed civil suit against the party {Ref. Note No. 5.23(b) of Notes to the financial statements as at 31<sup>st</sup> March, 2022}.*





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- (d) *The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.*
- (e) *According to the information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.*
- (ii) (a) *Physical verification of inventory-*  
*The company's project is under erection stage. Commercial production is expected to commence in 2022-2023. There was no stock of finished goods, raw-material as on 31<sup>st</sup> March, 2022. The company's stores dept. is having control over the stock of construction material, spares and other consumable items used for erection of plant and civil construction.*  
(b) *The company did not avail any working capital limit during the year 2021-2022.*
- (iii) *During the year the company has not made investments, nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured either repayable on demand or without specifying any terms or period of repayment. Hence the provisions of section 185 and 186 of the Companies Act, 2013 do not apply. Only advances given to the contractors and suppliers of machineries, spares and construction materials in the normal course of business for erection of plant and civil construction.*
- (iv) *The company has not accepted any deposits or amounts which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013.*
- (v) *Since the commercial production not yet commenced the provisions of maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act do not apply.*







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- (vi) *According to the records made available to us, company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanation given to us there were no outstanding statutory dues as on 31st of March, 2022 for a period of more than six months from the date they became payable.*
- (vii) *In our opinion and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Repayment of 1<sup>st</sup> instalment of term loan taken from banks will start from the year 2025-2026.*
- (viii) *According to the information and explanations given by the management, the company is not declared willful defaulter by any bank or financial institution or other lender.*
- (ix) *In our opinion and according to the information and explanations given by the management, the Company has utilized the money obtained by way of term loans during the year for the project under construction except that the balance remaining unutilized in the term loan account were invested in fixed deposits with banks to earn interest thereon to meet out the project cost.*
- (x) *In our opinion and according to the information and explanations given by the management, funds raised on short term basis have not been utilized for long term purposes.*
- (xi) *The company has no subsidiaries, associates or joint ventures.*
- (xii) *The company is not a Nidhi Company. Therefore, clause xii of the order is not applicable on the company.*





**Gupta Vinod & Co.,  
Chartered Accountants,  
3/216, Vishnupuri,  
Kanpur-208002**

**Email: vinod3216@gmail.com**

**Mobile and WhatsApp: 9839029218**

**(UDIN-22071745AKUDWS2188)**

- (xiii) (a) *The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.*  
(b) *The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. The company made right issue of equity shares only to the holding company during the year.*  
*{Ref. Note No. 5.1 of the Notes on Account}*
- (xiv) *Company is the wholly owned subsidiary of J.K Cement Limited who is having full control over the operations and affairs of the company. After reviewing the report on the internal controls and according to the information and explanation given to us, the controls exercised by the management commensurate with the size and present nature of company's business.*
- (xv) (a) *According to the information and explanations given by the management, no fraud by the company or any fraud on the company has been noticed or reported during the year.*  
(b) *No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;*  
(c) *According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company*
- (xvi) *According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, where applicable and the details have been disclosed in the financial statements {Ref. Note No. 5.14 and 5.15 of the Notes on Accounts}*
- (xvii) *On the basis of the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with directors or persons connected with him.*





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**(UDIN-22071745AKUDWS2188)**

- (xviii) (a) *In our Opinion and based on our examination, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). The company is a manufacturing company and not a Non-Banking Finance or Housing Finance company.*
- (b) *In our Opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.*
- (c) *According to the information and explanations given by the management, the Group does not have any CIC as part of the Group.*
- (xix) *Based on our examination, the company has incurred cash losses in the reported financial year 2021-2022 and in the immediately preceding financial year 2020-2021 as already shown in the Profit and Loss Account.*
- (xx) *There has been no resignation of the statutory auditors during the year.*
- (xxi) *On the information obtained from the management and audit procedures performed and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.*

*We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.*





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**(UDIN-22071745AKUDWS2188)**

- (xxii) Based on our examination, the provision of section 135 are not applicable on the company. Hence this clause is not applicable on the company.*
- (xxiii) The company is not required to prepare Consolidate financial statement hence this clause is not applicable.*



*For Gupta Vinod & Co.,  
Chartered Accountants  
(FRN-002691C)*

*V. K. Gupta  
(Vinod Kumar Gupta)  
(Proprietor)  
(M.No. 071745)*

**(UDIN-22071745AKUDWS2188)**

*Place: KANPUR*

*Date : 21<sup>st</sup> May, 2022*



**Gupta Vinod & Co.,  
Chartered Accountants,  
3/216, Vishnupuri,  
Kanpur-208002**

**Email: vinod3216@gmail.com      Mobile and WhatsApp: 9839029218**

**(UDIN-22071745AKUDWS2188)**

**Jaykaycem (Central) Limited  
(CIN: U72305UP1987PLC009162)**

***Annexure 'B' - Report on Internal Financial Controls with reference to financial statements {FY: 2021-2022}***

***Report on the Internal Financial Controls 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 Jaykaycem (Central) Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.*

**Opinion**

*In our opinion, 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, 2022, 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.*

**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.*





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Chartered Accountants,  
3/216, Vishnupuri,  
Kanpur-208002**

**Email: vinod3216@gmail.com**

**Mobile and WhatsApp: 9839029218**

**(UDIN-22071745AKUDWS2188)**

### **Auditors' 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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;*







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**(UDIN-22071745AKUDWS2188)**

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 authorizations of management and directors of the company; and*
3. *provide reasonable assurance regarding prevention or timely detection of unauthorized 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.*



*For Gupta Vinod & Co.,  
Chartered Accountants  
(FRN-002691C)*

*V. K. Gupta  
(Vinod Kumar Gupta)  
(Proprietor)  
(M.No.071745)*

**(UDIN-22071745AKUDWS2188)**

**Place: KANPUR**

**Date : 21<sup>st</sup> May, 2022**

**Jaykaycem (Central) Limited**  
**Balance sheet as at 31 ST March' 2022**  
*(All amounts are in Rupees Lacs, unless otherwise stated)*

	Notes	As at 31st Mar, 2022	As at 31st Mar, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1(a)	19,220.49	11,480.20
Capital work-in-progress	1(b)	95,943.55	1,971.20
Right-of-use assets	1(c)	9,281.10	9,439.84
Deferred tax assets (net)		22.34	22.34
<b>Financial assets:</b>			
Other financial assets	2	417.16	108.28
Other non-current assets	3	12,820.31	4,199.70
<b>Total non-current assets</b>		<b>1,37,704.95</b>	<b>27,221.56</b>
<b>Current assets</b>			
<b>Financial assets:</b>			
(i) Investments	4	-	1,002.04
(ii) Cash and cash equivalent	5	3,244.40	4,932.97
(iii) Bank balances other than (ii) above	6	395.00	-
(iv) Other financial assets	7	10.13	3.54
Current tax assets (net)	8	53.39	2.06
Other current assets	9	16,000.36	160.45
<b>Total current assets</b>		<b>19,703.28</b>	<b>6,101.05</b>
<b>Total assets</b>		<b>1,57,408.23</b>	<b>33,322.61</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10	4,080.58	2,061.46
Other equity	11	97,622.66	31,089.05
Share Application Money Pending Allotment		-	-
<b>Total equity</b>		<b>1,01,703.24</b>	<b>33,150.51</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	12	48,900.00	-
<b>Current liabilities</b>			
(i) Borrowings	13	100.39	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	14	4.30	13.13
(ii) Other financial liabilities	15	6,561.92	133.10
Other current liabilities	16	138.38	25.87
<b>Total current liabilities</b>		<b>6,804.99</b>	<b>172.10</b>
<b>Total liabilities</b>		<b>55,704.99</b>	<b>172.10</b>
<b>Total equity and liabilities</b>		<b>1,57,408.23</b>	<b>33,322.61</b>
Notes on accounts and significant accounting policies	21		

The accompanying notes form an integral part of these financial statements.

For Gupta Vinod & Co.  
Chartered Accountants  
(Firm Reg. No.002691C)

(Vinod Kumar Gupta)  
Proprietor  
M.No. 071745



For and behalf of Jaykaycem (Central) Ltd.

(Ajay Kumar Saraogi)  
Managing Director  
DIN-00130805

(Prabhat Srivastava)  
Company Secretary

(Anil Kumar Agarwal)  
Director  
DIN-00134884

(Rajnish Rawat)  
Chief Financial Officer

Place : Kanpur  
Dated: 21.05.2022

**Jaykaycem (Central) Limited**

**Statement of profit and loss for the year ended 31 Mar 2022**


(All amounts are in Rupees Lacs, unless otherwise stated)

	Notes	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Income</b>			
Other income	17	2.22	35.57
<b>Total income (I)</b>		<u>2.22</u>	<u>35.57</u>
<b>Expenses</b>			
Employee benefit expense	18	28.22	13.36
Finance costs	19	0.33	1.27
Other expenses	20	70.99	53.31
<b>Total Expenses (II)</b>		<u>99.54</u>	<u>67.94</u>
<b>Profit before exceptional items &amp; tax expense (I) - (II)</b>		<u>(97.32)</u>	<u>(32.37)</u>
<b>Exceptional Items</b>		-	-
<b>Current Tax</b>		-	-
<b>Total comprehensive Income/(Loss) for the year</b>		<u>(97.32)</u>	<u>(32.37)</u>
Notes on accounts and significant accounting policies	21		

The accompanying notes form an integral part of these financial statements.


For Gupta Vinod & Co.  
Chartered Accountants  
(Firm Reg. No.002691C)

For and behalf of Jaykaycem (Central) Ltd.


  
(Vinod Kumar Gupta)  
Proprietor  
M.No. 071745




Place : Kanpur  
Dated: 21.05.2022

  
(Ajay Kumar Saraogi)  
Managing Director  
DIN-00130805

  
(Prabhat Srivastava)  
Company Secretary  
(M.No.ACS-31295)

  
(Anil Kumar Agarwal)  
Director  
DIN-00134884

  
(Rajnish Rawat)  
Chief Financial Officer

# Jaykaycem Central Limited

## Statement of Cash Flow for the year ended 31 Mar, 2022

(All amounts are in Rupees Lacs, unless otherwise stated)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Cash flows from operating activities</b>		
Profit/(Loss) for the year	-97.31	-32.37
Adjustments for:		
Operating (loss) before changes in operating assets and liabilities	-97.31	-32.37
(Increase)/decrease in current assets		
Other current assets	-15,839.91	-81.01
Investment	1,002.04	-1,002.04
Other financial assets	-401.58	11.03
Current Taxation Assets	-51.33	0.59
Increase/(decrease) in current liabilities		
i) Other financial liabilities	6,428.82	133.10
ii) Other current liabilities	112.51	25.73
iii) Current financial liabilities-Borrowings	100.39	-
iv) Current financial liabilities-Trade payable	-8.83	-
<b>Net cash from/(used in) operating activities</b>	<b>-8,755.20</b>	<b>-944.97</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	-7,740.29	-2,427.42
Capital work in progress including preoperative expenses	-93,972.35	-795.94
Right of use assets	158.74	-9,439.84
Other non-current assets	-8,620.62	-3,995.44
Non-current financial assets	-308.89	-104.28
<b>Net cash (used in) investing activities</b>	<b>-1,10,483.41</b>	<b>-16,762.92</b>
<b>Cash flows from financing activities</b>		
Additional capital introduced	2,019.12	919.12
Share premium account	66,630.92	21,580.88
Increase in non current liabilities (Term Loan)	48,900.00	-
<b>Net cash from financing activities</b>	<b>1,17,550.04</b>	<b>22,500.00</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-1,688.57</b>	<b>4,792.11</b>
Cash and cash equivalents, beginning of the year	4,932.97	147.76
<b>Cash and cash equivalents, end of the year</b>	<b>3,244.40</b>	<b>4,932.97</b>
<b>Represented by:</b>		
Cash in hand	1.12	0.11
Cash at banks	3,243.28	4,932.86
<b>Total</b>	<b>3,244.40</b>	<b>4,932.97</b>

The accompanying notes form an integral part of these financial statements.

For Gupta Vinod & Co.  
Chartered Accountants  
(Firm Reg. No.002691C)

(Vinod Kumar Gupta)  
Proprietor  
M.No. 071745



For and behalf of Jaykaycem (Central) Ltd.

(Ajay Kumar Saraogi)  
Managing Director  
DIN-00130805

(Anil Kumar Agarwal)  
Director  
DIN-00134884

Place : Kanpur  
Dated: 21.05.2022

(Prabhat Srivastava)  
Company Secretary  
(M.No.ACS-31295)

(Rajnish Rawat)  
Chief Financial Officer

**STATEMENT OF CHANGE IN EQUITY**  
**For the year ended 31st March, 2022**

**(A) EQUITY SHARE CAPITAL**

**(B) OTHER EQUITY**

Balance at the beginning of the year  
Loss for the period  
Addition In Share Premium Account<sup>a</sup>  
Balance as at 31st March, 2021

The accompanying notes form an integral part of these financial statements.

**For Gupta Vinod & Co.  
Chartered Accountants  
(Firm Reg. No.002691C)**



(Vinod Kumar Gupta)  
Proprietor  
M.No. 071745

Place : Kanpur  
Dated: 21.05.2022

As at 31st March, 2022		As at 31st March, 2021	
No. of Share	Amount	No. of Share	Amount
Rs.	Rs.	Rs.	Rs.
20614585	2061.46	11423408	1142.34
20191189	2019.12	9191177	919.12
<u>40805774</u>	<u>4080.58</u>	<u>20614585</u>	<u>2061.46</u>
<b>Retained earnings</b>		<b>Total</b>	
Rs.	Rs.		
(108.51)	31,089.05		
(97.31)	(97.31)		
<u>(205.82)</u>	<u>66,630.92</u>		
	<u>97,828.48</u>		
<b>Share Premium</b>			
account			
Rs.			
31,197.56			
<u>86,630.92</u>			
<u>97,828.48</u>			

For and behalf of Jaykaycem (Central) Ltd.

Office  
(Ajay Kumar Sarangi)  
Managing Director  
DIN-00130805

(Ajay Kumar Sarangi)  
Managing Director  
DIN-00130805

*Prabhat*  
(Prabhat Srivastava)  
Company Secretary  
(M.No.ACS-31295)

  
(Anil Kumar Agarwal)  
Director  
DIN-00134884

  
(Rajnish Rawat)  
Chief Financial Officer

(Rs in Lakhs)



Particulars	Gross Block				Depreciation Block				Net Block	
	Opening	Addition	(Disposal)/ Adjustment	Foreign Exchange Impact	As at 31.03.2022	Opening	Addition	(Disposal)/ Adjustment	Foreign Exchange Impact	As at 31.03.2022
<b>JAYKAYCEM CENTRAL</b>										
Tangible Assets										
Freehold land	11,409.21	6,329.96			17,739.17					17,739.17
Building	0.71	184.05	23.55		208.31		31.10			0.71
Plant and equipment	31.93	1,144.34	2.59		1,178.86		44.83			177.21
Vehicles		113.01	1.51		114.52		3.23			1,134.03
Furniture and fixtures	38.35	41.20	(30.87)		48.68		3.68			111.29
Office Equipment	0.00	12.60	3.19		15.79		2.83			45.00
Railway sidings										12.96
Rolling stock										
Other assets		0.88	0.03		0.91		0.08			
Total	11,480.20	7,826.04	0.00		19,306.24		85.75			11,480.20
Capital work-in-progress	1,971.20	1,00,805.63	(6,833.28)		95,943.55					1,971.20
Intangible Asset under Development										95,943.55
Total	1,971.20	1,00,805.63	(6,833.28)		95,943.55					1,971.20
As at 31 March, 2021										95,943.55
<b>JAYKAYCEM CENTRAL</b>										
Tangible Assets										
Freehold land	9,034.34	2,374.87			11,409.21					9,034.34
Building	0.71				0.71					0.71
Plant and equipment	12.31	19.62			31.93					12.31
Vehicles										31.93
Furniture and fixtures	5.42	32.93			38.35					5.42
Office Equipment	0.00				0.00					0.00
Railway sidings										
Rolling stock										
Other assets										
Total	9,052.78	2,427.42			11,480.20					9,052.78
Capital work-in-progress(ii)	1,175.27	795.93			1,971.20					1,175.27
Intangible Asset under Development										1,971.20
Total	1,175.27	795.93			1,971.20					1,175.27
As at 31 March, 2022										1,971.20
<b>JAYKAYCEM CENTRAL</b>										
Leasehold land	9,439.84	32.13			9,471.97		190.87			9,439.84
Vehicles										
Buildings										
Other Equipment										
Total	9,439.84	32.13			9,471.97		190.87			9,439.84
As at 31 March, 2021										9,471.10
<b>JAYKAYCEM CENTRAL</b>										
Leasehold land		9,439.84			9,439.84					
Vehicles										
Buildings										
Other Equipment										
Total		9,439.84			9,439.84					9,439.84
As at 31 March, 2022										9,439.84



**Jaykaycem (Central) Limited**  
**Notes to financial statements for the year ended 31st Mar' 2022**  
*(All amounts are in Rupees Lacs, unless otherwise stated)*

	As at 31 Mar, 2022	As at 31 Mar, 2021
<b>2 Non-Current Financial Assets - Others</b>		
Fixed deposits with maturity more than 12 months from the reporting date **	390.00	-
Vehicle Loan Recoverable	7.99	-
Security Deposits	19.17	108.28
	<u>417.16</u>	<u>108.28</u>
**includes Rs.380 lacs (31 March 2021 Rs.Nil ) pledged against overdraft /other commitments.		
<b>3 Other Non-Current Assets</b>		
Capital advances	12,820.31	4,199.70
	<u>12,820.31</u>	<u>4,199.70</u>
<b>4 Current Financial Assets - Investments</b>		
Investment in Mutual Funds	-	1,002.04
	<u>-</u>	<u>1,002.04</u>
<b>5 Current Financial Assets - Cash and Cash equivalent</b>		
Balance with banks:		
- In current accounts	93.28	282.86
- Fixed deposits with original maturity of upto 3 months from the reporting date*	3,150.00	4,650.00
Cash on hand	1.12	0.11
	<u>3,244.40</u>	<u>4,932.97</u>
*Fixed Deposits upto three month include deposit of Rs.900lacs (31 March 2021: Rs.Nil) pledged against overdraft /other commitments.		
<b>6 Current Financial Assets - Other Bank Balances</b>		
Fixed deposits with maturity of more than 3 months but upto one year from the reporting date***	395.00	-
	<u>395.00</u>	<u>-</u>
***Fixed Deposits upto one year include deposit of Rs.15 lacs (31 March 2021:Rs.Nil) pledged against overdraft /other commitments.		
<b>7 Current Financial Assets - Others</b>		
Advance to employees	-	-
Interest accrued on deposits	10.13	3.54
	<u>10.13</u>	<u>3.54</u>
<b>8 Current Tax Assets (Net)</b>		
Advance tax	53.39	2.06
	<u>53.39</u>	<u>2.06</u>
<b>9 Other Current Assets</b>		
Balances with Government authorities	16,000.36	159.46
Advances to suppliers.	-	0.99
	<u>16,000.36</u>	<u>160.45</u>

*Signature*

*Signature*

*Signature*



Jaykaycem (Central) Limited  
Notes to financial statements for the year ended 31st Mar' 2022  
(All amounts are in Rupees Lacs, unless otherwise stated)

10 Equity Share capital

Authorised:

( 31st March 2022 : ) 45000000 equity shares of Rs.10/- each

As at  
31 Mar, 2022

As at  
31 Mar, 2021

Issued, subscribed & fully paid up:

Balance at the beginning of the year

20191189 Equity Shares of Rs.10/- each issued during the year

40805774 Equity Shares of Rs.10/- each [31/03/2022]

4,500.00	3,000.00
2,061.46	1,142.34
2,019.12	919.12
4,080.58	2,061.46
4,080.58	2,061.46

b. Reconciliation of number of shares outstanding at the beginning and end of the year :

Opening as at 01/04/2019

Equity Shares issued during 2019-2020

Closing as at 31/03/2020

Equity Shares issued during 2020-2021

Closing as at 31/03/2021

Equity Shares issued during 2021-2022

Closing as at 31/03/2022

Number of Shares	Amount
1,09,23,408	1,092.34
5,00,000	50.00
1,14,23,408	1,142.34
91,91,177	919.12
2,06,14,585	2,061.46
2,01,91,189	2,019.12
4,08,05,774	4,080.58

11 Other equity

a. Securities premium

Balance at the beginning of the year

Add Addition during the year #

Balance at the end of the year

As at  
31 Mar, 2022

As at  
31 Mar, 2021

31,197.56	9,616.68
66,630.92	21,580.88
97,828.48	31,197.56

d. Retained earnings (including Other Comprehensive Income)

Balance at the beginning of the year

Add: Profit for the year

(108.51)	(76.13)
(97.32)	(32.37)
(205.83)	(108.51)
97,622.66	31,089.05

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**Jaykaycem (Central) Limited**

**Notes to financial statements for the year ended 31st Mar' 2022**

*(All amounts are in Rupees Lacs, unless otherwise stated)*

	As at 31 Mar, 2022	As at 31 Mar, 2021
<b>12 Non Current Financial Liabilities -</b>		
Term Loan	48,945.13	-
Less Current Maturities of term Loan	45.13	-
	<u>48,900.00</u>	<u>-</u>
<b>13 Current Financial Liabilities - Borrowings</b>		
Loan repayable on demand		
From Bank	55.26	-
Current Maturities of term Loan	45.13	-
	<u>100.39</u>	<u>-</u>
<b>14 Current Financial Liabilities - Trade Payables</b>		
(Carried at Amortised Cost, except otherwise stated)		
Total outstanding dues of creditors other than micro enterprises and small enterprises	4.30	13.13
	<u>4.30</u>	<u>13.13</u>
<b>15 Current Financial Liabilities - Others</b>		
Employee dues	23.94	1.22
Project creditors	6,536.70	131.88
Others	1.28	-
	<u>6,561.92</u>	<u>133.10</u>
<b>16 Other Current Liabilities</b>		
Statutory dues payable	138.38	25.87
	<u>138.38</u>	<u>25.87</u>

*[Signature]*

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**Jaykaycem (Central) Limited****Notes to financial statements for the year ended 31st Mar 2022***(All amounts are in Rupees Lacs , unless otherwise stated)***For the year  
ended 31st  
March, 2022****For the year  
ended 31st  
March, 2021****17 Other Income**

Interest income from financial assets measured at amortised cost

- from bank deposits

-

26.11

- from others

-

0.16

Gain on fair valuation/sale of investment (net)

2.22

9.14

Miscellaneous income

-

0.16

**2.22****35.57****18 Employee Benefits Expense**

Salaries and wages

5.73

12.90

Contribution to provident and other funds (Refer note 38)

3.23

-

Staff welfare expenses

19.26

0.47

**28.22****13.36****19 Finance Costs**

Interest expenses

-

1.17

Other borrowing costs (includes bank charges, etc.)

0.33

0.10

**0.33**

-

**1.27****20 Other Expenses**

Rent

-

1.30

Rates and taxes

0.58

-

Insurance

-

0.01

Travelling and conveyance #

-

3.30

Legal &amp; Professional expenses

-

2.51

Miscellaneous expenses #

70.41

46.19

**70.99****53.31***B. Prakash**R*

51C  
(3+1)

**Jaykaycem (Central) Limited**  
(CIN: U72305UP1987PLC009162)

2/- Notes to the financial statements as at 31st March, 2022

**Company overview and significant accounting policies**

**1. Company overview**

(a) The company is a public limited company domiciled in India. It was registered as J.K. Circuit Works Limited on 30th November, 1987 under the provisions of the Companies Act, 1956 with the Registrar of Companies, U.P. Kanpur vide Reg. No.009162 dt.30th November, 1987. Its registered office is situated at Kamla Tower, Kanpur-208001 (U.P). The name was changed to Jaykaycem (Central) Limited to correspond the name with cement activity with the approval of Registrar of Companies, U.P. Kanpur. The company became wholly owned subsidiary of J.K. Cement Limited with effect from 16/07/2015 by acquiring 100 percent equity shares of the company. In the first phase the company is setting up a greenfield Integrated Cement Plant Project for production of clinker (2.64 MTPA) and cement (2.0 MTPA) at Panna (M.P) and a Cement Grinding Unit with cement production capacity of 2.00 million TPA at Hamirpur (U.P). As on 31<sup>st</sup> March-22, approximate 80% Civil work is completed and remaining work is in progress with full swing. The plant commissioning at the site is in progress.

(b) For setting up of the above two projects the company has acquired up to 31<sup>st</sup> March, 2022 the land measuring as under:

► Freehold land plant	-	Panna-	392.27 Acre
► Freehold land plant	-	Hamirpur-	29.0125 Acre
► Private land for plant use u/s 247 of Madhya Pradesh Bhu Rajasva Sanhita, 1959 (50 yrs. Lease)	-	Panna-	7.90 Acre
► Mining land plant	-	Panna-	1077.234 Acre
► Mining land on lease from MP Govt. for Panna project (50 yrs. Lease) -	-	Kakra Mining Block	-1594.34 hectare
-do-	-	Simariya Mining block	-3095.23 hectare
► Plant land on lease for 99 yrs.	-		18.384 Acre

During the year 2021-2022 the company has surrendered 2.25 Acre of land worth Rs. 22.99 lacs in favour of MPPCL for allotment of Govt. land for construction of 132 KV of power substation.

(c) The company has also planned for setting up of another Cement Grinding Unit at Prayagraj (U.P).

**(d) Environment clearance from Govt. :**

The company has already obtained environment clearance from the respective state Govt. for Panna (M.P) and Hamirpur (U.P) projects.

**(e) Scheme of amalgamation:**

The company's Board has approved Scheme of Amalgamation of the company with its holding company J.K Cement Limited in the meeting held on 14/08/2021 effective from 1<sup>st</sup> April, 2021 under section 230 and 232 of the Companies Act, 2013. In this regard an application has been filed with National Company Law Tribunal (NCLT) on 08/12/2021 for getting their approval of the scheme of amalgamation. The application was pending with NCLT as on 31<sup>st</sup> March, 2022.

## 2. Accounting concepts:

The financial statements are prepared under the historical cost convention on an accrual basis in accordance with the IND AS and other accounting principles generally accepted in India, and according to Schedule III of the Companies Act, 2013.

## 3. Uncertainties relating to the pandemic from COVID-19

The company has considered all possible effects that have resulted from the pandemic relating to COVID-19 in the preparation of these financial statements. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of all financial and non-financial assets will be recovered.

## 4. Going Concern

The accounts for the year under report have been prepared on going concern basis. The company is fully owned subsidiary of M/s J.K Cements Limited. Seeing the future plans of the company and the amount invested in the project, there does not exist any material uncertainty related to the company's ability to continue as a going concern in future.

## 5. Basis of preparation of financial statements (Rs. in Lacs)

### 5.1 Capital structure of the company

- The shareholders' equity has been changed during the year as compared to the previous year.
  - Authorised Capital: Rs.4500 Lacs (Rupees Forty Five Hundred Lacs) divided into 4,50,00,000 equity shares of Rs.10/- each.
  - Issued, subscribed and paid-up capital: Rs.4080.58 Lacs (Rs. Four Thousand Eighty Lacs and fifty eight thousand) divided into 40805774 equity shares of Rs.10/- each.
  - The capital structure of the company has been shown in the Statement of changes in equity forming part of the Balance Sheet as at 31<sup>st</sup> March,2022.
  - The company raised funds during the year through Right Issue of equity shares to the holding company as under:

Date of allotment	Shares accepted and allotted	Face value	Premium @	Share premium amount (in lacs)	Share Capital A/c (in lacs)
05-05-2021	1470590	10	330	4852.95	147.06
07-06-2021	1470588	10	330	4852.94	147.06
26-07-2021	2941180	10	330	9705.89	294.12
14-08-2021	1470590	10	330	4852.95	147.06
03-09-2021	1470590	10	330	4852.95	147.06
06-10-2021	2941180	10	330	9705.89	294.12
30-10-2021	1470590	10	330	4852.95	147.06
16-12-2021	1073529	10	330	3542.64	107.35
30-03-2022	5882352	10	330	19411.76	588.23
	<b>20191189</b>	<b>10</b>	<b>330</b>	<b>66630.92</b>	<b>2019.12</b>

The valuation of unquoted equity shares of the Company during the year is based on the Valuation Report of such equity share as on 30.6.2021 given by Romesh Vijay, Registered Valuer

*Romesh Vijay*

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## 5.2 Borrowing from banks- (Rs. in lacs)

(a) **Term Loan-** The company made Consortium arrangement with Axis Bank, Bank of Baroda, Indian Bank, J&K Bank, and Punjab National Bank for availing Term loan to meet out the project cost. The Common Loan Agreement was executed on 18/11/2021 between the company and the banks sanctioning Term Loan of Rs.168000 Lacs. Till 31<sup>st</sup> March, 2022 the total loan disbursed was Rs.48900 Lacs and interest accrued but not due thereon was Rs.45.12 lacs. Repayment of first instalment will start from 2025-2026.

(b) **Bank Guarantee** – The company has been sanctioned Bank Guarantee facility from banks as under-

Bank	Sanctioned limit	Utilised as on 31/03/2022
Bank of Baroda	14500.00	12277.00
Axis Bank	5500.00	5326.00
Total	20000.00	17603.00

(c) **Overdraft facility-** The Company is availing overdraft facility from Bank of Baroda and State Bank of India against pledge of fixed deposits - (Rs. In lacs)

Bank	Sanctioned	Outstanding
State Bank of India	202.50	55.26
Bank of Baroda	810.00	0.00
Total		55.26

## 5.3 Property, Plant and equipment: (Rs. in lacs)

(a) Cost of land includes cost plus stamp duty charges, registration charges, facilitation charges for procuring the land and the payment made to seller under Land Acquisition, Rehabilitation and Resettlement Act, 2013.

(b) Mutation of land purchased in favour of the company was pending as on 31<sup>st</sup> March, 2022-

(i) Simariya mines-138.785Acre (11.300 Acre belong to the year 2020-2021).

(ii) Kakra – 21.700 Acre (17.75 Acre belong to the year 2020-2021)

All such cases are included in the capital cost of land as on 31<sup>st</sup> March, 2022.

(c) The Company has capital commitment of Rs.256.15 lac as on 31<sup>st</sup> March, 2022 payable to different sellers of land under Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

(d) The depreciation charged amounting to Rs.276.62 lac has been included under the head "Preoperative expenses".

## 5.4 Capital work in progress including preoperative expenses:

### ► Capital work in progress:

Capital work in progress includes cost of assets at site and expenditure incurred on civil construction and erection of plant. The project is expected to complete in the FY 2022-2023 for commercial production.

(Rs. in lacs)				
Less than one year	1-2 years	2-3 years	More than three years	Total
89093.62	316.51	11.41	45.48	89467.02

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► **Preoperative expenses:**

Preoperative expenses include insurance charges, land revenue expenses, amount paid to security personals, salary paid to the employees at the project site, Manpower Recruitment Charges, CER expenses and other expenses incurred at the project site except printing and stationery expenses, medical expenses, staff welfare expenses, charges general and other misc. expenses which have been directly booked by debiting to the profit and loss account.

**5.5 Trade Creditors:**

The company started its civil construction and erection of plant during 2021-2022. The creditors as on 31<sup>st</sup> March, 2022 were in respect of supply of construction material, machineries, spares, technical services and work undertaken by contractors. The creditors have been shown in Note No.15 as "Project Creditors".

As per terms of the agreement payment to them is to be made according to their work completion. The aging schedule amount payable to them was less than one year as on 31<sup>st</sup> March, 2022.

**5.6 Corporate environmental (CER) expenses:**

During the year 2021-2022 the company launched several social schemes for then upliftment of nearby villagers and other places surrounding the plant site.

Expenditure incurred on such activities have been debited in "Preoperative expenses" a/c. Some of such schemes are-

- (a) company took the lead to improve overall health index of local area. For which a Mobile Medical Unit was planned with a concept of "CURE AT DOOR".
- (b) improving the water positivity in the local area.
- (c) Free medical camps for the nearby villages
- (d) Donation of Oxygen Concentrator, split AC and stabilizers to District Hospital and Panchayat Community Centre.

**5.7 Other non-current asset: (Rs. in lacs)**

- (i) Rs.8.64 lac shown as "Advance for capital assets" relates to the parties against land dealing which is under dispute for which cases are pending in the court.
- (ii) Rs.36.80 lacs are towards advance given to three parties during the year for acquiring the land. Advance to vendors against supplies- Rs. 12771.33 lacs
- (iii) Advance against land diversion fee - Rs. 3.54 lacs

**5.8 Security deposit: (Rs. in lacs)**

- (a) Rs.6.30 lac being the security deposit with Dakshinanchal Vidyut Vitran Nigam Limited (DVVNL)
- (b) Rs.6.70 lac being advance rent for guest house.
- (c) Rs.2.06 lac being the security fee paid to WRD, Pawai.
- (d) Rs.0.90 lac towards demat of company's equity shares deposited with CDSL.
- (e) Rs.3.21 lacs other security deposits.

**5.9 Current Tax Assets: (Rs. in lacs)**

- (a) Income Tax Advance - 0.92
- (b) TDS on interest received-16.04
- (c) TCS on purchases-40.84
- (d) Provision for tax-(-)4.42

**5.10 Other Current Assets: (Rs. in lacs)**

- (a) Credit for amount recoverable under GST - 15911.67\*  
(b) Custom clearing - 88.69

\* Transitional Credit of Service Tax Rs. 63.04 lacs in Jaykaycem Central (UP) up held by department. Appeal pending for the same.

**5.11 Mutual Fund (Quoted) (at FVTPL): (Rs. in lacs)**

SBI Overnight Fund Direct Growth (Units purchased- 29896.008 – Redeemed on 27/04/2021 and income earned thereon Rs.2.22 lacs credited to profit and loss account under the head “Other Income”)

**5.12 Cash and cash equivalents: (Rs. in lacs)**

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with bank amounting to Rs.3150.00 lacs (unsecured, considered good with maturity of less than three months) that are readily convertible to cash and are free from risk of changes in value.

**5.13 Fixed Deposits with banks: (Rs. in lacs)**

- (a) Fixed deposits with maturity more than 12 months from the reporting date – 390.00 (non-current financial assets-Others).  
(b) Fixed deposits with original maturity of up to 3 months from the reporting date- 3150.00 lacs (Cash and cash equivalents)  
(c) Fixed deposits with maturity of more than 3 months but up to one year from the reporting date (Current Financial Assets-Other Bank Balances) -395.00

Out of the above FDR worth Rs.1295.00 lacs have been pledged with banks against overdraft limit.

**5.14 Related Parties:**

- (a) *Parties where the control/significant influence exists*  
J.K. Cement Limited (Holding Company)

(b) *Key Management Personnel (KMP) and their Relatives*

- i) Dr. Krishna Behari Agarwal, Director  
ii) Shri Ajay Kumar Saraogi, Managing Director  
iii) Shri Madhav Krishna Singhania, Director  
iv) Shri Anil Kumar Agarwal, Director  
v) Shri Rajnish Rawat, CFO  
vi) Shri Prabhat Srivastava, Company Secretary

- (c) *(Enterprises significantly influenced by Key Management Personnel and their Relatives*

J.K. Cement Limited (Holding Company)

**5.15 Related Party Transactions: (Rs. in lacs)**

- (a) To meet the requirement of funds for purchase of land, civil construction, placement of order for plant and machinery and for running project expenses during the year 2021-2022 the company has received from the holding company M/s J.K Cement Limited Rs. 2019.12 lacs against right issue of 20191189 equity shares of Rs.10/- each at premium of Rs.330 per share.  
(b) For civil construction and erection of plant at both the project site i.e. Panna and Hamirpur the holding company M/s J.K Cement Limited has sold to M/s Jaykaycem (Central) Limited, cement and other spares in the normal course of business amounting to Rs.2946.92 lacs.

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- (c) Shri Rajnish Rawat, CFO - Remuneration – Rs.12.72 lacs  
 (d) Shri Prabhat Srivastava - Remuneration – Rs.6.07 lacs  
 (e) Remuneration paid to Directors for attending - Nil  
 Board Meetings

#### 5.16 Foreign exchange: (Rs. in lacs)

For purchase of imported plant and machinery from Germany, USA, Greece, Switzerland and Japan company made payment to the foreign suppliers in foreign exchange equivalent to Rs. 5415.55 lacs. The amount is standing as advance in the name of suppliers as on 31<sup>st</sup> March, 2022.

#### 5.17 Profit and Loss Account:

Expenses of administrative nature incurred both in project and head office have been debited in Profit and Loss Account during the year.

#### 5.18 Interest earned from fixed deposits with banks and interest paid on term loan:

During the year 2021-2022 the company took Fixed Deposits with banks out of the remaining amount of term loan disbursed from banks and share premium account to earn interest thereon for investment in the project, The interest earned on fixed deposits (Rs.91.04 lacs) during the period as above has been set off with the interest paid on term loan (Rs.747.88 lac) from banks. The net of which has been debited to "Preoperative expenses A/c"

#### 5.19 Depreciation:

Company charged depreciation on assets capitalised during the year and included in "Preoperative expenses A/c". The assets have been shown in the Balance Sheet at written down value.

#### 5.20 Earning per share:

	2021-22	2020-21
	(Rs. in lacs)	(Rs. in lacs)
1. Net Profit/Loss available to equity shareholders	(-) 97.32	(-) 32.37
2. Number of equity shares	40805774	20614585
3. Basic and diluted earnings per share	(0.24)	(0.16)

#### 5.21 Contingent assets:

The amount of Rs.89.21 lac towards "Advance against land purchase" relates to parties which is under dispute for which cases are pending in the court.

#### 5.22 Figures of the previous year have been recast/regrouped wherever found necessary as per the figures presented during the year. The regrouping has not affected the loss of the previous year.

#### 5.23 Legal cases status and their financial implication: (Rs. in lac)

- (a) Rs.8.64 lacs paid as advance against land purchase to parties is under dispute. Civil suit filed against three parties and is pending as on 31<sup>st</sup> March, 2022.  
 (b) Mutation application rejected for land amounting to Rs.61.30 lacs. Civil suit filed against the party and is pending as on 31<sup>st</sup> March, 2022.  
 (c) Appeal by the party against wrong mutation done in favour of the company. Pending as on 31<sup>st</sup> March, 2022 – Rs.19.27 lacs.

#### 6. Payment to MSMEs and Non MSMEs

- (i) Return for the period from 01/10/2020 to 31/03/2021 filed on 01/12/2021- Amount due – Rs.0.23Lacs since 31/03/2021  
 (ii) Return for the period from 01/04/2021 to 30/09/2021 filed on 01/12/2021 – Amount due -Rs. 5.95Lacs since 22/07/2021.

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*Prabhat Srivastava*



## 7. Ratio Analysis

	2021-2022	2020-2021
(i) Current Ratio	2.89	35.45
(ii) Debt-Equity Ratio	0.48	-

The other ratios are not-applicable as the company has not yet started its commercial production. The same is expected to start in 2022-2023.

## 8. Corporate Social Responsibility (CSR)

The company is not covered under section 135 of the Companies Act, 2013.

## 9. Payment to auditors: (Rs. in lacs)

Audit fee (Previous year-Rs. 0.60 lacs) ..... Rs. 0.75 lacs

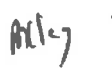
Certification fee (Previous Year-Rs. 0.15 lacs).....Rs. 0.44 lacs


**For Gupta Vinod & Co.**  
**Chartered Accountants**  
**(Firm Reg. No.002691C)**

**For and on behalf of Jaykaycem (Central) Ltd.**


  
(Vinod Kumar Gupta)  
Proprietor  
M.No.071745



  
(Ajay Kumar Saraogi)  
Managing Director  
(DIN-00130805)

  
Rajnish Rawat  
(Chief Financial Officer)

  
(Anil Kumar Agrawal)  
Director  
(DIN-00134884)

  
Prabhat Srivastava  
(Company Secretary)  
(M. No.ACS-31295)

Place: Kanpur  
Date: 21/05/2022

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