

# JAYKAYCEM(CENTRAL) LIMITED

KAMLA TOWER,

Kanpur-208001

## Statement of financial position as at MAR 31, 2018

	Notes	2017-18 (Rs.)	2016-17 (Rs.)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	609,238,746	378,068,967
Capital work in progress includes preoperative expenses	6	110,073,807	120,389,101
Deffered Tax Assets	7	2,233,620	-
Loan & Advances	8	220,000	220,000
Other non-current assets	9	20,424,410	18,433,860
<b>Total non - current assets</b>		<b>742,190,583</b>	<b>517,111,928</b>
<b>Current assets</b>			
Financial assets	10		
(i)Cash & Cash Equivalents		118,298,895	3,445,510
(ii)Bank Balance other than (i)Above		2,319,227	470,842
(iii)Current financial assets		225,112	189,649
Current Tax Assets( Net)	11	480,665	3,393
Other Current Assets	12	6,512,654	6,375,378
<b>Total current assets</b>		<b>127,836,553</b>	<b>10,484,772</b>
<b>Total assets</b>		<b>870,027,136</b>	<b>527,596,700</b>
<b>Equity and liabilities</b>			
<b>Shareholders' equity</b>			
Share capital	13	104,472,170	65,900,700
Other Equity	14	764,457,702	(531,064)
<b>Total shareholders' equity</b>		<b>868,929,872</b>	<b>65,369,636</b>
<b>Non-current liabilities</b>			
Unsecured borrowings	15	-	460,000,000
<b>Total non-current liabilities</b>		<b>-</b>	<b>460,000,000</b>
<b>Current Liabilities</b>			
i)Trade Payable	16	1,050,264	2,159,770
ii)Other financial liability		47,000	67,294
<b>Total current liabilities</b>		<b>1,097,264</b>	<b>2,227,064</b>
<b>Total liabilities</b>		<b>1,097,264</b>	<b>462,227,064</b>
<b>Total shareholders' equity and liabilities</b>		<b>870,027,136</b>	<b>527,596,700</b>

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

For Gupta Vinod & Co.

For and behalf of Jaykaycem (Central) Ltd.

Chartered Accountants

( V. K. GUPTA )  
Proprietor  
M.No. 071745

(Dr. Krishna Behari Agarwal)  
Director  
DIN-00339934

(Ajay Kumar Saraogi )  
Director  
DIN-00130805

Anil Kumar Agarwal  
Director  
DIN-00134884

Place : Kanpur  
Dated: 12.05.2018

(Prabhat Srivastava)  
Company Secretary

# JAYKAYCEM (CENTRAL) LIMITED

KAMLA TOWER,

Kanpur-208001

Statement of profit or loss and other comprehensive income for the Year ended March 31, 2018

	Notes	2017-18	2016-17
<b>Expenses</b>		(Rs.)	(Rs.)
i) Employees benefit expenses	17	746,787	272,566
ii) Other expenses		12,728,086	74,555
<b>Total Expenses</b>		<b>13,474,873</b>	<b>347,121</b>
<b>Other Income</b>	18	<b>4,800,619</b>	<b>34,061</b>
<b>(Loss) before tax &amp; Exception items</b>		<b>(8,674,254)</b>	<b>(313,060)</b>
<b>Current Tax</b>			
<b>Deferred Tax (P/L)</b>		<b>2,233,620</b>	
<b>Total comprehensive (Loss) for the year</b>		<b>(6,440,634)</b>	<b>(313,060)</b>

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

For Gupta Vinod & Co.

Chartered Accountants



For and behalf of Jaykaycem (Central) Ltd.

*V.K. Gupta*

( V. K. GUPTA )

Proprietor

M.No. 071745

*Dr. Krishna Behari Agarwal*

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Director

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*Ajay Kumar Saraogi*

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Place : Kanpur

Dated: 12.05.2018

*Prabhat Srivastava*

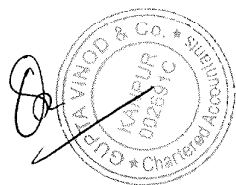
(Prabhat Srivastava)

Company Secretary

**JAYKAYCEM(CENTRAL)LIMITED**  
KAMLA TOWER,  
KANPUR-208001

Statement of cash flows for the year ended March 31, 2018

	<u>2017-18</u>	<u>2016-17</u>
<b>Cash flows from operating activities</b>	Rs.	Rs.
(Loss) for the year	(6,440,634)	(313,060)
<i>Adjustments for:</i>		
Deferred Tax	(2,233,620)	-
<b>Operating (loss) before changes in operating assets and liabilities</b>	<b>(8,674,254)</b>	<b>(313,060)</b>
<i>(Increase)/decrease in current assets</i>		
Due from a related party	-	-
Current Financial Assets	(35,463)	(178,325)
Other current assets	(137,276)	(565,185)
Current Taxation Assets (Net)	(477,272)	202
<i>Increase/(decrease) in current liabilities</i>		
i)Trade Payable	(1,109,506)	322,757
ii)Other financial liability	(20,294)	(2,805,974)
<b>Cash generated from/(used in) operations</b>	<b>(10,454,065)</b>	<b>(3,539,585)</b>
<b>Net cash from/(used in) operating activities</b>	<b>(10,454,065)</b>	<b>(3,539,585)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(231,169,779)	(4,500)
Capital work in progress including preoperative expenses	10,315,294	(18,082,630)
Other non-current assets	(1,990,550)	(17,570,000)
<b>Net cash (used in) investing activities</b>	<b>(222,845,035)</b>	<b>(35,657,130)</b>



**JAYKAYCEM(CENTRAL)LIMITED**  
**KAMLA TOWER**  
**KANPUR-208001**

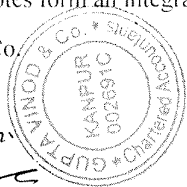
Statement of cash flows for the year ended March 31, 2018 (continued)

	<u>2017-18</u>	<u>2016-17</u>
<b>Cash flows from financing activities</b>		
Additional capital introduced	38,571,470	-
Redeemable preference shares	(460,000,000)	460,000,000
Share premium account	771,429,400	-
(Repayment)/proceeds from long term loans - net	-	(420,679,123)
<i>Net cash from financing activities</i>	<u>350,000,870</u>	<u>39,320,877</u>
<i>Net increase/(decrease) in cash and cash equivalents</i>	<u>116,701,770</u>	<u>124,162</u>
Cash and cash equivalents, beginning of the year	<u>3,916,352</u>	<u>3,792,190</u>
<b>Cash and cash equivalents, end of the year</b>	<u><u>120,618,122</u></u>	<u><u>3,916,352</u></u>
<b>Represented by:</b>		
Cash in hand	209,869	209,869
Cash at banks	<u>120,408,253</u>	<u>3,706,483</u>
	<u><u>120,618,122</u></u>	<u><u>3,916,352</u></u>

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

For Gupta Vinod & Co.

(V. K. GUPTA)  
Proprietor  
M.No. 071745



(Dr. Krishna Behari Agarwal)  
Director  
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For and behalf of Jaykaycem (Central) Ltd.

(Ajay Kumar Saraogi )  
Director  
DIN-00130805

(Anil Kumar Agrawal)  
Director  
DIN-00134884

Place : Kanpur  
Dated: 12.05.2018

(Prabhat Srivastava)  
Company Secretary

STATEMENT OF CHANGE IN EQUITY  
for the year ended 31st march2018

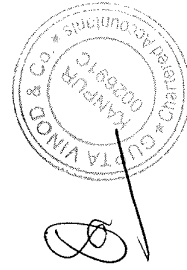
	As at 31 March2018		As at 31 March2017	
	No. of Share Rs.	Amount Rs.	No. of Share Rs.	Amount Rs.
(A)EQUITY SHARE CAPITAL				
Balance at the beginning of the year	6590070	65900700	6590070	65900700
Change in equity share capital during the year	3857147	38571470	---	---
Balance at the end of the reporting period	10447217	104472170	6590070	65900700

Equity Share capital increased during the year due to conversion of CCD and Issue of Right Equity Share as under:-

a)Conversion of CCD into Equity -2666669Shares of Rs.10 each	26,666,690
b)Right issue of equity Share Shares-1190478 Share Of Rs.10 each	11,904,780
	38,571,470

(B) OTHER EQUITY	Share Premium account Rs.	Retained earnings Rs.	Total
Balance at 1st April2017	-	(531064.00)	(531064.00)
Loss for the year	-	(6440634.00)	(6440634.00)
Addition in Share Premium Account*	771429400	-	771429400
Balance at 31st March2018	771429400	(6971698.00)	764457702.00

\*3857147 Equity Share of Rs.10each at a premium of Rs.200/-



JAYKAYCEM CENTRAL LIMITED  
KAMLA TOWER,  
KANPUR-208001

Notes to the financial statements for the Period ended March 31, 2018

5 Property, plant and equipment

The gross carrying amounts and accumulated depreciation are shown below:

	Land Rs.	Building and improvements Rs.	Plant and machinery Rs.	Furniture, fixtures and office equipments Rs.	Total Rs.
Cost					
As at March 31, 2017	377,534,517	71,285	301,812	161,353	378,068,967
Addition during the year	233,092,024	-	6,561	61,745	233,160,329
Transferred during the year	1,990,550	-	-	-	1,990,550
Disposals during the year	-	-	-	-	-
Write off of property plant and equipment during the year	-	-	-	-	-
As at Mar 31, 2018	608,635,991	71,285	308,373	223,098	609,238,746
Accumulated depreciation					
As at March 31, 2017	-	-	-	-	-
Charge for the year	-	-	-	-	-
Eliminated on disposals during the year	-	-	-	-	-
Eliminated on assets written off during the year	-	-	-	-	-
As at Mar 31, 2018	-	-	-	-	-
Carrying value as at Mar 31, 2018	608,635,991	71,285	308,373	223,098	609,238,746
Carrying value as at March 31, 2017	377,534,517	71,285	301,812	161,353	378,068,967

6 Capital work in progress includes preoperative expenses

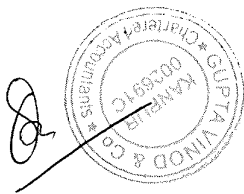
	2017-18	2016-17
i opening as on 01.04.2017	4548087.00	165147
Addition During the year	0.00	4382940
Closing balance	4548087.00	4548087
ii Preoperative expenses	2017-18	2016-17
Opening Balance	115841014	102141324
Add: Other Professional Charges	1694850	3437388
Legal Expenses	81648	1470714
Charges general	0	266733
Interest on loan	0	8523820
Bank charges	0	1035
Less: Transferred to Profit & Loss a/c	12091792	0
Closing Balance	105525720	115841014
i+ii	110073807	120389101



**JAYKAYCEM(CENTRAL)LIMITED**  
**KAMLA TOWER,**  
**KANPUR-208001**

Notes to the financial statements for the Period ended March 31, 2018

	2017-18	2016-17
	Rs.	Rs.
7 <b>Deffered Tax Assets</b>		
Unabsorbed Losses	2,233,620	
	<u>2,233,620</u>	
8 <b>Loan &amp; Advances</b>	(Rs.)	(Rs.)
Security Deposit	220,000	220,000
	<u>220,000</u>	<u>220,000</u>
9 <b>Other non-current assets</b>		
Advance for capital assets	2,854,410	863,860
Advance for acquiring Mining Lease	17,570,000	17,570,000
	<u>20,424,410</u>	<u>18,433,860</u>
10 <b>i)Cash and bank balances</b>	2017-18	2016-17
	(Rs.)	(Rs.)
Balance with bank		
In current account	3,100,026	3,235,641
In fixed deposit	-	-
Upto three months	114,989,000	-
	-	-
Cash on hand	209869	209869
Cheque in hand		
	<u>118,298,895</u>	<u>3,445,510</u>
<b>ii)Other Bank Balance</b>		
In fixed deposit		
more than three months and upto one year	2,319,227	470,842
	<u>2,319,227</u>	<u>470,842</u>
<b>iii)Other Current Financial assets</b>		
other Loan & advances	216,798	181,335
Advance to Employees	8,314	8,314
	<u>225,112</u>	<u>189,649</u>



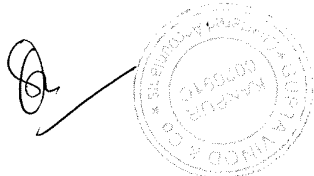
# JAYKAYCEM(CENTRAL)LIMITED

KAMLA TOWER,

KANPUR-208001

Notes to the financial statements for the Period ended March 31, 2018

	2017-18	2016-17
<b>11 Current Tax Assets( Net)</b>		
Advance Tax( Net of Provision)	480,665	3,393
<b>12 Other current Assets</b>		
Balance with GST/Excise & custom department	6,512,654	6,375,378
<b>13 Share capital</b>		
<b>Names of sharcholders</b>	<b>2017-18</b>	<b>2016-17</b>
<b>Nationality Percentage No. of shares</b>		
M/s. J.K Cement Limited	100 10,447,217 104,472,170	65,900,700
	100 10,447,217 104,472,170	65,900,700
<b>14 Other Equity</b>		
Share Premium Account	771,429,400	-
3857147 equity shares of Rs.10 each at a premium of Rs.200/-		
<b>Retained earnings</b>		
Balance at the beginning of the year	(531,064)	(218,004)
(Loss) for the year	(6,440,634)	(313,060)
Balance at the end of the year	(6,971,698)	(531,064)
	764,457,702	(531,064)
<b>15 Unsecured borrowings</b>		
Compulsory convertible debenture	0	460000000
Balance at the end of the year	-	460,000,000
<b>16 Current Liabiliteis</b>		
i) Other Trade Payable	1,050,264	2,159,770
ii) Other financial liabilities	47,000	67,294
(Government Dues)	1,097,264	2,227,064
<b>17 i)Employees benefit expenses</b>		
Salaries and related benefits	746,787	272,566
<b>ii)Other expenses</b>		
Cess & S.h Edu Cess	165263	
Travelling and conveyance	-	4,055
professional expenses	18100	10,580
Expenses relating to earlier year	12,091,792	
Miscellaneous	452,931	59,920
	12,728,086	74,555
<b>18 Other Income</b>		
Interest income form Bank Deposit	4,800,433	33,937
Interest on income tax refund	186	124
	4,800,619	34,061



# Jaykaycem (Central) Limited

(CIN: U72305UP1987PLC009162)

## Notes to the financial statements as at 31<sup>st</sup> March, 2018

### Company overview and significant accounting policies

#### 1. Company overview

The company is a public limited company domiciled in India. It was registered as J.K. Circuit Works Limited on 30<sup>th</sup> November, 1987 under the provisions of the Companies Act, 1956 with the Registrar of Companies, U.P. Kanpur vide Reg. No.009162 dt. 30<sup>th</sup> 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. Presently the company is engaged in acquisition of land at Dist. Panna in the state of Madhya Pradesh for setting up an integrated Cement Plant, acquiring mining lease from the Govt. of Madhya Pradesh for mining of limestone which is the basic raw material for manufacturing Grey Cement, in Dist. Panna M.P. The State Government has granted mining lease of 1594.34 hectares of land at village Judi, Kamtana, Kakra Dist. Panna M.P in favour of the company. Apart from this the Company's has also applied for another mining lease for Limestone in Simaria Block for an area of 3095.23 hectare in tehsil Simaria, Dist. Panna M.P. which is under active consideration of the state Govt. The company has purchased till March 31, 2018, 775.98 Acres of land at the site plant adjacent to the mines.

The Company has yet to start its commercial activities. 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.

#### 2. Accounting concepts:

- (a) The financial statements are prepared under the historical cost convention on an accrual basis in accordance with the applicable mandatory Ind AS and according to Schedule III of the Companies Act, 2013.
- (b) The annual accounts have been prepared on a going concern basis.

#### 3. Basis of preparation of financial statements

##### 3.1 Capital structure of the company

- (i) The shareholders' equity has been changed during the year as compared to the previous year.
- (ii) The present Authorised Capital of the company is Rs.15,00,00,000 (Rs. Fifteen Crore) divided into 1,50,00,000 equity shares of Rs.10/- each. (Previous year – Rs.10,00,00,000 divided into 1,00,00,000 equity shares of Rs.10/- each).
- (iii) (a) Compulsory Convertible Debentures issued in the year 2016-17 amounting to Rs. 46,00,00,000 have been converted into equity shares of Rs. 10/- each at a premium of Rs.200/- on 28/02/2018 in the ratio of 1 shares for every 21 CCDs held on the record date. The conversion has resulted in to increase in the equity capital by Rs. 2,19,04,760 and remaining Rs. 43,80,95,200 under the head "Share Premium A/c".



Further during the year 2017-18 the company made right issue of 65,90,070 (Sixty Five Lakh Ninty Thousand Seventy) Zero Percent Unsecured Compulsory Convertible Debentures (CCDs) of Rs. 150/- (Rs. One Hundred Fifty Only) each for cash at par, total aggregating Rs.98,85,10,500 (Rs. Ninty Eight Crore Eighty Five Lakh Ten Thousand Five Hundred Only) on Right Basis in the proportion 1(One) unsecured CCD for every 1 (One) equity share of the Company to the existing shareholder(s) held as on the record date i.e 06.06.2017. Out of the said issue 6,66,670 CCDs of Rs. 150/- each were subscribed by the shareholder(s) amounting to Rs. 10,00,00,500. These CCDs were also converted in to equity shares of Rs. 10/- each at a premium of Rs.200/- on 28/02/2018 in the ratio of 5 shares for every 7 CCDs held on the record date. The conversion has resulted in to increase in the equity capital by Rs. 47,61,930 and the remaining Rs. 9,52,38,600 under the head "Share Premium A/c"

Total increase in the share capital after conversion of CCDs = Rs. 2,66,66,690  
[ Rs. 2,19,04,760 + Rs. 47,61,930]

Total in the share premium account after conversion of CCDs =Rs.53,33,33,800  
[ Rs. 43,80,95,200+ Rs. 9,52,38,600]

(b) The company made on 27<sup>th</sup> October, 2017 right issue of 13,18,014 (Thirteen Lac Eighteen Thousand and Fourteen Only) equity shares of Rs.10/- each for cash at a premium of Rs.200/- per share, total aggregating to Rs. 27,67,82,940 ( Rupees Twenty Seven Crore Sixty Seven Lakh Eighty Two Thousand Nine Hundred Forty Only ) on Right Basis to the existing shareholder(s) of the Company in the ratio of 1 (one) equity share of Rs.10/ each for every 5 (five) equity shares of the company held as on the Record Date. The right was subscribed for 11,90,478 equity shares of the company as under:

Equity capital	- 11,90,478x10	= Rs. 1,19,04,780
Share premium	- 11,90,478x200	= Rs.23,80,95,600

Issued, subscribed and paid up capital (01/04/2017) = Rs. 6,59,00,700

Additions:

(i)	Due to conversion of CCDs	= Rs. 2,66,66,690
(ii)	Right issue of Equity	= Rs. 1,19,04,780

Issued, subscribed and paid up capital (31/03/2018) = Rs.10,44,72,170

Share premium (Rs.53,33,33,800+Rs.23,80,95,600) = Rs.77,14,29,400

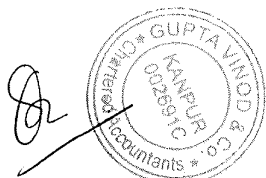
**Note:** Preliminary evaluation of valuation of shares of the company has been done by M/s P.L. Tandon & Co., Chartered Accountants, Kanpur.

### 3.2 Property, Plant and equipment:

Valued at cost. Cost of land includes cost plus stamp duty and registration charges and payment made to seller under Land Acquisition, Rehabilitation and Resettlement Act, 2013.

### 3.3 Capital work in progress:

Expenses incurred on civil work of pillars on the boundary wall have been grouped under this head.



#### **3.4 Preoperative expenses:**

- (i) The company is in its preoperative stage. Administrative expenses incurred at the project site amounting to Rs.1,20,91,792 for the period from 2010-11 up to 2016-17 classified earlier under the head "Preoperative expenses" have been charged to Profit and Loss Account for the period ended 31<sup>st</sup> March, 2018 under the head "Expenses relating to earlier years".
- (ii) Other related expenses for acquisition of land amounting to Rs.10,55,25,720 have been shown under this head.

#### **3.5 Other non-current asset:**

- (i) The company is in the process of acquiring mining lease for Limestone in different parts of state from the Govt. of Madhya Pradesh. It has so far paid Rs.17,570,000 to M.P. Govt. as advance for acquiring mining lease.
- (ii) Out of the total Rs. 28,54,410 shown as "Advance against land purchase" the amount of Rs.8,63,860/- relates to three parties which is under dispute for which cases are pending in the court.
- (iii) Rs.2,20,000 relates to the amount deposited with M.P Govt. for procuring license.

#### **3.6 Advance, deposits and other receivables:**

Includes credit for amount recoverable under GST – Rs. 65,12,654.

#### **3.7 Accumulated losses:**

Accumulated losses of the Company as on 31<sup>st</sup> March, 2018 are Rs.64,40,634 after charging earlier year(s) expenses amounting to Rs.1,20,91,792.

#### **3.8 Related party transactions:**

	2017-18	2016-17
<b><u>J.K.Cement Limited</u></b>		
opening balance	-	38,65,59,429
Addition During The Year	-	1,22,87,361
Paid during the Year	-	39,88,46,790
Total	-	-
Interest Payable /Paid		
Opening Balance	-	3,41,19,695
Addition During The Year	-	85,23,820
Less TDS deducted During the Year	-	8,52,382
Net Interest Payable	-	4,17,91,133
Interest Paid During The Year	-	4,17,91,133



Investment:	2017-18	2016-17
Opening balance (CCDs allotted)	46,00,00,000	-
Add : Compulsory Convertible Debentures allotted during the year at the rate of Rs.150/- on right basis	10,00,00,500	-
Less : CCDs converted in to equity share of Rs.10/- each at a premium of Rs.200/-	56,00,00,490	-
Less : Balance amount paid to J.K. Cement Ltd.	10	-
Net Balance	-	-
Amount received against right issue of equity share of Rs.10/- each at a premium of Rs.200/- (Application money)	25,00,00,500	-
Less : Equity share allotted on right basis during the year	25,00,00,380	-
Less : Balance amount paid to J.K. Cement Ltd.	120	-
Net Balance	-	-

### 3.9 Foreign exchange:

There were no foreign transactions during the year.

### 3.10 Earning per share:

	2017-18 Rs.	2016-17 Rs.
1.Net Profit/Loss available to equity shareholders ( Including exceptional item)	(6440634)	(313060)
2. Number of equity shares	1,04,47,217	65,90,070
Basic and diluted earning per share	(0.6164)	(0.0475)

### 3.11 Deferred Tax Asset:

During the year the company has debited Rs. 1,20,91,792 towards administrative expenses of project office relating to previous years. This has resulted in the loss of Rs. 86,74,254 during the year. The company has provided for Deferred Tax Asset in the books for Rs. 22,33,620.

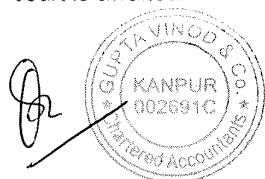
3.12 Interest income is from fixed deposits with bank.

### 3.13 Depreciation:

Since the project is still in pre- operative stage, depreciation provisions will be considered once the commercial production is commenced.

### 3.14 Contingent assets:

The amount of Rs.8,63,860/- towards "Advance against land purchase" relates to three parties which is under dispute for which cases are pending in the court. Decision of the court is awaited.



3.15 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.

4. Payment to auditors:

Audit fee (Previous year-18000/-)	.....18000/-
Certification fee	..... NIL
Out of pocket expenses	.....NIL

For Gupta Vinod & Co.  
Chartered Accountants



*V.K. Gupta*

(V. K. GUPTA)  
Proprietor  
M.No. 071745

*Dr. Krishna Behari Agarwal*  
(Dr. Krishna Behari Agarwal)  
Director  
DIN-00339934

For and behalf of Jaykaycem (Central) Ltd.

*Ajay Kumar Saraogi*

(Ajay Kumar Saraogi)  
Director  
DIN-00130805

*Anil Kumar Agrawal*

(Anil Kumar Agrawal)  
Director  
DIN-00134884

Place: Kanpur  
Dated: 12.05.2018

*Prabhat Srivastava*  
(Prabhat Srivastava)  
Company Secretary

**INDEPENDENT AUDITOR'S REPORT**  
**To The Members of**  
**JAYKAYCEM(CENTRAL)LIMITED**

**Report on Financial Statements**

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

**Management's Responsibility for the Standalone 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

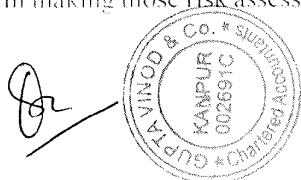
This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the



Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

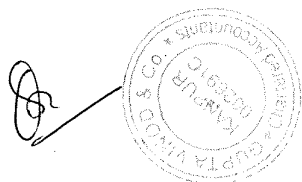
### **Opinion**

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 March 31, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

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

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

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) on the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:



**GUPTA VINOD & CO.,**  
**(Firm Reg. No. 002691C)**  
**Chartered Accountants**

**Phone : 0512-2563524**  
**Mobile: 9839029218**  
**E-mail:vinod3216@gmail.com**

**3/216, Vishnupuri**  
**Kanpur-208002 (U.P)**

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- i. The Company has disclosed the impact of pending cases on its financial position in its financial statements.
  - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
  - iii. There were no amounts which required to be 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 GUPTA VINOD & CO.,**  
**Chartered Accountants**  
**(Firm's Reg. No. 002691C)**



*V.K. Gupta*

**V. K GUPTA**  
**Proprietor**  
**(Mem. No. 71745)**

**KANPUR**  
**MAY 12, 2018**

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

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of JAYKAYCEM(CENTRAL)LIMITED)

**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 JAYKAYCEM(CENTRAL)LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

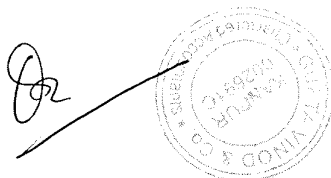
**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company 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, 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 internal financial controls over financial reporting of the Company 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.


#### **Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

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

**For GUPTA VINOD & CO.,**  
**Chartered Accountants**  
**(Firm's Reg. No. 002691C)**

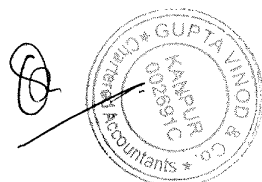
  
**V. K GUPTA**  
**Proprietor**  
**(Mem. No. 71745)**

**KANPUR**  
**MAY 12, 2018**

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of JAYKAYCEM(CENTRAL)LIMITED)

- i. In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The company is in the process of purchasing land for its proposed mining activities and setting up of its cement plant in the state of Madhya Pradesh. The title deeds of land purchased so far are held in the name of the company.
- ii. In our opinion and according to the information and explanations given to us, the Company has not given any loan or made investments within the meaning of sections 185 and 186 of the Companies Act, 2013.
- iii. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information given to us, there are adequate internal control system commensurate with the size of the company and the present nature of its business. We have not observed any major weakness in such internal control system.
- v. According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities all applicable statutory dues.
- vi. There were no undisputed amounts payable in respect statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
- vii. The Company has not taken any loans or borrowings from financial institutions, banks and government but has issued Compulsory Convertible Debentures (CCD) to its existing shareholder(s) on right basis. CCDs issued during the year and in the previous year(s) have been converted in to equity during the year. Details of which have been given in detail in the "Notes to the financial statements" as at 31<sup>st</sup> March, 2018.
- viii. During the year under audit the Company has also raised equity on Right basis to the existing shareholder(s) of the Company, details of which have been given in the "Notes to the financial statements" as at 31<sup>st</sup> March, 2018.



**GUPTA VINOD & CO.,**  
**(Firm Reg. No. 002691C)**  
**Chartered Accountants**

**Phone : 0512-2563524**  
**Mobile: 9839029218**  
**E-mail:vinod3216@gmail.com**

**3/216, Vishnupuri**  
**Kanpur-208002 (U.P)**

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- ix. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- x. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xi. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xii. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xiii. The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.
- xiv. No other order matters specified in the said order is applicable to the Company in respect of the accounts under audit.

**For GUPTA VINOD & CO.,**  
**Chartered Accountants**  
**(Firm's Reg. No. 002691C)**



*V.K.G.*  
**V. K GUPTA**  
**Proprietor**  
**(Mem. No. 71745)**

**KANPUR**  
**MAY 12, 2018**