



Jai Balaji Industries Limited

16th Annual Report

2014 - 15

INSPIRED BY STEEL

In this Annual Report, we have disclosed forward-looking information to help investors to comprehend our prospects and take informed investment decisions. This report is based on certain forward-looking statements that we periodically make to anticipate results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe that we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Notice to the Shareholders

NOTICE IS HEREBY GIVEN THAT the Sixteenth Annual General Meeting of the Members of Jai Balaji Industries Limited will be held on Monday, 21st September, 2015 at 10:30 a.m. at Rotary Sadan (Shripati Singhania Hall), 94/2 Chowringhee Road, Kolkata - 700 020 to transact the following businesses:

ORDINARY BUSINESS

Item No. 1

To receive, consider and adopt the Audited Standalone Financial Statement of the Company for the financial year ended 31st March, 2015 together with the Report of the Board of Directors and the Auditors thereon including Audited Consolidated Financial Statement for the financial year ended 31st March, 2015 together with the Report of the Auditors thereon.

Item No. 2

To appoint a Director in place of Shri Sanjiv Jajodia (DIN - 00036339), who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 3

To appoint a Director in place of Shri Gourav Jajodia (DIN - 00028560), who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 4

To consider and if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s. S. K. Agrawal & Co., Chartered Accountants (Firm Registration No. 306033E), of Suite 606-08, The Chambers 1865, Rajdanga Main Road, Kolkata - 700 107, be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 21st Annual General Meeting, (subject to ratification of their appointment at every Annual General Meeting) at such remuneration apart from reimbursement of out of pocket expenses and taxes as applicable, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

SPECIAL BUSINESS

Item No. 5

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Clause 49 of the Listing Agreement with the Stock Exchanges,

Ms. Seema Chowdhury (DIN - 07158338), who was appointed by the Board as an Additional Director of the Company with effect from 17th April, 2015 based on the recommendation of the Nomination and Remuneration Committee, in terms of Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member of the Company under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as a Independent Director of the Company not liable to retire by rotation to hold office for a period of 5 years with effect from 17th April 2015."

Item No. 6

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Clause 49 of the Listing Agreement with the Stock Exchanges, Ms. Swati Agarwal (DIN - 07158355), who was appointed by the Board as an Additional Director of the Company with effect from 17th April, 2015 based on the recommendation of the Nomination and Remuneration Committee, in terms of Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member of the Company under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for a period of 5 years with effect from 17th April 2015."

Item No. 7

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Clause 49 of the Listing Agreement with the Stock Exchanges, Ms. Rakhi Jain (DIN - 07161473), who was appointed by the Board as an Additional Director of the Company with effect from 17th April, 2015 based on the recommendation of the Nomination and Remuneration Committee, in terms of Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member of the Company under Section 160 of the Companies



Notice to the Shareholders (Contd.)

Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for a period of 5 years with effect from 17th April 2015."

Item No. 8

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), a consolidated remuneration of ₹ 1,20,000/- (excluding applicable taxes and reimbursement of out-of-pocket expenses, if any) as recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 5th August, 2015 to be paid to Mondal & Associates, Proprietor Mr. Amiya Mondal, being the Cost Auditors of the Company, having office at 45, Akhil Mistry Lane, Kolkata - 700 009 for conducting the audit of the cost records of the Company and providing Cost Audit Report and all such reports, annexures, records, documents etc., for the financial year 2015-16, that may be required to be prepared and submitted by the Cost Auditors under applicable statute, be and is hereby ratified."

Item No. 9

To consider and, if thought fit, to pass with or without modifications(s), the following Resolution as an **Ordinary Resolution**.

"RESOLVED THAT the resolution passed by the shareholders at the 15th Annual General Meeting held on 27th September, 2014 for increase in the authorised share capital of the company from ₹1,01,00,00,000/- (Rupees One Hundred and One Crores only) divided into 10,10,00,000 (Ten Crores Ten Lacs) equity shares of ₹10/- (Rupees Ten only) each to ₹ 1,30,00,00,000/- (Rupees One Hundred and Thirty Crores only) divided into 13,00,00,000 (Thirteen Crores) equity shares of ₹10/- (Rupees Ten only) each by creation of 2,90,00,000 (Two Crores Ninety Lacs) equity shares of ₹10/- (Rupees Ten only) each ranking pari-passu with the existing equity shares and the corresponding alteration in the Clause V of the Memorandum of Association of the company be and is hereby rescinded."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to take all necessary actions and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

Item No. 10

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and any other applicable laws, rules, regulations, notifications, circulars and the relevant provisions of the Memorandum and Articles of Association of the Company and with the consent of M/s. Hari Management Limited and subject to the limits on borrowings set out by the Shareholders, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to convert the loan received from the said M/s. Hari Management Limited, Promoter shareholder of the Company, into 87,39,685 (Eighty Seven Lakhs Thirty Nine thousand Six hundred and Eighty Five) Zero Coupon, Unsecured, Unlisted, Non - Convertible Debentures (herein referred to as 'Debentures') at a face value of ₹ 100/-per debenture on such terms and conditions as set out herein below:

- The Debentures shall be unsecured and will rank pari passu with all other unsecured borrowings of the Company and shall be subservient with the Bank Loans.
- The Debentures shall be redeemable at par within three months from the expiry of twelve years from the date of allotment.
- The Debentures shall not carry any interest.
- The Debentures shall be non-transferable.
- The respective Debenture Certificates and the Letters of Allotment in respect of the Debentures shall be completed and issued within three months from the date of allotment thereof."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to decide and approve other terms and conditions of the issue of the Debenture and shall also be entitled to vary, modify or alter any of the terms and conditions subject to the consent of Debenture Holder, as it may deem fit."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary, expedient, usual, proper, incidental or desirable and to settle any question, difficulties or doubts that may arise in this regard and in regard to the allotment of the Debentures and enter and execute all such deeds, documents, agreements or other instruments, and to take such actions/directions as they may consider as being necessary or desirable and to obtain any approvals permissions, sanctions which may be necessary or desirable as they may deem fit."

Item No. 11

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of any earlier resolution passed by the Company in this respect and pursuant to the provisions of Section 186 of the Companies Act, 2013 (the "Act") read with the Companies (Meetings of Board and its



Notice to the Shareholders (Contd.)

Powers) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions of the appropriate authorities, as may be necessary, and the Articles of Association of the Company and all other applicable provisions of law, the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any committee constituted by Board or any other person(s) authorised by the Board to exercise the powers conferred on the Board by this resolution) be and is hereby authorised to acquire by way of subscription, purchase or otherwise the securities of any other body corporate notwithstanding that the aggregate of the securities so far acquired or to be acquired in all bodies corporate from time to time and/or in one or more tranches may exceed the limit prescribed under the said section, provided however that the investment(s) made shall not exceed at any time a sum of Rs. 130 Crores in aggregate."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to decide and finalise the terms and conditions as it may deem necessary, proper or desirable while making investment(s), within the aforesaid limits including the power to transfer and dispose off the investments so made, from time to time, and to take such steps as may be necessary for obtaining approvals, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

Item No. 12

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and the recommendations of the Nomination and Remuneration Committee and subject to the approval of such authorities as may be required, consent of the Company be and is hereby accorded to the appointment of Shri Amit Kumar Majumdar, who has attained the age of seventy years, as an Executive Director of the Company for a period of 3 (three) years from 14th August, 2015 to 13th August, 2018, at a consolidated remuneration not exceeding ₹ 75,000/- per month and on such terms and conditions as set out in the Agreement dated 14th August, 2015 entered into between the Company and Shri Amit Kumar Majumdar, a copy whereof, initialled by the Chairman of the meeting for the purposes of identification, has been submitted to this meeting, which Agreement be and is hereby specifically approved."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to alter or vary the terms and conditions of his appointment including the remuneration thereof, to the extent recommended by the the nomination and remuneration committee from time to time and as may be considered beneficial in the interest of the Company and to do all such act, deeds and things as may be necessary and incidental thereto for the said purpose."

Registered Office:
5, Bentinck Street,
Kolkata - 700 001

By Order of the Board
For **Jai Balaji Industries Limited**

Place : Kolkata
Date : 14th August, 2015

Ajay Kumar Tantia
Company Secretary

Notes:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of Special Business under item no. 5 to 12 to be transacted at the Sixteenth Annual General Meeting ('the meeting') is annexed hereto and forms part of the Notice.
2. Pursuant to the provisions of Section 91 of the Companies Act, 2013 the Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 19th September, 2015 to Monday, 21st September, 2015 (both days inclusive)
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Pursuant to Section 105 of the Companies Act, 2013 and rules made thereunder a person can act as a proxy on behalf of the member or members not exceeding 50 (Fifty) and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. Also, a member holding more than 10% of the total share capital of the Company carrying voting rights, may appoint a single person as a proxy provided that such a person shall not act as a proxy for any other person or member. The instrument appointing the proxy, should be deposited at the registered office of the Company, duly completed and signed, not less than 48 (Forty Eight) hours before the commencement of the meeting. Further, proxies submitted on behalf of the companies, societies etc. must be supported by an appropriate resolution/authority, as applicable. Members who hold shares in dematerialized form are requested to bring their Photo Identity Card for easy identification of attendance at the meeting.

Every member entitled to vote at the meeting shall be entitled during the period beginning 24 hours before the



Notice to the Shareholders (Contd.)

time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during business hours, provided that not less than 3 days notice in writing of the intention to inspect is given by the member to the Company.

4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the board resolution authorising their representative to attend and vote on their behalf at the Meeting.
5. Members holding shares in physical mode are requested to intimate any change in their address or bank mandates to the Registrar and Share Transfer Agents, M/s. Maheshwari Datamatics Private Limited, 6 Mangoe Lane, Kolkata - 700 001 and members holding shares in demat mode are requested to intimate any change in their address or bank mandates to their respective Depository Participants. Any such changes effected by the Depository Participants will automatically reflect in the Company's subsequent records.
6. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to write to the Company's Registrar and Share Transfer Agents, M/s. Maheshwari Datamatics Private Limited, 6 Mangoe Lane, Kolkata - 700 001, enclosing their share certificates to enable the Company to consolidate their holdings into single folio.
7. Members who hold shares in physical form are also requested to take immediate action to demat their shares to avail easy liquidity since trading of shares of the Company are under compulsory demat mode as per the regulation of SEBI and also to prevent any loss of physical Share Certificate.
8. Pursuant to Section 88 of the Companies Act, 2013 the Register of Members is required to be maintained in form MGT -1. In this respect, members holding shares in physical form are requested to inform/update the following additional details to the RTA, Maheshwari Datamatics Pvt Ltd of 6 Mangoe Lane, Kolkata - 700 001, who have not yet so updated
 - a. E-mail id (of the first holder)
 - b. PAN no.
 - c. Unique Identification Number (AADHAR NO.)
 - d. Father's /Mother's/Spouse's Name
 - e. Occupation
 - f. In case the member is a minor, Name of the Guardian and date of birth of the Member
 - g. CIN no. (In case the member is a body corporate)
9. Members are requested to quote the Folio/Client ID & DP ID Nos. in all correspondences.

10. Electronic copy of the Annual Report for the financial year 2014-15 and the Notice of the Sixteenth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes. However, members who have not registered their email address, shall be furnished with physical copies of the aforesaid Notice in the permitted mode.

Members are also informed that the Notice of the Sixteenth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form as well as the Annual Report for the Financial year 2014-15 shall also be available on the website of the Company viz. www.jaibalajigroup.com.

To support the 'Green Initiative', members holding Shares in demat form, who have not registered their e-mail address as of now, are requested to register the same with their respective Depository Participant and members holding shares in Physical form are requested to register their valid e-mail address with the Company at its registered office address or by sending an e-mail at jaibalaji@jaibalajigroup.com mentioning their name and folio no. Alternatively, a 'JAIBALAJI-Go Green Form' is also available at the Company's website to enable the members holding shares in Physical form to register their e-mail address.

11. Members are requested to :-
 - Bring their copy of Annual Report at the meeting.
 - Deliver duly completed and signed Attendance Slip at the entrance of the venue of the meeting for admission to the meeting hall.
12. All the documents referred to in the accompanying notice are available for inspection by the members at the Registered Office of the Company on all working days (except Saturdays and Sundays), between 11:00 A.M. to 1:00 P.M. upto the conclusion of this Annual General Meeting.
13. Members seeking further information on the Accounts or any other matter contained in the Notice are requested to write to the Company at least 7 (Seven) days before the meeting so as to enable the Company to make available relevant information at the meeting.
14. Members wishing to claim dividend, which remains unclaimed are requested to correspond with the Company Secretary, at the Company's Registered Office. Members are requested to note that dividends not encashed or claimed within 7 (Seven) years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the fund established by the Central Government, namely the Investor Education and



Notice to the Shareholders (Contd.)

Protection Fund (IEPF). Further, once the unclaimed dividend is transferred to IEPF, no further claim shall be entertained by the Company in respect thereof. Details of dividend remaining unclaimed by the members for the past years which have not yet been transferred to IEPF are readily available for view by the members on the Company's Website.

Information of such unclaimed/unpaid dividend amount, when due for transfer to the said fund, is given below:

Financial Year Ended	Date of Declaration of Dividend	Unclaimed/ Unpaid Amount (in Rs.)	Last Date for Claiming Un-Paid/ Unclaimed Dividend
31.03.2008	18.09.2008	53,192.00	22.10.2015
31.03.2009	15.09.2009	24,018.00	19.10.2016
31.03.2010	22.09.2010	47,116.00	26.10.2017
31.03.2011	21.09.2011	46,338.00	25.10.2018

15. Members holding shares in physical form can avail of the nomination facility under Section 72 of the Companies Act, 2013 by submitting Form No. SH. 13 as per Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, with the Company or its Registrar & Share Transfer Agents. Blank forms will be made available on request. The same can also be downloaded from the Company's website: www.jaibalajigroup.com under the head 'Investor Relations'. In case of Shares held in demat form, the nomination has to be lodged with their respective Depository Participants.

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in demat mode are, therefore, requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical mode can submit their PAN details to the Company's Registrar and Share Transfer Agents, M/s. Maheshwari Datamatics Private Limited, 6 Mangoe Lane, Kolkata - 700 001.

17. a) In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments made thereto, and Clause 35B of the Listing Agreement with the Stock Exchanges, the Company is pleased to inform that *the business as stated in the notice may be transacted through electronic voting system from a place other than the venue of the meeting i.e. remote e-voting and the Company is providing facility for voting by electronic means through e-voting services as provided by the Central Depository Services (India) Limited (CDSL) and the business may be transacted through such voting. The detailed process for exercising the e-voting facility is enclosed and is being sent as a part of the Notice. Members are*

requested to carefully read the instructions of e-voting before exercising their vote.

b) The e-voting facility will be made available during the following period:

Commencement of e-voting: From 10:00 a.m. on Friday, 18th September, 2015

End of e-voting: up to 5:00 p.m. on Sunday, 20th September, 2015

Members holding shares either in physical or dematerialized mode as on the cut-off date (i.e. the record date) viz. Tuesday, 15th September, 2015 may exercise their vote electronically.

c) In case a person becomes a member of the Company after the dispatch of the Notice but on or before the cut-off date for e-voting i.e. Tuesday, 15th September, 2015, he/she may write to the Registrar requesting for user id and password.

d) Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.

e) Facility of voting through Ballot Paper shall also be made available at the meeting and the members attending the meeting who have cast their vote by remote e-voting shall not be allowed to vote again at the meeting. However, members may attend the meeting and participate in the discussions, if any.

f) Proxies cannot vote through e-voting facility.

g) The voting rights of the members shall be one vote per paid up equity share, registered in the name of the shareholders/beneficial owners as on the cut-off date being Tuesday, 15th September, 2015.

h) The Board of Directors has appointed Ms. Priti Todi, Partner of PS & Associates, Practising Company Secretaries, (Membership No. ACS: 14611) (Address: 225D, AJC Bose Road, 3rd Floor, Kolkata - 700 020), as the Scrutinizer to scrutinize the e-voting process (including the physical ballots received from members who don't have access to the remote e-voting process) and voting at the AGM in a fair and transparent manner.

i) In accordance with Clause 35B of the Listing Agreement, the Company is hereby enclosing a ballot form along with this report so as to enable the members who do not have access to e-voting facility to vote by sending their assent/dissent in writing in respect of the resolutions as set out in the Notice.

A duly completed form in all respects, stating assent/dissent should be sent by the member to the scrutinizer Ms. Priti Todi, Partner of P.S. & Associates, Practising Company Secretaries of 225D, AJC Bose Road, Kolkata - 700 020 on or before Saturday, 19th September, 2015 (5:00 p.m.).



Notice to the Shareholders (Contd.)

The ballot form is also available at the website of the Company i.e. www.jaibalajigroup.com

- j) The scrutinizer shall after the conclusion of meeting count the votes casted at the meeting, thereafter unblock the votes casted by e-voting in the presence of at least 2 (Two) witnesses not in employment of the Company and within a period not exceeding 3 days from the conclusion of the meeting submit a consolidated report of voting (e-voting & ballot) of the total votes cast in favour or against, to the Chairman of the meeting, or person authorized by the Chairman to counter-sign the same. The Chairman of the meeting, or person authorized by the Chairman shall declare the results of the voting forthwith.
- k) The results of e-voting will be communicated to the Stock Exchanges where shares of the Company are listed viz. BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange

Limited. Further, the results so declared along with the Scrutinizer's Report shall also be placed on the website of the Company as well as on the website of CDSL immediately after declaration.

18. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

Registered Office:
5, Bentinck Street,
Kolkata - 700 001

Place : Kolkata
Date : 14th August, 2015

By Order of the Board
For **Jai Balaji Industries Limited**

Ajay Kumar Tantia
Company Secretary

Annexure to the Notice

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

Item No. 5

Ms. Seema Chowdhury, 32 is a commerce graduate from Shri Shikshayatan College, Kolkata and an Associate member of the Institute of Company Secretaries of India (ICSI). She possesses experience of over 10 years in handling Company Law, SEBI, Listing Agreement and FEMA matters.

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Seema Chowdhury (DIN - 07158338), as an Additional Director (Category - Non-Executive Independent Director) of the Company with effect from 17th April, 2015, in terms of Sections 149 and 161(1) of the Companies Act, 2013 to hold office upto the date of this Annual General Meeting and further recommended her appointment based on the recommendation of the Nomination and Remuneration Committee, as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of 5 years from the date of her appointment, in terms of the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013, and the rules made therein (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges. The Board is highly optimistic that her association will render benefits to the Company.

Also, a notice in writing under Section 160 of the Companies Act, 2013, has been received from a member proposing the candidature of Ms. Seema Chowdhury for the office of an Independent Director of the Company.

The Company has received consent in writing from Ms. Seema Chowdhury to act as a Director of the Company along with the requisite disclosures and a declaration to the effect that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Ms. Seema Chowdhury fulfils

the conditions specified under the Companies Act, 2013 and rules made there under for her appointment as an Independent Director of the Company.

The Board of Directors, therefore, recommend the Resolution under item no. 5 to be passed as an Ordinary Resolution by the Members.

Ms. Seema Chowdhury and her relatives may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to her own appointment. None of the other Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 6

Ms. Swati Agarwal, 29 is a commerce graduate from Shri Shikshayatan College, Kolkata and an Associate member of the Institute of Company Secretaries of India (ICSI). She possesses rich experience in handling Company Law, SEBI, Listing Agreement and Legal matters.

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Swati Agarwal (DIN - 07158355), as an Additional Director (Category - Non-Executive Independent Director) of the Company with effect from 17th April, 2015 in terms of Sections 149 and 161(1) of the Companies Act, 2013 to hold office upto the date of this Annual General Meeting and further recommended her appointment based on the recommendation of the Nomination and Remuneration Committee, as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of 5 years from the date of her appointment, in terms of the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013, and the rules made therein (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges. The



Annexure to the Notice (Contd.)

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

Board of your Company believe that her knowledge will help the Company in long run and will add value to the organisation.

Also, a notice in writing under Section 160 of the Companies Act, 2013, has been received from a member proposing the candidature of Ms. Swati Agarwal for the office of an Independent Director of the Company.

The Company has received consent in writing from Ms. Swati Agarwal to act as a Director of the Company along with the requisite disclosures and a declaration to the effect that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Ms. Swati Agarwal fulfils the conditions specified under the Companies Act, 2013 and rules made there under for her appointment as an Independent Director of the Company.

The Board of Directors, therefore, recommend the Resolution under item no. 6 to be passed as an Ordinary Resolution by the Members.

Ms. Swati Agarwal and her relatives may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to her own appointment. None of the other Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 7

Ms. Rakhi Jain, 32, is a Practicing Company Secretary with almost 10 years of experience in the fields of Secretarial and legal functions. A commerce Graduate from Calcutta University, holds a Bachelor degree in Law (3 Year LLB) from M S Law College, Cuttack and Masters in Business Law from National Law School of India University, Bangalore. She has rich experience in handling Company Law, SEBI, Listing Agreement and FEMA matters.

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Rakhi Jain (DIN - 07161473), as an Additional Director (Category -Non-Executive Independent Director) of the Company with effect from 17th April, 2015 in terms of Sections 149 and 161(1) of the Companies Act, 2013 to hold office upto the date of this Annual General Meeting and further recommended her appointment based on the recommendation of the Nomination and Remuneration Committee, as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of 5 years from the date of her appointment, in terms of the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013, and the rules made therein (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges. The Board of your Company believe that her association will be of immense benefit to the Company.

Also, a notice in writing under Section 160 of the Companies Act, 2013, has been received from a member proposing the candidature of Ms. Rakhi Jain for the office of an Independent Director of the Company.

The Company has received consent in writing from Ms. Rakhi Jain to act as a Director of the Company along with the requisite disclosures and a declaration to the effect that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Ms. Rakhi Jain fulfils the conditions specified under the Companies Act, 2013 and rules made there under for her appointment as an Independent Director of the Company.

The Board of Directors, therefore, recommend the Resolution under item no. 7 to be passed as an Ordinary Resolution by the Members.

Ms. Rakhi Jain and her relatives may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to her own appointment. None of the other Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 8

On the basis of the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on 5th August, 2015, has approved the re-appointment of the Cost Auditors of the Company, Mondal & Associates, Proprietor Mr. Amiya Mondal, to conduct audit of the cost records of the Company and providing Cost Audit Report and all such reports, annexures, records, documents etc., for the financial year 2015-16, that may be required to be prepared and submitted by the Cost Auditors under applicable statute at a consolidated remuneration of Rs. 1,20,000/- (excluding applicable taxes and reimbursement of out-of pocket expenses, if any).

In terms of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditors has to be approved by the Board and subsequently ratified by the members of the Company.

Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditors of the Company for the Financial Year 2015-16.

The Board of Directors, therefore, recommend the Resolution under item no. 8 to be passed as an Ordinary Resolution by the Members.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 9

In view of the requirement of fresh capital to achieve future business plans of the company, the Board of Directors at its meeting held on 12th August, 2014, subject to approval of shareholders, had proposed to increase the authorised share capital of the company from the existing ₹ 1,01,00,00,000/- (Rupees One Hundred and One Crores only) divided into 10,10,00,000 (Ten Crores Ten Lacs) equity Shares of ₹10/- each (Rupees Ten only) to ₹ 1,30,00,00,000/- (Rupees One Hundred and Thirty Crores only) divided into 13,00,00,000 (Thirteen Crores) equity shares of ₹ 10/- (Rupees Ten only) each by creation of 2,90,00,000 (Two Crores Ninety Lacs) equity shares of ₹ 10/- (Rupees Ten only) each ranking pari-passu with the existing equity shares. The shareholders,



Annexure to the Notice (Contd.)

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

thereafter at the 15th Annual General Meeting (AGM) held on 27th September, 2014 approved the aforesaid increase in the authorised share capital of the company and the subsequent alteration in the Clause V of the Memorandum of Association of the company."

However, due to the slump in the steel industry and the losses faced by the Company, it was not prudent for the Company to meet its requirement of fresh capital in form of equity and in view of the same and in the best interest of the Company and all its stakeholders, the Board of Directors proposed to rescind the said resolution passed by the Shareholders for the increase in the authorised share capital at the AGM held on 27th September, 2014. Hence the applicable e-form was not filed by the Company with the Registrar of Companies. The Secretarial Standard 2 on General Meeting provides that a resolution passed at a General Meeting can only be rescinded by a resolution passed at a subsequent General Meeting. The approval of the Members is sought for rescinding the resolution passed at Item No. 12 as Ordinary Resolution at the AGM held on 27th September, 2014.

The Board of Directors, therefore, recommend the Resolution under item no. 9 to be passed as an Ordinary Resolution by the Members.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 10

The Company has been experiencing financial crunch due to global recession. Adding to this substantial increase in prices of raw material and increased interest rates has resulted in heavy losses to the Company.

With a view to tide over the above difficulty arising out of the Company's specific issues the Company had approached the Consortium of bankers for availing credit facilities and they have provided fresh Term Loans to the Company.

In terms of the Agreement entered into between the Consortium of bankers and the Company for availing the Term Loans, the Promoter(s) of the Company were required to contribute funds in the Company. For the above purpose, M/s. Hari Management Limited, Promoter Group Company has infused a sum of Rs. 87,39,68,560/- in the form of Loan. The Board of Directors of the Company is of the opinion that the said loan being long term in nature, it will be beneficial for the Company to convert the said loan received from M/s. Hari Management Limited, Promoter shareholder of the Company into 87,39,685 (Eighty Seven lakhs Thirty Nine Thousand Six hundred and Eighty Five Only) Zero Coupon, Unsecured, Unlisted, Non - Convertible Debentures (herein referred to as Debentures) at a face value of Rs.100/- per debenture. The Company has also received consent from M/s. Hari Management Limited for converting the said Loan into Debentures.

The approval of the Members is sought for making the allotment of aforesaid Debentures. The Issue of Debentures is being made by converting the existing loans of the proposed allottee as aforesaid and hence is for consideration other than cash. The said borrowing is within the limit as approved by the Members under Section 180(1)(c) of the Companies Act, 2013.

The Board of Directors, therefore, recommend the Resolution

under item no. 10 to be passed as a Special Resolution by the Members.

Except Shri Sanjiv Jajodia, no other Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 11

As per Section 186(3) of the Companies Act, 2013 read with the Rules framed there under, the Company is required to obtain the prior approval of the Members by way of Special Resolution for acquiring by way of subscription, purchase or otherwise the securities of any other body corporate exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more.

The Company is constantly reviewing opportunities for expansion of its business operations either directly or through other persons or bodies corporate, and would, therefore be required to make investment in securities of any body corporate. Further during the course of business the Company has to make investment in order to achieve greater financial flexibility and to enable optimal financing structure, therefore the consent of the Members is sought, within the limit as set out in the resolution.

The investment(s) as the case may be, shall be made in accordance with applicable provisions of the Companies Act, 2013 read with the Rules made there under.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board of Directors, therefore, recommend the Resolution under item no. 11 to be passed as a Special Resolution by the Members.

Item No. 12

Shri Amit Kumar Majumdar, aged about 77 years, is a B.Sc (Allahabad University) and B.Sc (Metallurgical Engineering) from Banaras Hindu University which has honoured him with its distinguished Alumnus Award and First NP Gandhi Memorial Professorship in Metallurgical Engineering in application of his contribution to the industry over the years. He is a well known and reputed metallurgist and steel industry professional of the industry over the years. He has extensive professional experience spanning nearly five decades in the operations and management of iron and steel plants. He has held key positions in Steel Authority of India Limited, where he worked for 30 years across three plants and its corporate headquarters in Delhi where as head of the Chairman's Secretariat, he was responsible for Corporate Planning and Total Quality and advising the Chairman in matter relating to Technical and Production in the plants. As Chief Executive he is credited with turning around SAIL's ailing speciality steel plant, Visvesvaraya Iron & Steel Co. Ltd., in Bhadravati, Karnataka. He has been the architect of setting up the Aparant Iron and Steel Plant in Goa for the reputed industrial house of Dempo Group, of which he was the Managing Director till 2002.

Widely regarded for his foresight and knowledge, he is an acknowledged expert in matters related to the iron and steel industry, a fact borne out by the fact that, in 1992, he was



Annexure to the Notice (Contd.)

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

chosen by the Government of Karnataka to be its Chief Technical Expert for advising the government for selecting the futuristic "COREX" technology.

The Board of your Company believe that his expertise and knowledge will help the company in long run and will add value to the organisation. The Board based on the recommendation of the Audit Committee proposes to appoint Shri Amit Kumar Majumdar, who has attained the age of seventy years, as an executive director of the Company as per Section 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and subject to the approval of such authorities as may be required, at a consolidated remuneration

not exceeding ₹ 75,000/- per month and on such terms and conditions as set out in the Agreement dated 14th August, 2015 entered into between the Company and Shri Amit Kumar Majumdar for a period of 3 (three) years from 14th August, 2015 for obtaining such services as may be beneficial for the working of the Company, including any advisory services.

The Board of Directors recommends the resolution in item no 12 for the approval of the shareholders as a Special Resolution.

Shri Amit Kumar Majumdar and his relative may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to her own appointment. None of the other Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Registered Office:
5, Bentinck Street,
Kolkata – 700 001

Place : Kolkata
Date : 14th August, 2015

By Order of the Board
For Jai Balaji Industries Limited

Ajay Kumar Tantia
Company Secretary

Annexure to the notice pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges Brief Profile of the Directors seeking re-appointment at the Sixteenth Annual General Meeting

Name of Director	Shri Sanjiv Jajodia	Shri Gourav Jajodia
Date of Birth	6th September, 1963	26th September, 1980
Date of Appointment	31st May, 2002	20th September, 2013
Qualification	B. Com (Hons.)	B. Com (Hons.)
Expertise in specific functional area	Corporate Finance, Accounts, Taxation, Corporate Governance, Statutory Compliance, Planning, Systems & Procedures.	Wide experience in Steel Industry
Directorship held in other Public Companies	1) Chandi Steel Industries Limited 2) Nilachal Iron & Power Limited 3) Shri Sarvasarai Balaji Steels Limited 4) Enfield Suppliers Limited 5) Hari Management Limited 6) Jai Balaji Jyoti Steels Limited 7) Jai Balaji Shakti Cement Limited 8) Jai Balaji Energy (Purulia) Limited 9) Jai Balaji Steels (Purulia) Limited	1) Enfield Suppliers Limited 2) Jai Balaji Shakti Cement Limited 3) Chandi Steel Industries Ltd
Chairman / Member of the Committees of the Board of Directors of the Company	Nil	Stakeholders Relationship Committee - Member
Chairman/Member of the Committees of the Board of Directors of other Public Companies in which he is a Director	Audit Committee - Nilachal Iron & Power Limited – Chairman Audit Committee - Jai Balaji Jyoti Steels Limited - Chairman	Stakeholders' Relationship Committee – Chandi Steel Industries Limited - Chairman
No. of Equity Shares held in the Company	26,49,433	1,19,666
Inter-se Relationships between Director	Shri Sanjiv Jajodia is the brother of Shri Rajiv Jajodia. Shri Aditya Jajodia and Shri Gourav Jajodia are their brother Son.	Shri Gourav Jajodia is the brother of Shri Aditya Jajodia and the nephew of Shri Sanjiv Jajodia and Shri Rajiv Jajodia



Annexure to the Notice (Contd.)

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

Brief profile of Directors Seeking Appointment at the Annual General Meeting

Name of Director	Ms. Seema Chowdhury	Ms. Swati Agarwal	Ms. Rakhi Jain
Date of Birth	7th April, 1983	9th December, 1985	7th September, 1982
Date of Appointment	17th April, 2015	17th April, 2015	17th April, 2015
Qualification	B. Com (Hons.) and an Associate Member of the Institute of Company Secretaries of India (ICSI).	B. Com (Hons.) and an Associate Member of the Institute of Company Secretaries of India (ICSI).	B. Com (Hons.), LLB, MBL and an Associate Member of the Institute of Company Secretaries of India (ICSI).
Expertise in specific functional areas	Experience of over 10 years in handling Company Law, SEBI, Listing Agreement and FEMA matters.	More than 5 years of experience in the fields of Secretarial and legal functions. Rich experience in handling Company Law, SEBI, Listing Agreement and legal matters.	Practicing Company Secretary with almost 10 years of experience in the fields of Secretarial and legal functions. Rich experience in handling Company Law, SEBI, Listing Agreement and FEMA matters.
Directorship held in other Public Companies	Nil	Nil	Nil
Chairman / Member of the Committees of the Board of Directors of the Company	Nil	Audit Committee Member	Nil
Chairman/Member of the Committees of the Board of Directors of other Public Companies in which he/she is a Director	Nil	Nil	Nil
No. of Equity Shares held in the Company	100	Nil	Nil
Inter-se Relationships between Director	None	None	None

Brief profile of Directors Seeking Appointment at the Annual General Meeting

Name of Director	Shri Amit Kumar Majumdar
Date of Birth	16th August, 1938
Date of Appointment as Director	10th July, 2010
Qualification	B.Sc. (Allahabad University) B.Sc. (Metallurgical Engineering Banaras Hindu University), Advanced Management Program from I.I.M, Advanced Management Program from Leeds University U.K. Advance Management in Quality by Japanese Union of Scientist and Engineers (JUSE), Tokyo.
Expertise in Specific functional areas	More than 52 years of experience in Iron & Steel Industry, Operations & management of large steel plants.
Directorship held in other Public Companies	1) Kap Steel Limited 2) JCK Infrastructure Development Limited 3) Gujarat NRE Mineral Resources Limited 4) Aparant Iron and Steel Private Limited 5) Nilachal Iron and Power Limited
Chairman/ Member of the Committees of the Board of Directors of the Company	Nil



Annexure to the Notice (Contd.)

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

Chairman/Member of the Committees of the Board of Directors of other Public Companies in which he is a Director.	Audit Committee & Stakeholders Relationship Committee - Gujarat NRE Mineral Resources Limited - Member
No. of Equity Shares held in the Company	Nil
No. of Meetings of the Board attended during the financial year 2014-15	4
Inter-se Relationships between Director	None

Process and manner of e-voting

A. In case of Members receiving Notice of the Annual General Meeting by email and who wish to vote using the e-voting facility:

- Email contains your user ID and password for e-Voting. Please note that this password is an initial password.
- Log on to the e-voting website www.evotingindia.com
- Now click on "Shareholders" tab to cast your votes.
- Now select the Company's name "Jai Balaji Industries Limited" from the drop down menu and click on "SUBMIT"
- Now Enter your User ID
For CDSL: 16 digits beneficiary ID,
For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
For Physical Form: Members should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- If you are a first time user, follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>If the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v).</p>



Annexure to the Notice (Contd.)

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

- ix) After entering these details appropriately, click on "SUBMIT" tab.
- x) Members holding shares in Physical form will then reach directly to the Company selection screen.
- xi) Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xiii) Click on the EVSN for <Jai Balaji Industries Limited> to vote.
- xiv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xvi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xviii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xix) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xx) Note for Non-Individual shareholders and Custodians :
 - Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

B. In case of Members receiving Notice of the Annual General Meeting by post and who wish to vote using the e-voting facility:

Please follow all steps from Sr. No. (ii) to Sl. No. (xix) above, to cast your vote.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com





Directors' Report

Dear Members

Your Directors are pleased to present the Sixteenth Annual Report together with the Audited Financial Statement of your Company for the financial year ended 31st March, 2015.

The summarised Standalone and Consolidated financial performance of your Company is presented as hereunder:

FINANCIAL RESULTS

(₹ in lacs)

Particulars	Standalone		Consolidated	
	Financial year ended 31 st March, 2015	Financial year ended 31 st March, 2014	Financial year ended 31 st March, 2015	Financial year ended 31 st March, 2014
Revenue from Operations (Net) and Other Income	151,246.07	199,078.40	154,083.43	199,472.98
Less: Expenses	149,824.50	193,743.78	153,707.22	194,581.89
Finance Costs	37,499.88	33,636.48	38,412.85	34,523.72
Depreciation and Amortization Expenses	12,615.68	13,572.21	13,406.93	14,334.24
Profit/(Loss) before exceptional items and Tax	(48,693.99)	(41,874.07)	(51,443.57)	(43,966.87)
Less : Exceptional items	318.31	—	318.31	—
Profit/(Loss) before Tax	(49,012.30)	(41,874.07)	(51,761.88)	(43,966.87)
Less : Tax expense				
Provision (Write Back) relating to earlier years	12.81	(270.94)	15.16	(249.49)
Deferred Tax charge / (credit)	(10,387.84)	(9,707.98)	(11,163.85)	(10,399.28)
Profit/Loss after tax	(38,637.27)	(31,895.15)	(40,613.19)	(33,318.10)
Earnings per share (Nominal value per share ₹ 10/-)				
Basic and Diluted	(53.11)	(48.27)	(55.83)	(50.43)

FINANCIAL PERFORMANCE AND STATE OF COMPANY'S AFFAIRS

During the year under review, the Company continued to face hurdles from all corner. The overall weak economic conditions, sluggish demand in most of the end user industry segments, rising cost of production and borrowing costs and other global factors posed hardships on the Company.

The Company recorded revenue (comprising of sales and other income) of Rs. 151,246.07 lacs compared to Rs. 199,078.40 lacs during the previous year. Loss before Tax for the year was Rs.49,012.30 lacs as compared to Rs. 41,874.07 lacs in the previous year. Loss after Tax for the year was Rs. 38,637.27 lacs as compared to Rs.31,895.15 lacs in the previous year.

The Consolidated loss before exceptional and extraordinary items and tax was Rs. 51,443.57 lacs as compared to loss of Rs.43,966.87 lacs in the previous year. The consolidated net loss for the year under review was Rs. 40,613.19 lacs against loss after tax of Rs. 33,318.10 lacs in the previous year.

No amount has been proposed to be carried to any reserves.

In view of losses incurred and requirement of capital, considering the capital intensive nature of the industry, for working of the Company, your Directors did not recommend any dividend for the financial year 2014-15.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report except as stated in the report.

CHANGE IN NATURE OF BUSINESS, IF ANY

During the year there was no change in the nature of business of the Company or its subsidiaries.

EROSION OF NET WORTH

As per the Audited Financial Statements for Financial Year 2014-15, the accumulated losses of the Company as on 31st March, 2015, are in excess of its entire net worth as on the same date, as such the Company has become a Sick Industrial Company and the necessary reference be made with the Board for Industrial & Financial Reconstruction (BIFR) in terms of the provisions of Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), for determination of measures for its rehabilitation. The Company is in the process of making the necessary statutory compliances.

INDUSTRY SCENARIO AND OUTLOOK

Your Company operates in single segment i.e. Steel. In India, the



Directors' Report (Contd.)

Steel Industry is passing through a challenging phase. The demand for steel is at its lowest. Domestic consumption is severely affected due to lack of activity in infrastructure as well as in the manufacturing space. The biggest challenge facing the domestic steel industry is to have the per capita steel consumption in India at par with the average global standards. The overhang of excess capacity continues to put pressure on the global steel sector, particularly in light of uneven economic growth and weak steel demand. Global steel demand forecasts were lowered in the second half of 2014 as the earlier positive momentum faltered.

Despite the above mentioned challenges faced by the steel sector, bright prospects can be expected considering the fact that the governments is taking initiatives on using innovative production techniques for enhancing operational as well as financial performance of the industry as a whole. The new Government at the centre has rekindled hope in the industry. The ambitious infrastructure projects and the thrust in manufacturing through the "Make in India" campaign are steps in the right direction. The plan for smart cities, improved road and rail connectivity by building highways, bridges and dedicated freight and superfast rail corridors have huge potential to spur domestic steel demand.

Considering the aforesaid facts, your Company feels optimistic and is striving to take sincere efforts to revive particularly by increasing its capacity utilisation.

Cancellation of Coal Blocks

The Hon'ble Supreme Court vide its Order pronounced on 24th September, 2014, has cancelled number of coal blocks allotted to various companies. These include two coal blocks viz. Andal East in West Bengal and Rohne in Jharkhand allocated to the Company jointly with other parties where no mining activity has commenced & Ardhamgram in West Bengal jointly with other party where mining activity has commenced. Subsequently, the Government promulgated The Coal Mines (Special Provisions) Ordinance, 2014 which intends to take appropriate action to deal with the situation arising pursuant to the Hon'ble Supreme Court's decision.

Installed Capacity and Actual Production

Your Company has an integrated steel plant and manufactures different products in Steel sector. Your Company's cumulative product wise installed capacity and actual production comprise

Product	Annual Installed Capacity (M.T.)		Actual Production (M.T.) #	
	2014-15	2013-14	2014-15	2013-14
Sponge Iron	345,000	345,000	137,173	197,211
Pig Iron	509,250	509,250	230,062	273,166
Steel Bars/Rods	260,000	260,000	54,863	66,037
Billet/MS Ingot	906,230	906,230	98,204	280,162
Ferro Alloys	106,618	106,618	24,652	16,807
Ductile Iron Pipe	240,000	240,000	49,285	58,772
Power	101.10 (MW)	101.10 (MW)	258.37 (MU)	239.37 (MU)
Sinter	608,000	608,000	469,322	484,459
Coke	350,000	350,000	183,735	207,935

includes production for third party conversion of Ferro Alloy - Nil (150 M.T.) and Lam Coke - 3,038.44 M.T. (15,527 M.T.) respectively.

SUBSIDIARIES AND JOINT VENTURE COMPANIES

Subsidiaries

As on the date of reporting, your Company has three wholly owned subsidiaries namely M/s. Nilachal Iron & Power Limited, M/s. Jai Balaji Steels (Purulia) Limited & M/s. Jai Balaji Energy (Purulia) Limited.

✓ Nilachal Iron & Power Limited

A Wholly Owned Subsidiary of your Company since 26th October, 2007, having its manufacturing plant located at Kandra near Jamshedpur, Jharkhand. Currently, it manufactures sponge iron, and work on increasing its capacity by 60,000 tonnes per annum has been initiated. During the year under review, the Company has achieved total revenue of ₹ 3600.42 lacs as against ₹ 394.39 lacs in the previous year. The net Loss for the year 2014-15 stood at ₹ 1,918.24 lacs as against loss after tax of ₹ 1,423.02 in the previous year.

✓ Jai Balaji Steels (Purulia) Limited

A Wholly Owned Subsidiary of your Company since 1st November, 2010. It did not commence commercial production as on the date of reporting.

✓ Jai Balaji Energy (Purulia) Limited

A Wholly Owned Subsidiary of your Company since 1st November, 2010. It did not commence commercial production as on the date of reporting.

Joint Ventures

Your Company continues to have two joint venture companies namely, M/s. Andal East Coal Company Private Limited and M/s. Rohne Coal Company Private Limited.

✓ Andal East Coal Company Private Limited

'Andal East Coal Company Private Limited' was formed in 2009-10, in which your Company along with M/s. Bhushan Steel Limited and M/s. Rashmi Cement Limited are venture partners. The said Joint Venture Company was formed in terms of allocation of Andal Non-Coking Coal Block in the State of West Bengal by Ministry of Coal, Government of India.

✓ Rohne Coal Company Private Limited

'Rohne Coal Company Private Limited' was formed in 2008-09, in which your Company along with M/s. JSW Steel Limited & M/s. Bhushan Power & Steel Limited are venture partners. The said Joint Venture Company was formed in terms of allocation of Rohne-Coking Coal Block in the State of Jharkhand by Ministry of Coal, Government of India.



Directors' Report (Contd.)

The Annual accounts of the subsidiary and other related detailed information will be kept at the Registered office of the Company and also at the Registered Office of the subsidiary company and will be available to the investors seeking information at any time during the working hours of the company except Saturday. Further as per section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the company and audited accounts of each of the subsidiaries are available at our website viz., www.jaibalajigroup.com.

None of the Companies have become or ceased to be the Subsidiaries, Joint Ventures and Associate Company during the year under review.

Consolidated Financial Statements

In accordance with the applicable provisions of the Companies Act, 2013 and in terms of Clause 32 of the Listing Agreement with the Stock Exchanges, the duly audited Consolidated Financial Statement, confirming to Accounting Standard 21 and 27 issued by the Institute of Chartered Accountants of India, are attached as a part of this Annual Report.

However, while consolidating the accounts of your Company with its Subsidiaries and Joint Ventures, the principle of proportionate consolidation of assets and liabilities to the extent of Company's Interest in one of the Joint Venture Company viz. Andar East Coal Company Private Limited has not been followed as per Accounting Standard 27. Sufficient disclosure in this regard has been made in the Financial Statements which forms part of this Annual Report.

A separate statement containing silent features of the financial statement of the Subsidiaries and Joint Ventures is appended to the financial statement as Annexure "A" of the Company in form "AOC 1" pursuant to Section 129(3) of the Companies Act, 2013 and rules made therein.

DIRECTORS/KEY MANAGERIAL PERSONNEL

Appointment and/or re-appointment

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Shri Gourav Jajodia (DIN : 00028560) and Shri Sanjiv Jajodia (DIN : 00036339), retires by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

During the year under review, the Board of Directors of your Company at its meeting held on 12th August, 2014, based on the recommendation of the Nomination and Remuneration Committee, has appointed Shri Chandra Kant Bhartia (DIN : 00192694), as an Additional Director (Category: Independent) and the shareholders in their Annual General Meeting held on 27th September, 2014 has approved his appointment as Independent Director of the company, not liable to retirement by rotation, to hold office upto the date of the said Annual General Meeting till 31st March, 2019. The shareholders in the said Annual General Meeting also approved the appointment of Shri Amit Kumar Majumdar (DIN : 00194123) and Shri Shailendra Kumar Tamotia

(DIN : 01419527) as an Independent Director of the Company under the Companies Act, 2013, not liable to retirement by rotation, to hold office from the date of the said Annual General Meeting till 31st March, 2019.

Pursuant to Section 149 of the Companies Act, 2013 and clause 49(II)(A) of the Listing Agreement with the Stock Exchange read with SEBI Circular No. CIR/CFD/POLICY CELL/7/2014 dated 15th September, 2014, the Company has appointed Ms. Puja Sharma (DIN : 06852209) as Additional Director (Category: Non-Executive Independent Woman Director) w.e.f. 31st March, 2015. However, she tendered her resignation w.e.f. 11th April, 2015. Further, the Board have appointed Ms. Swati Agarwal, Ms. Seema Choudhary and Ms. Rakhi Jain as Additional Directors (Category: Non-Executive Independent Directors) w.e.f. 17th April, 2015.

Shri Shyam Bahadur Singh (DIN: 01928407) has tendered his resignation from the Executive Directorship of the Company w.e.f. 14th August, 2015 and Shri Amit Kumar Majumdar (DIN : 00194123) an Independent Director of the Company has consented to act as an Executive director w.e.f. 14th August, 2015.

Your Directors recommend the appointment of Ms. Swati Agarwal, Ms. Seema Choudhary and Ms. Rakhi Jain as Independent Directors of the Company not liable to retire by rotation to hold office for a term of 5 (Five) years from their date of appointment. Your directors also recommend the appointment of Shri Amit Kumar Majumdar as an Executive Director w.e.f. 14th August, 2015

A brief resume of the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting is incorporated in the Notice calling the said meeting.

Key Managerial Personnel (KMP)

The Board of Directors of your Company, at its meeting held on 29th May, 2014, has designated Shri Aditya Jajodia, Chairman & Managing Director, Shri Sanjiv Jajodia, Chief Financial Officer and Shri Ajay Kumar Tantia, Company Secretary as KMP w.e.f. the said date.

Statement of declaration given by independent directors

All the Independent Directors fulfil the criteria of independence in terms of section 149 of the Companies Act, 2013 and clause 49(II)(B) of the Listing Agreement and have filed their consent and other relevant declarations under Sections 149 and 164 of the Companies Act, 2013 and rules made thereunder as well as the Listing Agreement.

A Formal Letter setting out the terms and conditions of appointment has been issued to all the Independent Directors as per the provisions of Companies Act, 2013 and clause 49(II)(B) of the amended Listing Agreement with the Stock Exchanges. The same has been hosted on the Company's website and is available on the weblink www.jaibalajigroup.com/directors-appointment-reappointment-resignation.html.

Performance evaluation

Pursuant to Clause 49 of the Listing Agreement, a formal evaluation was carried out by the Board of its own performance and that of its committees as well as individual directors, during the year under review.



Directors' Report (Contd.)

The evaluation of the Boards own performance covered various aspects such as its composition in compliance with the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges, frequency of meetings held during the year and matters taken up thereat, ability of the Board to take uniform decisions for the betterment of your Company taking into consideration the individual views of all the Directors comprising it, its wisdom and judgement to help the Company prosper etc.

The Board also evaluated the performance of all its Committees which are formed for better governance and accountability and to deal with specific areas/concerns within the terms of reference of the respective committees that need a closer view.

A separate exercise was carried out to evaluate the performance of individual directors, including independent directors taking into consideration various aspects such as attendance and level of participation of the individual directors at the meetings of the Board and committees thereof and the general meetings, contribution in long term strategic planning, professional conduct and independence, level of commitment etc.

The Directors expressed their satisfaction over the evaluation process and results thereof.

MEETINGS OF THE BOARD HELD DURING THE YEAR

During the financial year 2014-15, 4 (Four) meetings of the Board were held viz., 29th May, 2014; 12th August, 2014; 13th November, 2014 and 13th February, 2015. The maximum time gap between two consecutive Board Meetings did not exceed 4 (Four) months and the necessary quorum were present at all the meetings.

Further, 2 (Two) resolutions were passed by circulation on 30th September, 2014 and 31st March, 2015 in terms of Section 175 of the Companies Act, 2013, by obtaining the consent of majority of Directors of your Company.

The number of Board meetings attended by each Director during the financial year 2014-15 has been provided in the Corporate Governance Section annexed to this report.

BOARD COMMITTEES

As a matter of good governance and better accountability and to deal with specific areas/concerns that need a closer view, various board level committees have been constituted under formal approval of the Board. The Board periodically evaluates the performance of all the Committees. All observations, recommendations and decisions of the Committees are placed before the Board for consideration and approval.

Audit Committee

The Board has a qualified and independent Audit Committee acting as a link between the Management, the Statutory Auditor and Internal Auditor, the Cost Auditor and the Board of Directors.

As on 31st March, 2015, the Committee consists of 5 Members, comprising:

Name of the Members	Category
Shri Amit Kumar Majumdar (Chairman)	Non-Executive Independent Director
Shri Aditya Jajodia	Promoter Executive Director
Shri Shyam Bahadur Singh	Executive Director
Shri Shailendra Kumar Tamotia	Non-Executive Independent Director
Shri Chandra Kant Bhartia	Non-Executive Independent Director

Shri Chandra Kant Bhartia has been inducted as a member of the Audit Committee w.e.f. 12th August, 2014. Ms. Swati Agarwal has been inducted as a member of the committee w.e.f. 5th August, 2015.

The Board of Directors of the company has reconstituted the Audit Committee w.e.f. 14th August, 2015. Shri Amit Kumar Majumdar and Shri Shyam Bahadur Singh have ceased to be the members of the Committee and Shri Chandra Kant Bhartia has been designated as the Chairman of the Committee w.e.f. the said date.

Shri Ajay Kumar Tantia, Company Secretary acts as the Secretary to the Committee. Shri Ajay Kumar Tantia and Shri Sanjiv Jajodia, the Chief Financial Officer attended all the committee meetings. All the Members of the Committee are financially literate and have insight to interpret and understand financial statements.

Other Committee

The details of other Board level Committees, including the compositions, terms of reference and the number of meetings of respective committees attended by each Committee Member during the financial year 2014-15 has been provided in the Corporate Governance Section forming part of this report.

Nomination and Remuneration Policy

The Company has in place a Nomination and Remuneration policy duly adopted and approved by the Board at its meeting held on 29th May, 2014, in terms of Section 178 of the Companies Act, 2013, setting out the terms and conditions for appointment and payment of remuneration to the Directors and Key Managerial Personnel (KMP) and other senior management personnel including criteria for determining qualifications, positive attributes, independence of a director as per Schedule IV to the Companies Act, 2013. The said policy has been made available on the website of the Company www.jaibalajigroup.com under the weblink www.jaibalajigroup.com/nomination-remuneration-policy.pdf. Further the policy is also attached as Annexure "B" with this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the last few decades, the concept of Corporate Social Responsibility (CSR) has evolved from simple philanthropic activities to integrating the interest of the business with that



Directors' Report (Contd.)

of the communities in which it operates. Your Company believes that by exhibiting socially, environmentally and ethically responsible behaviour in governance of its operations, the business can generate value and long term sustainability for itself while making positive contribution for the betterment of the society. Your Company seeks to establish its organizational and environmental objectives and action plans each year and put them into practice thereby fulfilling its corporate responsibilities towards the society and environment by responding to the social needs as well as by implementation of on-going environmental improvements and promoting resource recycling.

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a CSR Committee and has simultaneously approved and adopted a CSR policy based on the recommendations of the CSR Committee. The said policy is available on the website of your Company under the weblink <http://www.jaibalajigroup.com/corporate-social-responsibility-policy/pdf>.

As on 31st March, 2015 the Committee consists of 3 Members, comprising:

Name of the Members	Category
Shri Shailendra Kumar Tamotia (Chairman)	Independent Non-Executive Director
Shri Amit Kumar Majumdar	Independent Non-Executive Director
Shri Rajiv Jajodia	Promoter Non -Executive Director

Further, as per the requirement of Section 135 of the Companies Act, 2013, the companies specified therein are required to spend at least two percent of the average net profits made during the three immediately preceding financial years towards CSR activities.

Your Company has incurred losses during the immediately preceding three financial years, hence, the said requirement of spending least two percent of the average net profits made during the three immediately preceding financial years towards CSR activities was not applicable to your Company for the current financial year i.e. 2014-15.

VIGIL MECHANISM

In compliance with Section 177(9) of the Companies Act, 2013 and rules made there under read with the Listing Agreement as amended the Board of Directors at their meeting held on 29th May, 2014, has approved and adopted a Whistle Blower Policy for Directors and Employees to report their genuine concerns or grievances against any wrong doing in your Company as well as provide them adequate safeguards against victimisation. The employees and directors shall report to the Audit Committee/Chairman of Audit Committee instances of unethical behaviour, actual or suspected fraud

or violation of the Company's code of conduct or ethics policy including:

- Manipulation of the data/records of the Company
- Misuse of company's properties, assets and resources
- Abuse of authority
- Leaking confidential information of the Company
- Violation of the Company's code of conduct or any rules/regulations/laws
- Forgery/fraud/corruption/bribery
- Physical/emotional violence
- Any other matter that might cause financial/non-financial loss to the director/employee of the Company or might impact their goodwill

The said policy has also been made available on the website of the Company viz., www.jaibalajigroup.com under the weblink <http://www.jaibalajigroup.com/whistle-blower-policy.pdf>.

PREFERENTIAL ISSUE

The Board of Director of your Company, had during the financial year i.e. 2013-14 allotted 1,00,00,000 warrants on private placement basis to two promoter group companies viz. M/s. Hari Management Limited (81,00,000 warrants) and M/s. Enfield Suppliers Limited (19,00,000 warrants) at an issue price of Rs. 50/- each. Each warrant was convertible into one fully paid-up equity share each ranking pari-passu in all respects, including as to dividend, with the existing equity shares of the Company, within a period of 18 months from the date of allotment, in one or more tranches, at a conversion price of Rs. 50/- per equity share (including premium of Rs. 40/- per share).

Subsequently, the Board of Directors at its meeting held on 5th August, 2013, had converted the 3,495,000 warrants, by way of allotment of 3,495,000 equity shares at a conversion price of Rs. 50/- per equity share (including a premium of Rs. 40/- per share), being 19,00,000 equity shares to M/s. Enfield Suppliers Limited and 15,95,000 equity shares to M/s. Hari Management Limited, pursuant to the application letters received from the respective allottees. Further, during the year under reporting, the Board of Directors of your Company at its meeting held on 29th May, 2014, has converted the remaining 65,05,000 warrants by way of allotment of 65,05,000 equity shares at a conversion price of Rs. 50/- per equity share (including a premium of Rs. 40/- per share) to M/s. Hari Management Limited, pursuant to the application letter received from the allottee.

Consequent to the full conversion of warrants, the paid-up equity share capital of your Company stands at Rs. 73,78,14,860 divided into 7,37,81,486 equity shares of Rs. 10/- each.

The listing and trading approval in respect of the aforesaid equity shares has been granted to your Company by all the



Directors' Report (Contd.)

Stock Exchanges where shares of the Company are listed.

Your Company has also received confirmation of dematerialisation and admission in NSDL and CDSL of the aforesaid equity shares.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of Section 134(3) and 134(5) of the Companies Act, 2013, your Directors hereby confirm that:

- i) In the preparation of annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) We 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 as on 31st March, 2015 and of the loss of the Company for the year ended on that date;
- iii) We have taken proper and sufficient care for the 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;
- iv) The annual accounts for the financial year ended 31st March, 2015, have been prepared on a going concern basis;
- v) Internal financial controls to be followed by the Company were laid down and that such internal financial controls are adequate and were operating effectively;
- vi) Proper systems were devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The contracts/arrangements/transactions entered into by the Company with the related parties during the financial year under reporting were in ordinary course of business and were negotiated on an arms length basis with the intention to further the Company's interest. No material Contracts or arrangement with related parties were entered into during the year under review. Accordingly, no transactions are being reported in Form No. AOC - 2 in terms of section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014.

The Company also has in place a policy on materiality of related party transactions and on dealing with such transactions, duly approved and adopted by the Board. The same has been hosted on the Company's website viz., www.jaibalajigroup.com under the weblink www.jaibalajigroup.com/related-party-policy_jbg.pdf.

RISK MANAGEMENT

Reviewing risks and devising mechanisms to evaluate and

address them has always been one of the integral part of your Company's business. Your Company's business is exposed to various risks that includes strategic and operational risks, environmental risks, regulatory risks etc. Risk Management is an attempt to identify potential risks and devise necessary steps to mitigate them. Your Company endeavors to develop appropriate risks mitigation measures so as to address the threats posed by the business environment which affects or might affect its growth. In identifying the risks, the likelihood of its occurrence and possible magnitude of its impact on the Company's operations and financial position is taken into consideration.

Considering the fact, the Board of Directors of your Company at its meeting held on 29th May, 2014, has approved and adopted a Risk Management Policy of the Company. The policy contains a detailed framework of risk assessment by evaluating the probable threats taking into consideration the business line of the Company, monitoring the risks so assessed and managing them well within time so as to avoid hindrance in its growth objectives that might in any way threaten the existence of your Company. The said policy is also available on the website of the Company i.e. www.jaibalajigroup.com under the weblink www.jaibalajigroup.com/risk-management-policy.pdf.

ADEQUACY OF INTERNAL FINANCIAL CONTROL

Your Company has laid down an adequate Internal Control System, commensurate with the size, scale and complexity of its operations to ensure orderly and efficient conduct of its business including adherence to corporate policies, safeguarding of assets, prevention of frauds and errors, accuracy and completeness of accounting records and preparation of reliable financial information. Internal Control is a part of day to day management and administration of your Company. The Internal Audit functions serve to provide independent and objective assurance on the adequacy and effectiveness of the organisation's risk management, control and governance processes and assesses opportunities for improvement in business processes, systems and controls and provides recommendations designed to add value to the organisation and follows up on the implementation of the agreed audit recommendations.

The Audit Committee of your Company comprises of eminent professionals who are well versed with the financial management. The Audit Committee of your Company comprises of eminent professionals who are well versed with the financial management. Pursuant to the provisions of Section 138 of the Act read with Rule 13 of 'The Companies (Accounts) Rules 2014' M/s. Namita Kedia and Associates are appointed as the Internal Auditor of the Company who also evaluates the functioning and quality of internal controls and reports its adequacy and effectiveness through periodic reporting. The Internal Auditor submits detailed reports periodically to the management and the Audit Committee.



Directors' Report (Contd.)

The Audit Committee actively reviews the adequacy and effectiveness of the internal audit functions of your Company and monitors the implementation of the same. The Committee also calls for comments of the internal auditors about the Company's internal controls, scope of audit as and when required which gives them an additional insight on the assessment of such controls. Such adequate internal control system helps in identification of potential operation processes.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s. S. K. Agrawal & Co., Chartered Accountants, who were appointed as Auditors of your Company in the last Annual General Meeting held on 27th September, 2014 retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Company has received a confirmation from M/s. S. K. Agrawal & Co., Chartered Accountants that their re-appointment, if made, will be within the criteria provided under Sections 139 and 141 of the Companies Act 2013. The Audit Committee and the Board of Directors of your Company recommend the appointment of M/s. S. K. Agrawal & Co., Chartered Accountants, as the Auditors of your Company to hold office for a term of 5 (five) years from the conclusion of the ensuing Annual General meeting until the conclusion of the next Annual General Meeting on such remuneration as may be fixed subsequently by the Board of Directors.

The Auditor's Report to the shareholders for the year under review does not contain any qualification, reservation, adverse remark or disclaimer except for the delay in payment of statutory dues and others which was due to financial constraints being faced by the company. The observations made in the Auditors' Report read with Notes to Accounts are self-explanatory and therefore, do not call for any further elucidation.

Cost Auditors

The Board of Directors has appointed M/s. Mondal & Associates, Proprietor Mr. Amiya Mondal as the Cost Auditor of your Company in accordance with the provisions of Sections 141 and 148 of the Companies Act, 2013 read with the Companies (cost records and audit) Rules, 2014 and amendments thereof, from time to time, to carry out audit of cost records of the Company for the financial year 2015-16 at a consolidated remuneration of ₹ 1,20,000/- (excluding applicable taxes) which shall be subject to ratification by the Members at the ensuing Annual General Meeting of your Company.

Your Company has filed the Cost Audit Report for the financial year 2013-14 with the Registrar of Companies, Ministry of

Corporate Affairs in the prescribed form during the year under review.

Internal Auditor

Your Company has appointed M/s. Namita Kedia & Associates as the Internal Auditor of the Company for the Financial Year 2015-16 in compliance with Section 138 of the Companies Act, 2013 and rules made thereunder to conduct the internal audit of the functions and activities of the Companies. The internal audit report is tabled periodically at the meeting of the Audit Committee for review and approval.

Secretarial Auditor and Audit

In compliance with the provisions of Section 204 of the Companies Act, 2013, the Board of Directors of your Company, at its meeting held on 29th May, 2014, had appointed Shri Sandip Kumar Kejriwal, Practising Company Secretary, as the Secretarial Auditor of your Company to conduct the Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report furnished by Shri Sandip Kumar Kejriwal forms part of this report as Annexure "C".

The Auditor's Report to the shareholders for the year under review does not contain any qualification, reservation, adverse remark or disclaimer except for the delay in payment of statutory dues which was due to the financial constraints being faced by the company and non filing of some forms which due to the financial constraints faced by the company along with the ongoing legal issues was not filed due to inadvertencies. The observation made in the Auditor's Report are self explanatory and therefore, do not call for any further elucidation.

EXTRACT OF ANNUAL RETURN

An Extract of the Annual Return of the Company in form MGT-9 pursuant to Section 92(3) and 134(3)(a) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules 2014 is annexed hereto and forms part of this report as Annexure "D".

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Particulars of Loans, Guarantees and Investments as on the financial year ended 31st March, 2015 as covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statement.

DEPOSITS

During the year under review, your Company has not accepted any deposits from the public. Further, no amount of deposit remained unpaid or unclaimed at the end of the year i.e. as on 31st March, 2015. Subsequently, no default has been made in repayment of deposits or payment of interest thereon during the year.



Directors' Report (Contd.)

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the future operations of the Company during the year under review.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, your Company has transferred a sum of Rs. 51,275/- to the Investor Education & Protection Fund (IEPF) of the Central Government, the dividend amount pertaining to the financial year 2006-07, which was due & payable and remained unclaimed and unpaid for a period of 7 (Seven) years, as provided under Section 205A and 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

Your Company has always strived to maintain highest ethical standards and practice sound Corporate Governance. The Board of Directors of your Company strive to take necessary actions to optimize value for various stakeholders and meet their expectations.

Your Company is in compliance with clause 49 of the Listing Agreement with the Stock Exchanges. A Separate Section on Corporate Governance and a certificate from the Auditors of your Company regarding compliance with the requirements of Corporate Governance as stipulated under the said clause and Management Discussion and Analysis are annexed to this report.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The relevant information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014, pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in Annexure "E" forming part of this Annual Report.

PARTICULARS OF EMPLOYEES AND OTHER RELATED DISCLOSURES

The details pursuant to Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of

Managerial Personnel) Rules, 2014 is attached to this report as Annexure "F".

Your Company does not have any employee whose particulars are required to be furnished under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

POLICY ON PREVENTION OF SEXUAL HARASSMENT

The Company has adopted policy on prevention of Sexual Harassment of Women at Work place in accordance with the Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, the company has not received any complaints pertaining to Sexual Harassment.

LISTING

The Equity Shares of your Company continue to be listed on National Stock Exchange of India Limited (NSE), BSE Limited (BSE) and the Calcutta Stock Exchange Limited (CSE). Both NSE and BSE have nationwide terminals which enable the shareholders/investors to trade in the shares of your company from any part of the country without any difficulty. Your Company will be paying the annual listing fees for the year 2015-16 to the above mentioned Stock Exchanges shortly.

ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their sincere gratitude to its customers, dealers, suppliers, investors, members, financial institutions/ banks, Central Government, State Government, all regulatory and government authorities and all other business associates for their continued support and co-operation extended by them to the Company.

Your Directors express deep appreciation for the excellent contribution of its employees, workers, staff and executives of the Company by means of their sincere and dedicated hard work during the year under review which has been instrumental to the growth of your Company.

On behalf of the Board of Directors

Aditya Jajodia

Chairman & Managing Director
(DIN : 00045114)

Place: Kolkata

Date: 14th August, 2015



Form AOC - I

ANNEXURE - "A"

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/
associate companies/ joint ventures**

Part "A": Subsidiaries

(₹ in Lakhs except share data)

1.	Particulars	01	02	03
2.	Name of the subsidiary	Nilachal Iron & Power Limited	Jai Balaji Energy (Purulia) Limited*	Jai Balaji Steels (Purulia) Limited*
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April, 2014 to 31st March, 2015	1st April, 2014 to 31st March, 2015	1st April, 2014 to 31st March, 2015
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Indian Rupees	Indian Rupees	Indian Rupees
5.	Share capital	3,494.87	5.00	5.00
6.	Reserves & surplus	3,011.86	Nil	Nil
7.	Total assets	19,809.33	5.09	5.09
8.	Total Liabilities (excluding Share Capital and Reserves and Surplus)	13,302.59	0.09	0.09
9.	Investments	26.86	-	-
10.	Turnover	3,555.85	NA	NA
11.	Profit/Loss before taxation	(2,691.91)	NA	NA
12.	Provision for taxation	(773.66)	NA	NA
13.	Profit/Loss after taxation	(1,918.24)	NA	NA
14.	Proposed Dividend	Nil	Nil	Nil
15.	% of shareholding	100.00	100.00	100.00

* Both the Companies have not commenced commercial production

Part "B": Associates and Joint Ventures

(₹ in Lakhs except share data)

1.	Name of the Associate/Joint Ventures	Rohne Coal Company Private Limited	Andal East Coal Company Private Limited
2.	Latest audited Balance Sheet Date	31st March, 2015	N.A.
3.	Shares of Associate/Joint Ventures held by the company on the year end		
	Number of shares		
	Equity	69,000	3,19,290
	Preference	23,02,105	-
	Amount of Investment	237.11	134.79
	Extend of Holding %	6.9%	32.97%
3.	Description of how there is significant influence	Joint Venture Agreement	Joint Venture Agreement
4.	Reason why the Associate/ Joint Venture Company is not consolidated	NA	Pursuant to Accounting Standard 27
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	177.05	N.A.
6.	Profit/(Loss) for the year		
	i. Considered in Consolidation	(57.67)	N.A.
	ii. Not Considered in Consolidation	(778.10)	N.A.

- Commercial production has not been commenced by the Joint Venture Company.
- The Company do not have any associate company.

For and on behalf of the Board

Aditya Jajodia
Chairman & Managing
Director
DIN : 00045114

Sanjiv Jajodia
Wholtime Director & CFO
DIN : 00036339

Rajiv Jajodia
Director
DIN : 00045192

Date : 5th August, 2015
Place : Kolkata

Ajay Kumar Tantia
Company Secretary

**ANNEXURE - "B"****Nomination and Remuneration Policy****PREFACE**

We, at Jai Balaji group have always considered our human resources as the levers of the organisation's growth. Jai Balaji Industries Limited ("the Company") has been built on the commitment, dedication, hard work and loyalty of its employees. The Board is committed to transparent, fair and sound policies for determining appropriate remuneration at all levels of the Company.

As we are growing, personal and professional development of the directors and employees becomes important to motivate them as also to ensure efficient functioning of the organisation.

VISION

Effective people management for creating competitive advantage for all stakeholders and creating a transparent system for determining the appropriate level of remuneration to Directors, Key Managerial Personnel (KMP) and other senior management employees.

OBJECTIVE

- To attract, nurture and retain the best talent by inculcating a culture of learning, performing, developing creativity and teamwork;
- To ensure reasonable remuneration to the Directors, KMP and other employees so as to motivate them of the quality required to run the Company successfully;
- To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

MONITORING OF THE POLICY

The implementation of the Nomination and Remuneration Policy shall be monitored by the Nomination and Remuneration committee of the Board constituted as per the provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.

PURPOSE OF THE COMMITTEE

- To determine and facilitate the Board by recommending appointment, re-appointment, resignation of Independent, Executive and Non-Executive Directors as well as KMP and other senior management employees of the Company;
- To assist the Board in determining reasonable remuneration payable to the Directors, (KMP) and other senior management employees of the Company;
- To formulate criteria for determining qualification, positive attributes and independence of directors.

ROLES AND RESPONSIBILITIES OF THE COMMITTEE**Nomination**

The Nomination and Remuneration Committee shall identify

potential candidates with appropriate qualification, knowledge, expertise and experience.

When considering candidates, the Committee strives to achieve a balance of knowledge, experience and accomplishment such that the Company reflects a diversity of talent, age, skill, expertise and perspective. While evaluating a Director, KMP or other senior management employees for recommending to the Board, the Committee shall take into consideration various criteria that are in the best interests of the Company and its stakeholders, some of which are given hereunder:

- Educational qualifications and experience of the candidate so as to be in terms with the applicable laws, rules, regulations as laid down in the Companies Act, 2013, listing agreement and other applicable acts;
- Willingness of a person to act as such;
- The candidate should reflect the highest standards of integrity, ethics and character, and value such qualities in other;
- The candidate should have the ability to devote sufficient time to the business and affairs of the Company;
- Demonstrate the capacity and desire to represent, fairly and equally, the best interests of the Company's stockholders as a whole;
- Access the present as well as future needs of the Company. Further, while nominating Directors, it must be ensured that the Board is structured in a way that:
 - it has proper understanding of and expertise to deal with the present as well as emerging business issues
 - exercises independent judgement
 - encourage enhanced performance of the business as a whole.

Accordingly, the process of the Committee for identifying nominees shall reflect the Company's practice of re-nominating incumbent directors and employees who continue to satisfy the Committee's criteria, whom the Committee believes to continue to make important contributions towards the growth, reputation and well being of the Company as a whole and who consents to continue their service with the Company.

Further, in addition to the above criteria, the appointment of Independent Directors of the Company shall also be guided by the following Terms and Conditions in compliance with schedule IV to the Companies Act, 2013 which is enclosed as Annexure 'A' to this Policy.

- The appointment of Independent Directors shall be independent of the company management. While selecting Independent Directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge



in the Board so as to enable the Board to discharge its functions and duties effectively;

- The appointment of Independent Directors shall be approved at the meeting of the Shareholders;
- The appointment of Independent Directors shall be formalised through a letter of appointment stating the requisite details as per the requirements of schedule IV of the Companies Act, 2013;
- The Independent Directors shall be appointed for a fixed term of upto five years or such lesser term as may be decided mutually between the Board and the Directors and shall be eligible for re-appointment for a further term of upto five years on passing a special resolution by the Company. Further, no Independent Director shall hold office for more than two consecutive terms. However, they shall be eligible for re-appointment after the expiration of cooling period of three years of ceasing to become an Independent Director;
- The Independent Directors shall be responsible for complying with the duties as specified under section 166 of the Companies Act, 2013. Further, their liabilities shall also be limited to the respective provisions of the Companies Act 2013 and rules made there under;
- Independent Directors shall be expected to ensure compliance with the Code of Conduct as laid down by the Company;
- Independent Directors shall be paid sitting fees subject to the provisions of the Companies Act, 2013 and rules made there under as well as the terms of this policy.

Remuneration

The committee shall:

- ensure that the compensation to the Board, KMP and other senior management employees is reasonable and sufficient to attract, retain and motivate quality directors and KMPs;
- approve any significant changes in the executive director's contract;
- determine payment of sitting fees for directors for attending meetings of the Board;
- ensure that there is balance between fixed pay and incentive based pay (if any) in the remuneration to be paid the Directors, KMPs and other senior management employees.

Director Remuneration

The Company may pay remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to Managing and Whole-time Directors. Salary shall be paid within the range approved by the Shareholders. Commission, if any, shall be calculated with reference to net profits of the Company in a particular financial year and shall be determined by the Board of Directors at the

end of the financial year based on the recommendations of the Nomination and Remuneration Committee, subject to overall ceilings stipulated in Section 197 read with Schedule V of the Companies Act, 2013.

Non-executive Director Remuneration

The non-executive directors shall be paid sitting fees for attending meetings of the Board based on the limits prescribed under the Companies Act, 2013.

Senior Management Remuneration

The salary of other senior management employees shall be competitive and based on the individual's qualification, experience, responsibilities and performance and shall be governed by the HR policy of the Company.

Determining criteria for performance evaluation of the Board and Individual Directors

The Board shall evaluate its own performance based on the following criteria:

- Composition of the Board in compliance with the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges;
- Frequency of meetings held during the year and matters taken up thereat;
- Ability of the Board to take uniform decisions for the betterment of the Company taking into consideration the individual views of all the Directors comprising it;
- Its wisdom and judgement to help the Company prosper;
- Ability of the Board to evaluate risk and devise suitable measures to mitigate them etc.

The Board shall evaluate the performance of individual directors (including independent directors) based on the following criteria:

- Attendance of the individual directors and level of participation at the meetings of the Board and committees thereof and the general meetings;
- Contribution in long term strategic planning;
- Professional conduct and independence;
- Level of commitment etc.

The above list is illustrative.

Such performance evaluation of Directors (including independent directors) shall be done by the entire Board of Directors (excluding the director being evaluated).

In case of Independent Director, the Board shall determine whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation carried by the Board.

In addition to the above, the Board shall also evaluate the performance of various Board level Committees.



ANNEXURE - "C"

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2015

[Pursuant to section 204(1) of the Companies Act 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
 The Members,
 Jai Balaji Industries Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Jai Balaji Industries Limited (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable Laws and Regulations.

Based on my verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also other information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the Audit period covering the financial ended on 31st March, 2015 complied with statutory provisions listed hereunder and also that the company has proper board process and compliance-mechanism in the place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act 2013 (The Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (There is no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings)

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable:

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (employee Stock Option Scheme And Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities Exchange Board of India (Registrars to an Issue And Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and,
- (h) The Securities Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) The Laws as identified by the management, are specifically applicable to the Company (as mentioned in Annexure-B)

I have also examined compliance with the applicable clauses of the following:

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified hence not applicable to the Company during the audit period)
- (b) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited (NSE), Bombay Stock Exchange Limited (BSE) and The Calcutta Stock Exchange Limited (CSE)



During the period under review the Company has complied with the provisions of the Act, Rules, Regulation, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below mentioned observations:

1. SH-7 has not yet been filed by the Company for Increase in Authorised Share Capital of the Company
2. Annual return for the AGM dated 27.09.2014 has not yet been filed by the Company
3. There has been delay and non-payment of statutory dues.
4. MGT-10 has not yet been filed by the Company for change in Shareholding
5. Special Resolution passed with delay

I further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive directors and Independent Directors (except appointment of Independent Director, which has now been complied with). The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and

clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit Period the company has:

- (i) Increased the Authorised Share Capital.
- (ii) Passed Special Resolution u/s 180 of the Companies Act, 2013 & Amended the Article of Association.
- (iii) Converted Warrants into Shares.
- (iv) Appointed Key Managerial Personnel as per Companies Act, 2013.

Place: Kolkata
Date: 14th August, 2015

Sandip Kumar
Kejriwal
FCS No.:5152
C P No.: 3821



“Annexure - A”

To,
The Members
Jai Balaji Industries Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date: 14th August, 2015
Place: Kolkata

Sandip Kumar Kejriwal
Practising Company secretary
Membership No.: FCS 5152
Certificate of Practice No.-3821

“Annexure - B”

List of Act/laws other than those listed in the letter as applicable and complied by the Company to the maximum extent possible :

- Factories Act, 1960;
- Industries (Development & Regulation) Act, 1951;
- Acts prescribed related to Mining activities;
- Taxation Laws;
- Local laws as applicable to various offices, factory units, plants etc.



Form No. MGT - 9

Annexure - D

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN:-	L27102WB1999PLC089755
ii) Registration Date	01.07.1999
iii) Name of the Company	Jai Balaji Industries Limited
iv) Category/Sub-Category of the Company	Public Company Limited by Shares
v) Address of the Registered office and contact details	5, Bentinck Street, Kolkata - 700 001 Phone: (91) (33) 2248 8173/9808 Fax: (91) (33) 2243 0021 Email: jaibalaji@jaibalajigroup.com Website: www.jaibalajigroup.com
vi) Whether listed company - Yes/No	Yes (Listed with National Stock Exchange of India Limited, BSE Limited and The Calcutta Stock Exchange Limited)
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Maheshwari Datamatics Private Limited 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001 Phone: (91) (33) 2243 5029 / 5809 Email: mdpldc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/services	NIC Code of the products/service	% to total turnover of the Company
1	Sponge Iron	24102	10.54%
2	Pig Iron	24101	24.94%
3	Steel Bars /Rods	24103	13.64%
4	Ductile Iron Pipe	24106/24109	14.56%
5	M.S. Billet/TMT	24103	15.84%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
1	Nilachal Iron & Power Limited 5, Bentinck Street, Kolkata - 700 001	U27100WB2002PLC094612	Subsidiary	100	2(87)
2	Jai Balaji Steels (Purulia) Limited 5, Bentinck Street, Kolkata - 700 001	U27100WB2010PLC154392	Subsidiary	100	2(87)
3	Jai Balaji Energy (Purulia) Limited 5, Bentinck Street, Kolkata - 700 001	U40300WB2010PLC154393	Subsidiary	100	2(87)
4	Andal East Coal Company Private Limited 37, Shakespeare Sarani, 4th Floor, Kolkata - 700017	U10300WB2009PTC138558	Joint Venture	32.79	2(6)
5	Rohne Coal Company Private Limited Thapar House', 3rd Floor, Eastern Side of Central Wing, Janpath Lane, New Delhi - 110 001	U10300DL2008PTC176675	Joint Venture	6.90	2(6)

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IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year [As on 01-April-2014]				No of Shares held at the end of the year [As on 31-March-2015]				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	9,929,672	0	9,929,672	14.76	9,972,472	0	9,972,472	13.52	0.43
b) Central Govt.									
c) State Govt(s)									
d) Bodies Corp.	26,785,723	0	26,785,723	39.81	33,290,723	0	33,290,723	45.12	24.29
e) Banks/FI									
f) Any other									
Sub-total (A)(1)	36,715,395	0	36,715,395	54.57	43,263,195	0	43,263,195	58.64	17.83
2) Foreign									
a) NRIs-Individuals									
b) Other-Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
Sub-total(A) (2)	0	0	0	0.00	0	0	0	0.00	42.55
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	36,715,395	0	36,715,395	54.57	43,263,195	0	43,263,195	58.64	17.83
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / Fi									
c) Central Govt.									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs	2,932,844	0	2,932,844	4.36	3,118,100	0	3,118,100	4.23	6.32
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1)	2,932,844	0	2,932,844	4.36	3,118,100	0	3,118,100	4.23	6.32
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	8,842,240	0	8,842,240	13.14	6,877,332	0	6,877,332	9.32	-22.22
ii) Overseas	8,304,547	0	8,304,547	12.34	8,304,547	0	8,304,547	11.25	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3,465,946	15,536	3,481,482	5.17	3,439,355	6,236	3,445,591	4.67	-1.03
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	6,435,382	0	6,435,382	9.57	8,299,446	0	8,299,446	11.25	28.97

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Category of Shareholders	No. of Shares held at the beginning of the year [as on 01- April-2014]				No. of Shares held at the end of the year [as on 31-March-2015]				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (Specify)									
Non Resident Indians	440,904	0	440,904	0.66	455,499	0	455,499	0.62	3.31
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	123,691	0	123,691	0.18	17,776	0	17,776	0.02	-85.63
Trusts	1	0	1	0.00	0	0	0	0.00	-100.00
Foreign Bodies - D R									
Sub-total (B)(2) :-	27,612,711	15,536	27,628,247	41.07	27,393,955	6,236	27,400,191	37.13	-0.83
Total Public Shareholding(B) = (B)(1)+ (B)(2)	30,545,555	15,536	30,561,091	45.43	30,512,055	6,236	30,518,291	41.36	-0.14
c. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	67,260,950	15,536	67,276,486	100.00	73,775,250	6,236	73,781,486	100.00	9.67

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year as on 01.04.2014			Shareholding at the end of the year as on 31.03.2015			% change in Share holding during the year
		No. of shares	% of total Shares of the Company	% of shares Pledged/ encumbered to total shares	No. of shares	% of total Shares of the company	% of Shares pledged/ encumbered to total shares	
1	Shri Aditya Jajodia	3,674,576	5.46	83.68	3,674,576	4.98	83.68	0.00
2	Shri Sanjiv Jajodia	2,649,433	3.94	99.64	2,649,433	3.59	99.64	0.00
3	Shri Rajiv Jajodia	1,568,333	2.33	98.83	1,568,333	2.13	98.83	0.00
4	Shri Aashish Jajodia	794,366	1.18	40.66	794,366	1.08	40.66	0.00
5	Shri Gaurav Jajodia	119,666	0.18	0	119,666	0.16	0	0.00
6	Shri Devendra Prasad Jajodia	260,000	0.39	0	260,000	0.35	0	0.00
7	Smt. Seema Jajodia	218,833	0.32	0	218,833	0.30	0	0.00
8	Smt. Shashi Jajodia	75,083	0.11	0	95,883	0.13	0	27.70
9	Smt. Kanchan Jajodia	134,383	0.20	0	134,383	0.18	0	0.00
10	Smt. Rina Jajodia	152,666	0.23	0	163,666	0.22	0	7.21
11	Smt. Sangeeta Jajodia	282,333	0.42	0	293,333	0.40	0	3.90
12	Hari Management Limited	8,639,533	12.84	81.53	15,144,533	20.53	46.51	75.29
13	Enfield Suppliers Ltd	13,121,233	19.5	85.52	13,121,233	17.78	85.52	0.00
14	Jai Salasar Balaji Industries Pvt.Ltd	2,523,624	3.75	99.82	2,523,624	3.42	99.82	0.00
15	K.D.Jajodia Steel Industries Pvt. Ltd	2,410,333	3.58	99.99	2,410,333	3.27	99.99	0.00
16	Jain Vanijya Udyog Limited	91,000	0.14	0	91,000	0.12	0	0.00
17	Total	36,715,395	54.57	83.84	43,263,195	58.64	71.15	17.83

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Note - 1 During the financial year 2014-15, shareholding of smt. Shashi jajodia, Smt. Rina jajodia, Smt. Sangeeta Jajodia and Hari Management Limited have changed as detailed under point (iii). The percentage shareholding of other promoters have changed due to increase in the Paid-up Share Capital of the Company during the year subsequent to the conversion of the 65,05,000 warrants allotted by the Company to M/s. Hari Management Limited during the previous year, into 65,05,000 equity shares.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name of the Promoter	Shareholding at the beginning of the Year		Change during the year			Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	Date	Reason	No. of Shares	No. of shares	% of total Shares of the company
1	Smt. Shashi Jajodia							
	At the beginning of the year	75,083	0.11					
				27.06.2014	Transfer	11,500	86,583	0.12
				14.07.2014	Transfer	5,000	91,583	0.12
				15.07.2014	Transfer	4,300	95,883	0.13
	At the End of the year						95,883	0.13
2	Smt. Rina Jajodia							
	At the beginning of the year	152,666	0.23					
				26.06.2014	Transfer	11,000	163,666	0.22
	At the End of the year						163,666	0.22
3	Smt. Sangeeta Jajodia							
	At the beginning of the year	282,333	0.42					
				27.06.2014	Transfer	11,000	293,333	0.40
	At the End of the year						293,333	0.40

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Change during the year			Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	Date	Reason	No. of Shares	No. of shares	% of total Shares of the company
1	CLIENT ROSEHILL LIMITED							
	At the beginning of the year	3,886,734	5.78					
				Nil movement during the year				
	At the End of the year						3,886,734	5.27
2	GMO EMERGING MARKETS FUND							
	At the beginning of the year	2,445,621	3.64					
				18.04.2014	Transfer	14,231	2,459,852	3.66
				25.04.2014	Transfer	42,669	2,502,521	3.72
				16.05.2014	Transfer	15,053	2,517,574	3.74
				23.05.2014	Transfer	24,668	2,542,242	3.78
				20.06.2014	Transfer	36,358	2,578,600	3.49
				18.07.2014	Transfer	33,890	2,612,490	3.54
				22.08.2014	Transfer	41,699	2,654,189	3.60
				30.09.2014	Transfer	63,311	2,717,500	3.68
				24.10.2014	Transfer	18,336	2,735,836	3.71
				31.10.2014	Transfer	40,215	2,776,051	3.76

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Sl. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Change during the year			Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	Date	Reason	No. of Shares	No. of shares	% of total Shares of the company
				07.11.2014	Transfer	18,925	2,794,976	3.79
				21.11.2014	Transfer	12,246	2,807,222	3.80
				28.11.2014	Transfer	38,498	2,845,720	3.86
				19.12.2014	Transfer	47,073	2,892,793	3.92
				20.02.2015	Transfer	3,904	2,896,697	3.93
				27.02.2015	Transfer	41,282	2,937,979	3.98
				20.03.2015	Transfer	37,554	2,975,533	4.03
				27.02.2015	Transfer	12,027	2,987,560	4.05
	At the End of the year						2,987,560	4.05
3	SURAJ KHADELWAL*							
	At the beginning of the year	927,085	1.38	14.11.2014	Transfer	106,500	1,033,585	1.40
				21.11.2014	Transfer	15,000	1,048,585	1.42
				28.11.2014	Transfer	30,500	1,079,085	1.46
				05.12.2014	Transfer	50	1,079,135	1.46
				19.12.2014	Transfer	50,751	1,129,886	1.53
				31.12.2014	Transfer	54,533	1,184,419	1.61
				30.01.2015	Transfer	7,659	1,192,078	1.62
				13.02.2015	Transfer	8,242	1,200,320	1.63
				27.02.2015	Transfer	1,545,033	2,745,353	3.72
				06.03.2015	Transfer	72,034	2,817,387	3.82
	At the End of the year						2,817,387	3.82
4	HUDSON EQUITY HOLDINGS LIMITED							
	At the beginning of the year	2,241,000	3.33					
				Nil movement during the year				
	At the End of the year						2,241,000	3.04
5	CVCIGP II EMPLOYEE ROSEHILL LIMITED							
	At the beginning of the year	2,176,813	3.24					
				Nil movement during the year				
	At the End of the year						2,176,813	2.95
6	KAILASH PRASAD KHADELWAL							
	At the beginning of the year	1,294,000	1.92					
				27.02.2015	Transfer	65,000		
	At the End of the year						1,359,000	1.84
7	JHUNJHUNWALA GLASS LIMITED							
	At the beginning of the year	1,277,192	1.90					
				03.04.2015	Transfer	(12,000)		
	At the End of the year						1,265,192	1.71
8	REL UTILITY ENGINEERS LIMITED							
	At the beginning of the year	1,105,000	1.64					
				Nil movement during the year				
	At the End of the year						1,105,000	1.50

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Sl. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Change during the year			Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	Date	Reason	No. of Shares	No. of Shares	% of total Shares of the company
9	RAMNATH JHUNJHUNWALA							
	At the beginning of the year	820,292	1.22					
				Nil movement during the year				
	At the End of the year						820,292	1.11
10	A E SECURITIES & INVESTMENTS PVT LTD.							
	At the beginning of the year	800,000	1.19					
				Nil movement during the year				
	At the End of the year						800,000	1.08
11	ECL FINANCE LIMITED**							
	At the beginning of the year	1,790,033	2.66					
				27.02.2015	Transfer	(1,790,033)		
	At the End of the year						0	0.00

*Not in the list of Top 10 shareholders as on 01-04-2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2015.

** Ceased to be in the list of Top 10 shareholders as on 31-03-2015. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 01-04-2014.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the Year		Change during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	Date	Reason	No. of shares	No. of shares	% of total shares of the company
1	Shri Aditya Jajodia (Chairman & Managing Director)							
	At the beginning of the year	3,674,576	5.46					
				Nil movement during the year				
	At the End of the year						3,674,576	4.98
2	Shri Sanjiv Jajodia (Whole-time Director & KMP, being CFO)							
	At the beginning of the year	2,649,433	3.94					
				Nil movement during the year				
	At the End of the year						2,649,433	3.59
3	Shri Rajiv Jajodia (Non-Executive Promoter Director)							
	At the beginning of the year	1,568,333	2.33					
				Nil movement during the year				
	At the End of the year						1,568,333	2.13
4	Shri Gourav Jajodia (Non-Executive Promoter Director)							
	At the beginning of the year	119,666	0.18					
				Nil movement during the year				
	At the End of the year						119,666	0.16
5	Shri Shyam Bahadur Singh (Executive Director)							
	At the beginning of the year	0	0.00					
				Nil movement during the year				
	At the End of the year						0	0.00

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Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the Year		Change during the year			Cumulative Shareholding during the year	
		No. of shares	% of shares of the company	Date	Reason	No. of Shares	No. of Shares	% of total Shares of the company
6	Shri Shailendra Kumar Tamotia (Non-Executive Independent Director)							
	At the beginning of the year	0	0.00					
				Nil movement during the year				
	At the End of the year						0	0.00
7	Shri Amit Kumar Majumdar (Non-Executive Independent Director)							
	At the beginning of the year	0	0.00					
				Nil movement during the year				
	At the End of the year						0	0.00
8	Shri Chandra Kant Bhartia (Non-Executive Independent Director)							
	At the beginning of the year	0	0.00					
				Nil movement during the year				
	At the End of the year						0	0.00
9	Smt. Puja Sharma (Non-Executive Independent Director)							
	At the beginning of the year	0	0.00					
				Nil movement during the year				
	At the End of the year						0	0.00
10	Shri Manas Kumar Nag (Nominee Director)							
	At the beginning of the year	0	0.00					
				Nil movement during the year				
	At the End of the year						0	0.00
11	Shri Ajay Kumar Tantia (KMP, being Company Secretary)							
	At the beginning of the year	0	0.00					
				Nil movement during the year				
	At the End of the year						0	0.00

Change in % holding is due to increase in paid-up capital of the Company during the year (Refer Note-1)

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	254929.03	4212.25	–	259141.28
ii) Interest due but not paid	6684.74	–	–	6684.74
iii) Interest accrued but not due	26.63	–	–	26.63
Total (i+ii+iii)	261640.40	4212.25	–	265852.65
Change in Indebtedness during the financial year				
1. Addition	34850.64	5447.50	–	40298.14
2. Reduction	–	–	–	–
Net Change	34850.64	5447.5	–	40298.14
Indebtedness at the end of the financial year				
i) Principal Amount	288394.37	9659.75	–	298054.12
ii) Interest due but not paid	8,096.67	–	–	8096.67
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	296491.04	9659.75	–	306150.79



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Shri Aditya Jajodia (Chairman & Managing Director)	Shri Sanjiv Jajodia (Whole-time Director)	Shri Shyam Bahadur Singh	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	9,00,000	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-		
2	Stock Option	-	-		
3	Sweat Equity	-	-		
4	Commission - as % of profit - others, specify	-	-		
5	Others, please specify	-	-		
	Total (A)	-	-	9,00,000	
	Ceiling as per the Act	In accordance with Schedule V of the Companies Act, 2013			

In the event of being no profits, the Managing Director & Whole-time Director has waived off their remuneration.

B. Remuneration to Other Directors

I.	Independent Directors :	Name of Directors				Total Amount (Rs. in lacs)
	Particulars of Remuneration	Shri Shailendra Kumar Tamotia	Shri Amit Kumar Majumdar	Shri Chandra Kant Bhartia	Smt. Puja Sharma	
1	Fee for attending board/committee meetings	20,000	20,000	15,000	-	55,000
2	Commission	Nil	Nil	Nil	Nil	Nil
3	Others, please specify	-	-	-	-	-
	Total (1)	20,000	20,000	15,000	-	55,000

*Ms. Puja Sharma was appointed as a Non-Executive Independent Director w.e.f. 31st March, 2015.

II.	Other Non-Executive/Nominee Directors	Shri Rajiv Jajodia	Shri Gourav Jajodia	Shri Manas Kr. Nag (Nominee of SBI)		
1	Fee for attending board/committee meetings	20,000	20,000	15,000	-	55,000
2	Commission	Nil	Nil	Nil	-	Nil
3	Others, please specify	-	-	-	-	-
	Total (2)	20,000	20,000	15,000	-	55,000
	Total (B)=(1+2)					110,000
	Total Managerial Remuneration (A+B)					1,010,000
	Overall Ceiling as per the Act	In accordance with Schedule V of the Companies Act, 2013				



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WT

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
		Shri Ajay Kr. Tania (Company Secretary)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20,13,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–
2	Stock Option	
3	Sweat Equity	–
4	Commision – as % of profit – others, specify	–
5	Others, please specify	–
	Total (A)	20,13,000

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companis Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	NIL				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					



Annexure to Directors' Report

Annexure "E"

INFORMATION PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF COMPANIES (ACCOUNTS) RULES, 2014, PERTAINING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

A. Conservation of energy:

- i. Steps taken or impact on conservation of energy and steps taken by the Company for utilizing alternate sources of energy:

1. Replacement of defective capacitors to maintain the power factor as 0.99.
2. Optimization of 10 MVA Contracted Demand DVC power.
3. Use of LED Lightening in place of Conventional Light.
4. Introducing drives wherever scope of power saving/variable type load pattern.

Continuous efforts are being made to identify & implement energy conservation measures at all stages of production process so as to ensure efficient conduct of day to day operations.

- ii. Capital investment on energy conservation equipment:

No Capital investment has been made except for purchasing capacitor banks, LED Lights, power merger and optimisation of motor rating.

B. Technology absorption:

- i. Efforts made towards technology absorption:

Continuous efforts are being made to streamline production process, improve machine availability and performance and to achieve highest standards, of quality and quantity benchmark.

- ii. The benefits derived like product improvement, cost reduction, product development or import substitution:

As a result of above efforts, there was improvement in product quality, better and easier availability of materials and saving in process cost.

- iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

- a. The details of technology imported : Nil
 - b. The year of import : Not Applicable
 - c. Whether the technology been fully absorbed : Not Applicable
 - d. If not fully absorbed, areas where absorption : Not Applicable
- has not taken place, and the reasons thereof

- iv. Expenditure on incurred on Research and Development : NIL

C. Foreign exchange earnings and outgo:

Details of Foreign Exchange earned in terms of actual inflows and outgo in terms of actual outflows during the year under reporting:

(₹ in Lacs)		
Particulars	2014-15	2013-14
Inflows	11,805.20	28,332.07
Outgo	282.81	717.21



Annexure to Directors' Report (Contd.)

Annexure "F"

DETAILS PURSUANT TO SECTION 197(12) READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

- i) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Sl. No.	Name of Director	Remuneration* (Rs.)	Median Remuneration of Employees (Rs.)	Ratio
1.	Shri Aditya Jajodia	0	122,472	0
2.	Shri Sanjiv Jajodia	0		0
3.	Shri Rajiv Jajodia	0		0
4.	Shri Gourav Jajodia	0		0
5.	Shri Shyam Bahadur Singh	900,000		7.35 times
6.	Shri Shailendra Kumar Tamotia	0		0
7.	Shri Amit Kumar Majumdar	0		0
8.	Shri Manas Kumar Nag	0		0
9.	Shri Chandra Kant Bhartia	0		0
10.	Ms. Puja Sharma	0		0

* Remuneration excludes sitting fees.

- ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

There has been no increase in the remuneration of Directors Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager of the Company in the financial year.

- iii) The percentage increase in the median remuneration of employees in the financial year:

There has been no increase in the median remuneration of employees in the financial year.

- iv) The number of permanent employees on the rolls of the Company:

There were 2088 employees on the rolls of the Company as on 31st March, 2015.

- v) The explanation on the relationship between average increase in remuneration and Company performance:

During the year under review the company's performance was under pressure. The Company recorded a loss during the year and its overall performance was towards a lower path. There was no increase in the average remuneration during the financial year. The increase registered during the year is mainly attributable to normal salary revisions as per the internal norms of the Company and the increasing inflationary pressure.

- vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

In the event of being no profits, the Managing Director & Whole-time Director have waived off their remuneration. The remuneration of the Company Secretary is as per the responsibilities taken up by him and as per the remuneration policy of the Company.

- vii) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Sl. No.	Particulars	31st March, 2015	31st March, 2014	% Increase
1	Market capitalization (Rs.)	8,115.96 lacs	6,862.20 lacs	18.27%
2	Price earnings ratio (PE) (Market Price/EPS)	N.A.	N.A.	N.A.

Note: Since the EPS for the Financial Years 31st March, 2015 & 31st March, 2014 is negative, PE has been shown as N.A.



Directors' Report (Contd.)

Percentage increase or decrease in market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Market Share Price as on 31st March, 2015	Rs. 11.00
Rate at which the Company came out with the initial public offer in 2003	Rs. 10.00
% increase in market price of the shares over the price at the time of initial public offer	10%

Note: Closing share price on the National Stock Exchange of India Limited (NSE) has been used for the above tables.

viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Sl. No.	Particulars	% Increase
1	Average increase in the salaries of employees other than the managerial personnel	Nil
2	Average increase in the remuneration of managerial personnel	Nil

There are no exceptional circumstances for increase in the managerial remuneration.

ix) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company:

In the event of being no profits, the Managing Director & Whole-time Director, designated as key Managerial Personnel have waived off their remuneration. The remuneration of the Company Secretary is as per the responsibilities taken up by him and as per the remuneration policy of the Company.

x) The key parameters for any variable component of remuneration availed by the Directors:

None of the Directors avail any variable component of remuneration.

xi) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:

Remuneration of highest paid Director (Rs.)		Remuneration of the employees who are not Directors but receive remuneration in excess of the highest paid Director (Rs.)		Ratio
Amount (Rs.)	Designation	Amount (Rs.)	Designation	
900,000	Executive Director	2,550,552	General Manager, Finance	0.35 times
		2,013,000	Company Secretary	0.43 times
		1,350,000	Deputy General Manager, Accounts	0.67 times
		1,005,020	General Manager, Accounts	0.90 times
		1,800,192	Assistant General Manager, SMS division	0.50 times
		2,400,008	General Manager, DIP	0.37 times
		1,451,984	Asst. General Manager, DIP	0.62 times
		1,704,224	Asst. General Manager, DIP	0.53 times
		1,788,252	General Manager, DIP	0.50 times
		1,036,004	Senior Manager, DIP	0.87 times
		1,000,600	Vice President, Raw Material	0.90 times

None of the Directors other than Shri Shyam Bahadur Singh received any remuneration.

xii) It is hereby confirmed that the remuneration is as per the remuneration policy of the Company.



Report of the Directors on Corporate Governance

Corporate Governance is a means by which Business Corporations are directed, administered and controlled. The essence of any good corporate governance practice is to allow the board and the management the freedom to drive their organisation forward while exercising their freedom within a framework of effective accountability. Good corporate governance implies optimum utilisation of resources and ethical behaviour of the enterprise so as to promote the investors' trust and create long term shareholders value and enhance interest of other stakeholders.

The Company's compliance of Corporate Governance in terms of Clause 49 of the Amended Equity Listing Agreement effective from 1st October, 2014 executed with the Stock Exchanges is presented in the subsequent sections of this report.

The fundamental innovations as regards company status have been well ventilated. The Companies Act, 2013 ('the Act') as well as Clause 49 of the Equity Listing Agreement amended in terms of SEBI Circular No. CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014 and SEBI Circular No. CIR/CFD/POLICY CELL/7/2014 dated 15th September, 2014 effective from 1st October, 2014 has introduced a wide range of changes to improve the general functioning of companies and the corporate system as a whole. The Company supports the general principles as set forth in the Act and the Equity Listing Agreement and continuously strives for excellence through adoption of best governance and disclosure practices which are very well reflected through this report.

This report gives the factual position as at the end of the financial year ended 31st March, 2015. Wherever the context so requires for a better understanding of the situation, the developments post the period have also been mentioned.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to setting high standards of corporate governance and is guided by the core principals of transparency, accountability, compliances and ethical

values. Good Corporate Governance implies optimum utilisation of resources and ethical behaviour of the enterprise so as to promote the investors' trust in the Company and maximise stakeholders' value.

We, at Jai Balaji always strive to ensure adherence to best corporate governance practices thus ensuring transparency, disclosure, internal control and promotion of ethics at work place. The Company also endeavours to follow all necessary legal and regulatory compliances. Good corporate governance has always been and will continue to remain one of the leading priorities of the Company through which it shall consistently strive to contribute to the efficiency of the corporate sector and, as a result, a faster growing and more dynamic economy.

2. BOARD OF DIRECTORS

The Board of the Company consists of an optimum combination of executive & non-executive directors. It is headed by Shri Aditya Jajodia, a Promoter Executive Director. The general superintendence, direction and management of the affairs and business of the Company are vested in the Board of Directors. The Board periodically evaluates the need for change in its composition and size. The non- executive directors including independent directors are person of high integrity and are vastly competent and experienced and they take a constructive part in the Board and its Committee Meetings. They act as a catalyst in fostering growth and play a major role in implementing best Corporate Governance practices.

■ Composition and Category of Directors

As on 31st March, 2015, the Board consists of 10 Directors, comprising of:

- 2 Promoter Executive Directors;
- 2 Promoter Non-Executive Directors;
- 1 Executive Director;
- 1 Nominee Director; and
- 4 Independent Non-Executive Directors

The detailed composition of the Board as on 31st March, 2015 is tabled below:

Name of Directors	Category
Shri Aditya Jajodia	Promoter Executive Director (Chairman & Managing Director)
Shri Sanjiv Jajodia	Promoter Executive Director (Whole-time Director & Chief Financial Officer)
Shri Rajiv Jajodia	Promoter Non-Executive Director
Shri Gourav Jajodia	Promoter Non-Executive Director
Shri Shyam Bahadur Singh	Executive Director
Shri Manas Kumar Nag	Nominee Director (Representative of State Bank of India)
Shri Amit Kumar Majumdar	Non-Executive Independent Director
Shri Shailendra Kumar Tamotia	Non-Executive Independent Director
Shri Chandra Kant Bhartia	Non-Executive Independent Director
Ms. Puja Sharma	Non-Executive Independent Woman Director



Report of the Directors on Corporate Governance (Contd.)

Pursuant to Section 149 of the Companies Act, 2013 and clause 49(II)(A) of the Listing Agreement with the Stock Exchange read with SEBI Circular No. CIR/CFD/POLICY CELL/7/2014 dated 15th September, 2014, the Company has appointed Ms. Puja Sharma (DIN - 06852209) as Additional Director (Category: Non-Executive Independent Woman Director) w.e.f 31st March, 2015.

Ms. Puja Sharma has resigned from the Board w.e.f. 11th April, 2015. Ms. Swati Agarwal (DIN - 07158355), Ms. Seema Chowdhury (DIN - 07158338) and Ms. Rakhi Jain (DIN - 07161473) have been appointed as Additional Directors (Category: Non-Executive Independent Woman Director) w.e.f. 17th April, 2015.

Further, Shri Shyam Bahadur Singh (DIN : 01928407) has tendered his resignation from the Directorship of the Company w.e.f. 14th August, 2015 and Shri Amit Kumar Majumdar (DIN : 00194123) an Independent Director of the Company has been appointed as an Executive director w.e.f. 14th August, 2015.

All the Independent Directors fulfil the criteria of independence in terms of section 149 of the Companies Act, 2013 and clause 49(II)(B) of the Listing Agreement and have filed their consent and other relevant declarations under section 149, 164 of the Companies Act, 2013 and rules made thereunder as well as the Listing Agreement.

A Formal Letter setting out the terms and conditions of appointment has been issued to all the Independent Directors as per the provisions of Companies Act, 2013 and clause 49(II)(B) of the amended Listing Agreement with the Stock Exchanges. The same has been hosted on the Company's website and is available on the weblink www.jaibalajigroup.com/directors-appointment-reappointment-resignation.html.

As required by Clause 49(VIII)(E) of the Listing Agreement, the details of the directors seeking appointment/re-appointment at the ensuing Sixteenth Annual General Meeting are given in the notice to the said meeting.

As per declarations received by the Company, none of the independent directors/non-promoter directors are related to each other or to the promoters. Further, Shri Rajiv Jajodia and Shri Sanjiv Jajodia are related as brothers and Shri Aditya Jajodia and Shri Gourav Jajodia are their brother's son.

■ Particulars of Attendance at Board Meetings and last Annual General Meeting

During the financial year 2014-15, 4 (Four) meetings of

the Board were held viz., 29th May, 2014; 12th August, 2014; 13th November, 2014 and 13th February, 2015. The maximum time gap between two consecutive board meetings did not exceed one hundred and twenty days and the necessary quorum was present at all the meetings. Two resolutions were passed by circulation on 30th September, 2014 and 31st March, 2015, in terms of section 175 of the Companies Act, 2013, by obtaining the consent of majority of Directors of the Company.

The attendance of each Director at the Board meetings held during the financial year 2014-15 and at the last Annual General Meeting held on 27th September, 2014 are as follows:

Name of Directors	No. of Board Meeting Attended	Attendance at the last AGM
Shri Aditya Jajodia	4	Yes
Shri Sanjiv Jajodia	4	Yes
Shri Rajiv Jajodia	4	Yes
Shri Gourav Jajodia	4	Yes
Shri Shyam Bahadur Singh	3	-
Shri Manas Kumar Nag	3	-
Shri Amit Kumar Majumdar	4	Yes
Shri Shailendra Kumar Tamotia	4	-
Shri Chandra Kant Bhartia*	3	Yes
Ms. Puja Sharma**	-	-

*Appointed w.e.f. 12th August, 2014

** Appointed w.e.f. 31st March, 2015

The Company Secretary was present at all meetings of the Board of Directors and at the last Annual General Meeting.

■ Number of other Directorship and Committee Membership/Chairmanship

The Number of directorship and committee membership/ chairmanship held by each director in other companies as on 31st March 2015 is tabled below:

Name of Directors	Number of directorship held in other companies		Number of committee position held in Public Limited Companies***	
	Public Limited Companies*	Others**	Committee Membership(s)	Committee Chairmanship(s)
Shri Aditya Jajodia	9	6	-	-
Shri Sanjiv Jajodia	9	1	-	2
Shri Rajiv Jajodia	8	6	-	-
Shri Gourav Jajodia	3	-	-	1
Shri Shyam Bahadur Singh	2	-	1	-
Shri Manas Kumar Nag	-	-	-	-
Shri Amit Kumar Majumdar	4	1	4	-
Shri Shailendra Kumar Tamotia	-	-	-	-
Shri Chandra Kant Bhartia	1	2	-	-
Ms. Puja Sharma	1	-	-	-



Report of the Directors on Corporate Governance (Contd.)

*Includes alternate directorship in public limited companies (excluding Jai Balaji Industries Limited) and directorship in private companies that are either holding or subsidiary of a public company.

**Includes directorship of any private limited companies (including alternate directorship), companies incorporated outside India and companies under section 8 of the Companies Act, 2013.

***Membership(s)/Chairmanship(s) of only the Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies (excluding Jai Balaji Industries Limited) have been considered.

None of the directors serve as an independent director in more than seven listed companies. Further, none of the director serving as a whole time director in any listed company serves as an independent director in more than three listed companies and also none of the director on the Board is a member of more than 10 Board-level committees or Chairman of more than 5 committees across all the companies in which he is a director.

The facts and figures as stated above are based on the declarations received from the directors for the financial year ended 31st March, 2015.

■ Performance Evaluation of Independent Directors

The Nomination and Remuneration Committee has laid down an efficient evaluation process for evaluating the performance of the Independent Directors. The performance of the Independent Directors are evaluated periodically by taking into consideration various aspects such as attendance and level of participation at the meetings of the Board and committees thereof and the general meetings, contribution in long term strategic planning, professional conduct and independence, level of commitment etc. The Directors expressed their satisfaction over the evaluation process and the results thereof.

■ Separate Meeting of Independent Director

Pursuant to the Code of Independent Directors as prescribed under schedule IV of the Companies Act, 2013 read with clause 49(II)(B) of the Listing Agreement a separate meeting of the independent directors of the company was held on 13th February, 2015 without the attendance of the non-independent directors and members of the management. The Directors reviewed the performance of non-independent directors, the Chairperson of the Company and the Board as a whole, emphasizing on their attendance at the Board and Committee meetings, participation at the Meetings, contribution towards growth, independence of judgement etc. thus accessing the quality, quantity and timeliness of flow of information between the Company management and the Board. The directors present were satisfied with the overall performance of the Board and the contribution made by the Directors in their individual capacity.

■ Familiarisation Programme for Independent Directors

A familiarisation programme for the Independent Directors was conducted by the Company on 13th February, 2015 with the objective of familiarising the Independent Directors with the Company, the present nature of the industry in which the Company is operating and challenges faced by it, the business model of the Company etc. and also to familiarize them with their roles, rights and responsibilities keeping in view the aforesaid facts as well as the day to day regulatory updates.

The programme was conducted in the presence of the Chairman and Managing Director, the Company Secretary and all the existing Independent Directors of the Company. The details of the familiarisation programme has been hosted on the company's website and is available on the weblink www.jaibalajigroup.com/familiarisation-programme-for-independent-directors.pdf

3. BOARD COMMITTEES

Various board level committees have been constituted under formal approval of the board for better governance and accountability and to deal with specific areas/concerns within the terms of reference of the respective committees that need a closer view. The Board periodically evaluates the performance of all the committees. All observations, recommendations and decisions of the Committees are placed before the Board for consideration and approval.

Various Committees of the Board are detailed hereunder:

❖ Audit Committee

The Board has a qualified and independent Audit Committee acting as a link between the Management, the Statutory Auditor, the Internal Auditor, the Cost Auditor and the Board of Directors.

■ Terms of reference of the committee

In order to ensure conformity with Section 177 of the Companies Act, 2013 and the amended Equity Listing Agreement (effective from October 1, 2014), the Board of Directors has, at its meeting held on 29th May, 2014, approved the following terms of reference for the Audit Committee ('the committee'):

- ★ Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ★ Recommendation for appointment, remuneration and terms of appointment of the auditors of the company;
- ★ Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- ★ Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval with particular

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reference to matters as specified in the Companies Act, 2013 and the revised Clause 49 of the Equity Listing Agreement;

- ★ Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- ★ Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- ★ Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- ★ Approval or any subsequent modification of transactions of the company with related parties;
- ★ Scrutiny of inter-corporate loans and investments;
- ★ Valuation of undertakings or assets of the company, wherever it is necessary;
- ★ Evaluation of internal financial controls and risk management systems;
- ★ Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- ★ Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

■ Composition of the Committee

As on 31st March, 2015, the committee consists of 5 Members, comprising:

Name of the members	Category
Shri Amit Kumar Majumdar (Chairman)	Non-Executive Independent Director
Shri Aditya Jajodia	Promoter Executive Director
Shri Shyam Bahadur Singh	Executive Director
Shri Shailendra Kumar Tamotia	Non-Executive Independent Director
Shri Chandra Kant Bhartia	Non-Executive Independent Director

Shri Chandra Kant Bhartia has been inducted as a member of the Audit Committee w.e.f. 12th August, 2014. Further the Board of Directors has at its meeting held on 5th August, 2015 inducted Ms. Swati Agarwal (Category : Non-Executive Independent Director) as a member of the Audit Committee w.e.f. the said date.

The Board of Directors of the Company has reconstituted the Audit Committee at its meeting held on 14th August, 2015.

- ★ Discussion with internal auditors of any significant findings and follow up there on;
- ★ Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- ★ Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- ★ To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- ★ To review the functioning of the vigil mechanism under Whistle Blower Policy of the Company;
- ★ Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- ★ Carrying out any other functions as mentioned in the terms of reference of the Audit Committee. The committee is empowered, pursuant to its terms of reference:
- ★ To investigate any activity within its terms of reference;
- ★ To seek information from any employee;
- ★ To obtain outside legal or other professional advice;
- ★ To secure attendance of outsiders with relevant expertise, if it considers necessary.

Shri Amit Kumar Majumdar and Shri Shyam Bahadur Singh have ceased to be the members of the Audit Committee and Shri Chandra Kant Bhartia, a Non-Executive Independent Director has been designated as the chairman of the Committee w.e.f. the said date.

Shri Ajay Kumar Tandia, Company Secretary acts as the Secretary to the committee. All the members of the Committee are financially literate and have insight to interpret and understand financial statements.

Report of the Directors on Corporate Governance (Contd.)

■ Attendance of the Members at the meetings

During the financial year 2014-15, 4 (Four) meetings of the Committee were held viz., 29th May, 2014; 12th August, 2014; 13th November, 2014; and 13th February, 2015. The maximum time gap between two consecutive audit committee meetings did not exceed four months. The necessary quorum was present at all the meetings.

The attendance of each of the members at the meetings of the committee held during the financial year 2014-15 is tabled below:

Name of the members	No. of meeting attended
Shri Amit Kumar Majumdar	4
Shri Aditya Jajodia	4
Shri Shyam Bahadur Singh	3
Shri Shailendra Kumar Tamotia	4
Shri Chandra Kant Bhartia	2

Shri Ajay Kumar Tania, Company Secretary and Shri Sanjiv Jajodia, the Chief Financial Officer attended all the committee meetings. The meetings of the committee were also attended by the representatives of the Statutory Auditor & Internal Auditor and other Senior Executives as were considered appropriate by the committee. Minutes of the committee meetings are placed and discussed in length before the Board.

The Chairman of the committee was present at the last Annual General Meeting to answer the queries of the shareholders.

❖ Nomination & Remuneration Committee (formerly Remuneration Committee)

■ Nomenclature and terms of reference of the committee

In order to ensure conformity with Section 178(1) of the Companies Act, 2013 and the amended Listing Agreement (effective from October 1, 2014), the Board of Directors of the Company at their meeting held on 29th May, 2014, has changed the nomenclature of the 'Remuneration Committee' to 'Nomination & Remuneration Committee' ('the committee'), its composition and terms of reference as detailed hereunder:

- ★ To identify persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment, removal and shall carry out evaluation of every director's performance;
- ★ To formulate the criteria for determining qualifications, positive attributes, independence of directors; and
- ★ To recommend to the Board a policy relating to the remuneration for the directors, Key Managerial Personnel and other employees and on Board Diversity.

■ Composition of the Committee

As on 31st March, 2015, the committee consists of 3 Members, comprising:

Name of the members	Category
Shri Amit Kumar Majumdar (Chairman)	Non-Executive Independent Director
Shri Shailendra Kumar Tamotia	Non-Executive Independent Director
Shri Rajiv Jajodia	Promoter Non-Executive Director

In order to ensure conformity with Section 178(1) of the Companies Act, 2013 and the amended Equity Listing Agreement (effective from October 1, 2014), the Board of Directors has at its meeting held on 29th May, 2014, reconstituted the committee inducting Shri Rajiv Jajodia, Promoter Non-Executive Director and Shri Shailendra Kumar Tamotia, Non-Executive Independent director w.e.f. the said date as the members of the committee in place of Shri Shyam Bahadur Singh being an executive director.

Shri Amit Kumar Majumdar has ceased to be the member of the Committee w.e.f. 14th August, 2015 and Shri Chandra Kant Bhartia, has been inducted in the Committee and has been designated as the chairman w.e.f. the said date.

■ Attendance of the Members at the meetings

During the financial year 2014-15, 4 (Four) meeting of the committee was held viz., 29th May, 2014; 12th August, 2014; 27th September, 2014; 30th March, 2015. The necessary quorum was present at all the meetings.

The attendance of each of the member at the meetings of the committee held during the financial year 2014-15 is tabled below:

Name of the Members	No. of meetings attended
Shri Amit Kumar Majumdar (Chairman)	4
Shri Shailendra Kumar Tamotia	4
Shri Rajiv Jajodia	4

The Chairman of the committee was present at the last Annual General Meeting to answer the queries of the shareholders.

■ Nomination and Remuneration policy

The Company has in place a Nomination and Remuneration policy duly adopted and approved by the Board at its meeting held on 29th May, 2014, setting out the terms and conditions for appointment and payment of remuneration to the Directors and Key Managerial Personnel (KMP) and other senior management personnel including criteria for determining qualifications, positive attributes, independence of a director etc.

■ Criteria of payments:

The remuneration determined for the Executive/Non-executive Director is subject to the approval of the Board, the Members and approval of Central Government wherever applicable.

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◆ Executive Directors:

The appointment of Shri Aditya Jajodia, Chairman and Managing Director and Shri Sanjiv Jajodia, Whole-time Director is governed by resolution passed by the Board of Directors and the Members of the Company which covers the terms and conditions of such appointment. The tenure of the office of Shri Aditya Jajodia and Shri Sanjiv Jajodia is for a period of 5 years w.e.f. 23rd July, 2012 and 1st May, 2013 respectively. Shri Shyam Bahadur Singh was appointed as an Executive Director w.e.f. 1st October, 2012. There is no separate provision for notice period & payment of severance fees. The Company does not have any scheme for grant of Stock Options to its Directors, Managing Directors or other employees. The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Executive Directors. The details of remuneration paid to the Executive Directors for the financial year 2014-15 are as follows:

(₹)

Name of the Directors	Salary	Benefits / Allowances, etc. (fixed component)	Total
Shri Aditya Jajodia	NIL	NIL	NIL
Shri Sanjiv Jajodia	NIL	NIL	NIL
Shri Shyam Bahadur Singh	360,000	540,000	900,000
Total	360,000	540,000	900,000

In the event of being no profits or inadequate profits, the Managing Director and Whole - time Director have waived off their remuneration.

◆ Non-Executive Directors:

The Non-Executive Directors do not draw any remuneration from the company apart from sitting fees for attending the Board Meetings which is well within the limits as prescribed under the Companies Act, 2013 and rules made therein. At present no sitting fees is paid for attending committee meetings. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending meetings. The details of sitting fees (including TDS) paid to the Non - Executive Directors for the financial year 2014-15 are as follows:

(₹)

Particulars	Sitting Fees (including TDS)
Shri Rajiv Jajodia	20,000
Shri Gourav Jajodia	20,000
Shri Shailendra Kumar Tamotia	20,000
Shri Amit Kumar Majumdar	20,000
Shri Chandra Kant Bhartia	15,000
State Bank of India, Represented by Shri Manas Kumar Nag	15,000
Total	110,000

The Non-Executive Directors do not have any other pecuniary relationship or transactions with the Company. The number of equity shares of the company held by the Non-Executive Directors as on 31st March, 2015 is as follows:

Name	No. of shares held in the company
Shri Rajiv Jajodia	1,568,333
Shri Gourav Jajodia	119,666

All other Non-Executive Directors excluding the above do not hold any shares or convertible instruments of the Company as on 31st March, 2015.

◆ Stakeholders' Relationship Committee (formerly Share Transfer Cum Investors' Grievance Committee)

■ Nomenclature and terms of reference of the committee

In order to ensure conformity with Section 178(5) of the Companies Act, 2013 and the amended Listing Agreement (effective from October 1, 2014), the Board of Directors of the Company has at its meeting held on 29th May, 2014, have changed the nomenclature of the 'Share Transfer Cum Investors' Grievance Committee' to 'Stakeholders' Relationship Committee' ('the committee').

The committee deals with various matters relating to satisfactory redressal of shareholders and investors' grievances and recommends measures for overall improvement in the quality of investor services. An insight of the matters deals with by the committee is given hereunder:

- ★ To review and note all matters relating to the registration of transfer and transmission of shares and debentures, transposition of shares, sub-division of shares, issue of duplicate share certificates or allotment letters and certificates for debentures in lieu of those lost/misplaced;
- ★ To look into the redressal of shareholders' and investors' complaints relating to the transfer of shares, non-receipt of Annual Report/notices, dividends, etc;
- ★ To oversee the performance of the Registrar & Share Transfer Agents;
- ★ To review dematerialisation and rematerialisation of the shares of the Company;
- ★ To comply with all such directions of SEBI, Stock Exchanges, Ministry of Corporate Affairs & other regulatory bodies w.r.t. shareholders'/investors' rights and market regulations, from time to time.



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■ Composition of the Committee

As on 31st March, 2015, the committee consists of 4 Members, comprising:

Name of the Members	Category
Shri Amit Kumar Majumdar (Chairman)	Non-Executive Independent Director
Shri Aditya Jajodia	Promoter Executive Director
Shri Gourav Jajodia	Promoter Non-Executive Director
Shri Shailendra Kumar Tamotia	Non-Executive Independent Director

Shri Amit Kumar Majumdar has ceased to be the member of the Committee w.e.f. 14th August, 2015 and Shri Gourav Jajodia, a Promoter Non-Executive Director has been designated as the Chairman of the Committee w.e.f. the said date.

Compliance Officer

Shri Ajay Kumar Tantia, Company Secretary acts as the Compliance Officer and oversees redressal of investors' grievances.

■ Attendance of the Members at the meetings

During the financial year 2014-15, 4 (Four) meetings of the committee were held viz., 29th May, 2014; 12th August, 2014; 13th November, 2014 and 13th February, 2015.

The attendance of each of the member at the meetings of the committee held during the financial year 2014-15 is tabled below:

Name of the Members	No. of meetings attended
Shri Amit Kumar Majumdar (Chairman)	4
Shri Aditya Jajodia	4
Shri Gourav Jajodia	4
Shri Shailendra Kumar Tamotia	4

Shri Ajay Kumar Tantia, Company Secretary & Compliance Officer also attended all the above-mentioned meetings of the Committee.

■ The details of complaints received and redressed during the year

Complaints pending as on 1st April, 2014 : NIL

Complaints received during the year ended 31st March, 2015 : 1

Complaints resolved during the year ended 31st March, 2015 : 1

Complaints pending as on 31st March, 2015 : NIL

All the complaints have been attended/ resolved to the satisfaction of the complainants during the year. No request

for share transfer/transmission was pending for approval as on 31st March, 2015.

❖ Management (Finance) Committee

■ Terms of reference of the committee

As a matter of operating convenience, the Board of Directors of the Company, has at its meeting held on 13th November, 2014 revised the terms of reference of the Management (Finance) committee. The revised terms of reference of the committee are as follows:

- ★ To assess the financial requirements of the Company;
- ★ To approve and adopt the sanctions granted by various banks and financial institutions for lending to the Company;
- ★ To borrow money;
- ★ To invest funds of the company in the normal course of business;
- ★ To give legal authorization or otherwise to any officer/employee/any other person to represent the Company on various matters and to sign the necessary documents thereto; and
- ★ Any other matter as may be referred by the Board

■ Composition of the Committee and attendance at the meetings

As on 31st March, 2015, the committee consists of 3 Members, comprising:

Name of the Members	Category
Shri Aditya Jajodia (Chairman)	Promoter Executive Director
Shri Sanjiv Jajodia	Promoter Executive Director
Shri Rajiv Jajodia	Promoter Non-Executive Director

During the financial year 2014-15, 17 (Seventeen) meetings of the Committee were held viz., 8th May, 2014; 29th May, 2014; 30th June, 2014; 14th July, 2014; 28th August, 2014; 25th September, 2014; 26th September, 2014; 27th September, 2014; 29th, September, 2014; 29th December, 2014; 5th January, 2015; 19th January 2015; 2nd March, 2015; 16th March, 2015; 26th March, 2015; 28th March, 2015 and 31st March 2015 which were attended by all its members. Shri Ajay Kumar Tantia, Company Secretary of the Company also attended all the meetings of the Committee.

❖ Corporate Social Responsibility Committee

In accordance with the provisions of Section 135 of the Companies Act, 2013, and rules made therein, the Board of directors of the Company has at its meeting held on 29th May, 2014, constituted the Corporate Social



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Responsibility (CSR) Committee.

■ Terms of reference of the committee

- ★ To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;
- ★ To recommend the amount of expenditure to be incurred on such activities; and
- ★ To monitor the Corporate Social Responsibility Policy of the Company from time to time.

As per the requirements of section 135(5) of the Companies Act, 2013 the company is required to spend at least two percent of its average net profits made during the three immediately preceding financial years towards CSR Activities. Since the company has incurred losses during the three immediately preceding financial years the same is not applicable to the company at present.

However, CSR and Sustainable Development has always been one of the leading priorities of the Company and the Company continues to undertake a wide range of CSR activities to contribute towards welfare and betterment of the society. Therefore, as a good corporate practice and for better governance, the Company shall continue to strive towards spending for CSR the way it has been doing in past years.

The CSR policy of the Company is hosted on the website of the Company i.e. www.jaibalajigroup.com under the Weblink www.jaibalajigroup.com/corporate-social-responsibility-policy.pdf

■ Composition of the Committee and Attendance of the Members at the meetings

As at 31st March, 2015 the Committee consists of 3 Members, comprising:

Name of the members	Category
Shri Shailendra Kumar Tamotia (Chairman)	Independent Non-Executive Director
Shri Amit Kumar Majumdar	Independent Non-Executive Director
Shri Rajiv Jajodia	Promoter Non-Executive Director

During the financial year 2014-15, 1 (One) meeting of the committee was held on 29th May, 2014 which was attended by all its members.

❖ Internal Complaints Committee

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder, the Board of directors, has at its meeting held on 29th May, 2014, constituted an Internal Complaints Committee ('the committee') to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto.

As at 31st March, 2015 the Committee consists of 4 members:

Name of the members	Category
Ms. Abha Basu	Presiding Officer
Ms. Priti Todi	Outside member
Shri Ajay Kumar Tantia	Member
Ms. Barkha Bachhuka*	Member

*Appointed w.e.f 13th November 2014.

Ms. Purna Sharma and Ms. Barkha Bachhuka tendered their resignation w.e.f. 13th November, 2014 and 1st May, 2015 respectively and Mr. R. K. Sharma has been appointed by the Board as a member w.e.f. 1st May, 2015.

During the financial year 2014-15, 1 (One) meeting of the committee was held on 29th May, 2014 which was attended by all the members.

Pursuant to Section 21 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder, the details of Complaints received/resolved by the Committee during the year is detailed hereunder:

No. of Complaints of Sexual Harassment received during the year	: NIL
No. of Complaints disposed off during the year	: NIL
No. of cases pending for more than 90 days	: NIL
No. of workshops or awareness programme against sexual harassment carried out	: NIL
Nature of action taken by the employer	: NIL

The Company has duly adopted a policy on Prevention of Sexual Harassment of Women at workplace under formal approval of the Board. The same is available on the website of the company i.e. www.jaibalajigroup.com under the weblink www.jaibalajigroup.com/safety-of-women.pdf.

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4. GENERAL BODY MEETINGS

❖ Annual General Meeting

The location, date and time of the last three Annual General Meetings are as follows:

Financial Year	Date	Time	Location
2013-14	27.09.2014	11:00 A.M.	Rotary Sadan (Shripati Singhanian Hall), 94/2, Chowringhee Road, Kolkata - 700 020
2012-13	12.09.2013	11:00 A.M.	Rotary Sadan (Shripati Singhanian Hall), 94/2, Chowringhee Road, Kolkata - 700 020
2011-12	18.12.2012	11:00 A.M.	Rotary Sadan (Shripati Singhanian Hall), 94/2, Chowringhee Road, Kolkata - 700 020

Special Resolutions passed in the previous three AGMs

The following Special Resolutions were taken up in the last three Annual General Meetings and were passed with requisite majority.

■ 2013 - 14

- ★ In terms of Section 180(1)(c) of the Companies Act, 2013, the Board can exercise its borrowing powers only with the consent of the members by way of a Special Resolution unlike Ordinary Resolution as was required under Section 293(1)(d) of the Companies Act, 1956. Hence, Special Resolution was passed u/s 180(1)(c) of the Companies Act, 2013 authorising the Board to borrow any sum or sums of monies, which together with sums of money already borrowed may exceed the aggregate of the paid-up capital of the Company and its free reserves provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs. 5,000 Crores (Rupees Five Thousand Crores only) and that the monies borrowed/ to be borrowed by the Company in respect of earlier resolution passed under the aforesaid Section was also approved.
- ★ In terms of Section 180(1)(a) of the Companies Act, 2013 the Board can exercise its power to hypothecate, mortgage/charge or create lien and / or other encumbrances on the immoveable/moveable properties of the Company, from time to time only with the consent of the members by way of a Special Resolution unlike Ordinary Resolution as was required under Section 293(1)(a) of the Companies Act, 1956. Hence, Special Resolution was passed u/s 180 (1)(a) of the Companies Act, 2013 authorising the Board to hypothecate or create charge/mortgage on all or any of the immovable and movable property of the company both present and future and / or on the part or whole or substantially the whole of the undertaking(s) of the Company as the Board may determine to secure the sum or sums of monies

borrowed or to be borrowed aggregating up to a sum of Rs. 5,000/- Crores (Rupees Five Thousand Crores only) and that any hypothecation, mortgage/charge or other encumbrances created/ to be created on the immoveable/moveable properties of the Company in respect of earlier resolution passed under the aforesaid Section was also approved.

- ★ Alteration in Articles of Association by substituting Article 1 and insertion of Article 188A.

■ 2012 - 13

- ★ Re-appointment of Shri Sanjiv Jajodia as the Whole-time Director of the Company for a further period of 5 (five) years w.e.f. 1st May, 2013 on terms, conditions and remuneration as mentioned in the agreement dated 22nd April, 2013.

■ 2011-12

- ★ Approval u/s 81(1A) of the Companies Act, 1956 to create, issue, offer and allot on preferential allotment basis to two promoters group companies upto 1,00,00,000 (One Crore) warrants of Rs. 50/- each from time to time in one or more tranches, each warrant entitling/ giving an option to holder thereof to apply for the allotment of one equity share of face value of Rs. 10/- each of the Company against each warrant at a price of Rs. 50/- each including premium of Rs. 40/- per equity share within 18 months from the date of allotment of such warrants.
- ★ Approval of payment of remuneration not exceeding to Rs. 75,000/- per month w.e.f. 1st October, 2012 to Shri Shyam Bahadur Singh, Executive Director of the Company pursuant to the provisions of Section 198, 309, 310 read with Schedule XIII of the Companies Act, 1956.
- ★ Re-appointment of Shri Aditya Jajodia as Managing Director of the Company for a further period of 5 years w.e.f. 23rd July, 2012 on terms, conditions and remuneration as mentioned in the agreement dated 20th July, 2012.

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❖ Extra-ordinary General Meeting

The details of the Extra-ordinary General Meeting (EGM) of the Members of the Company held during the last three years are as follows:

Financial year	Venue	Day and date	Time	Nature and nos. of Special Resolutions
2011-12	Rotary Sadan (Shripati Singhania Hall), 94/2, Chowringhee Road, Kolkata - 700 020	Wednesday 09.05.2012	11:00 A.M.	<ol style="list-style-type: none"> 1. Alteration in Articles of Association 2. Appointment of M/s. U. Narain & Co. and M/s. Rashmi & Co. as Joint Statutory Auditors 3. Approval for keeping the Register of members, Index of members etc., and Annual Return under Sections 159 and 160 of the Companies Act, 1956, at the office of Registrar and Share Transfer Agent as may be appointed from time to time.

Postal Ballot

No special resolution was passed through postal ballot in the year under review. Further no resolution has been proposed to be passed during the Financial year 2015-16 for obtaining the consent of the shareholders through postal ballot.

5. DISCLOSURES

■ Related Party Disclosures

Attention of the members is drawn towards the details of transactions with Related Parties as per requirements of Accounting Standards (AS)-18 as disclosed under Note No. 39 in the notes to accounts annexed to the financial statements. None of the transactions with any of the related parties were in conflict with that of the Company's interest.

The transactions entered into by the Company with the related parties are negotiated on an arms length basis and are in ordinary course of business with the intention to further the Company's interest. Considering the fact that the Company frequently enters into transactions with its related parties and such transactions are repetitive in nature, the Company has at the meeting of the audit committee held on 12th August, 2014 obtained omnibus approval of the Committee for all related party transactions subject to their value not exceeding Rs.1 (One) crore per transaction valid upto a period of 1 (one) year from the date of such approval pursuant to clause 49(VI)(D) of the listing Agreement with the Stock Exchanges. The Company at its meeting held on 5th August 2015 has obtained a fresh omnibus approval which shall be valid for a period of 1 (one) year. A Statement of such transactions are periodically placed before the audit committee for review. Also, all related party transactions are placed before the audit committee for approval. The Company also has in place a policy on materiality of

related party transactions and on dealing with such transactions, duly approved and adopted by the Board. The same is hosted on the Company's website viz., www.jaibalajigroup.com under the weblink www.jaibalajigroup.com/related-party-policy_jbg.pdf.

■ Capital Market Disclosures

The Company has complied with the requirements of Stock Exchanges, SEBI and other statutory authorities on matters relating to the capital markets during the last three years and consequently no penalties or strictures have been imposed on the Company by these authorities for non-compliance of any matter related to the capital markets as on 31st March, 2015.

■ Whistleblower policy

In compliance with Section 177(9) of the Companies Act, 2013 read with SEBI Circular dated April 17, 2014 w.r.t. amendment to the Equity Listing Agreement (effective from October 1, 2014), the Board of directors at their meeting held on 29th May, 2014, has adopted a Whistle Blower Policy for Directors and Employees to report their genuine concerns or grievances against any wrong doing in the Company as well as to provide them adequate safeguards against victimisation. The employees and directors shall report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy including:

- a) Manipulation of the data/records of the Company;
- b) Misuse of company's properties, assets and resources;
- c) Abuse of authority by any director/employee;
- d) Leaking confidential information of the Company;

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- e) Violation of the Company's code of conduct or any rules/regulations/laws;
- f) Forgery/fraud/corruption/Bribery;
- g) Physical/emotional violence; and
- h) Any other matter that might cause financial/non-financial loss to the director/employee of the Company or might impact their goodwill.

The Audit Committee of the Company shall oversee the vigil mechanism under the Whistle Blower Policy. No person has been denied access to the Chairman/members of the Audit Committee. The said policy is also hosted on the Company's website viz., www.jaibalajigroup.com under the weblink www.jaibalajigroup.com/whistle-blower-policy.pdf.

■ Disclosure of Accounting Treatment

The Company has followed all the relevant Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 issued by The Institute of Chartered Accountants of India in preparation of its financial statements.

■ Code of Conduct

The Company has laid down a Code of Conduct for its Directors and Senior Management Personnel under the formal approval of the Board to enhance ethical and transparent process in managing the day to day affairs of the Company and to sustain the trust and confidence reposed in the Officers by the shareholders of the Company. The said code suitably incorporates the duties of the Independent Directors as laid down in the Companies Act, 2013. The Code of Conduct has been hosted on the Company's Website viz., www.jaibalajigroup.com under the weblink www.jaibalajigroup.com/code-of-conduct-for-bm-senior-mangmt-new.pdf.

The Board of Directors and Senior Management Personnel have affirmed compliance with the code for the financial year ended 31st March, 2015. A declaration to this effect signed by the Chairman and Managing Director forms part of this Annual Report.

■ Insider Trading Code

The Securities and Exchange Board of India, vide notification no. LAD-NRO/GN/2014-15/21/85 has repealed the SEBI (Prohibition of Insider Trading) Regulations, 1992 and in place SEBI (Prohibition of Insider Trading) Regulations, 2015 has been introduced which has become effective from 15th May, 2015. Pursuant to the new regulations, the Board of Directors of the Company, has at its meeting held on 5th August, 2015 approved and adopted the Codes of fair disclosure and Code of conduct for prevention of Insider Trading. The same has been hosted on the company's website www.jaibalajigroup.com under the weblink [\[prevention-of-inside-trading.pdf\]\(#\).](http://www.jaibalajigroup.com/code-of-conduct-for-</p>
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■ Management Discussion and Analysis Report

In accordance with Clause 49(VIII)(D) of the Listing Agreement the Management Discussion and Analysis Report forms part of the Directors Report.

■ Proceeds from public issues, rights issues, preferential issues, etc.

The Company has not raised any money from public issues, rights issues, preferential issues, etc. during the financial year 2014-15.

■ Subsidiary Companies

The Company has the following three wholly owned subsidiaries:

- a) M/s. Nilachal Iron & Power Limited;
- b) M/s. Jai Balaji Steels (Purulia) Limited; and
- c) M/s. Jai Balaji Energy (Purulia) Limited.

M/s. Nilachal Iron & Power Limited is a material non-listed Indian Subsidiary of the Company. Accordingly, an Independent Director of the Company was appointed on the Board of M/s. Nilachal Iron & Power Limited. The Company monitors the performance of the above named Subsidiaries, inter alia, by the following means:

- a) Copy of the Minutes of the Meetings of the Board of Directors of the Subsidiary Companies are tabled before the Company's Board;
- b) Financial Statements of the Subsidiary Companies are tabled before the Company's Audit Committee and Board for review.

The Company does not have any material subsidiary as defined under clause 49(V)(E) of the amended Listing Agreement. However, as a means of good corporate governance, the Board has duly approved and adopted a policy on determining "material" subsidiaries which is hosted on the Company's website viz., www.jaibalajigroup.com under the weblink www.jaibalajigroup.com/policy-on-determining-material-subsidiaries.pdf.

■ CEO and CFO Certification

Shri Aditya Jajodia, Chairman & Managing Director and Shri Sanjiv Jajodia, Whole-time Director & CFO of the Company have given their certification w.r.t the financial statement to the Board in accordance with Clause 49(IX) of the Listing Agreement for the financial year ended 31st March, 2015 which is separately enclosed with this report.

■ Risk Management

The Company has a Risk Management Policy in place with a view to develop appropriate risks mitigation measures and to carry out risk assessment and minimization procedures. Risk evaluation and management is an ongoing process within the Company and is periodically reviewed by the Board.



Report of the Directors on Corporate Governance (Contd.)

■ Reconciliation of Share Capital Audit

Mr. Sandip Kumar Kejriwal, qualified practising Company Secretary, carried out the reconciliation of share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital of the Company. The audit confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held in electronic mode with NSDL and CDSL.

■ Compliance with Mandatory Requirements

The Company has complied with the mandatory requirements as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, to the extent these apply and extend to the Company.

■ Adoption of Non-Mandatory Requirements

● Shareholder rights

Since the Quarterly, half-yearly and annual financial results of the Company are published in newspapers and regularly hosted on the Company's website, these are not sent individually to the shareholders of the Company.

● Audit Qualification

The Company's Financial Statement does not contain any audit qualifications.

● Reporting of internal Auditor

The Internal Auditor reports to the Audit Committee.

6. MEANS OF COMMUNICATION

■ Quarterly Financial Results

In compliance with Clause 41 of the Listing Agreement, the Company submits the quarterly, year to date and annual financial results in the prescribed format to the stock exchanges as soon as the same are approved and taken on record by the Board. The same is filed through

NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre and are simultaneously hosted on the website of the Company i.e. www.jaibalajigroup.com.

■ Newspapers wherein results are normally published

The quarterly, year to date and annual financial results of the Company are normally published in The Echo of India, Business Standard (English Newspaper), and Arthik Lipi (Vernacular Newspaper).

■ Website

In compliance of Clause 54 of the Listing Agreement and SEBI Circular No. CIR/CFD/DIL/10/2010 dated December 16, 2010, the Company is maintaining a functional website i.e. www.jaibalajigroup.com containing the basic required information about the Company.

Contact information of the designated official responsible for assisting and handling Investor Grievances is:

The Company Secretary

Jai Balaji Industries Limited

5, Bentinck Street,

Kolkata - 700 001

Phone No.: (91)(33) 32607848

E-mail: jaibalaji@jaibalajigroup.com

■ News Releases and Presentations

The official news releases and presentations, if any, made to institutional investors and analysts at investors meet from time to time are also posted on the Company's website. Official Press Releases, if any are sent to the Stock Exchanges.

■ Exclusive e-mail-id for Investors' Grievances

As per Clause 47(f) of Listing Agreement and SEBI Circular No. MRD/DoP/SE/DEP/CIR-22/06, the Company has created an exclusive e-mail ID for redressal of investor's grievances, i.e. jaibalaji@jaibalajigroup.com

7. SHAREHOLDER INFORMATION

● Annual General Meeting

Day, date & time

: Monday, 21st September, 2015 at 10:30 a.m.

Venue

: Rotary Sadan (Shripati Singhania Hall),
94/2, Chowringhee Road,
Kolkata - 700 020

● Financial calendar (tentative) for the year 2015-16

: 1st April, 2015 to 31st March, 2016
The probable dates for the publication of the Financial Results for the financial year 2015-16:

1 st Quarter Results	14 th Aug, 2015
2 nd Quarter Results	On or before 14 th Nov, 2015
3 rd Quarter Results	On or before 14 th Feb, 2016
Annual Results	On or before 30 th May, 2016



Report of the Directors on Corporate Governance (Contd.)

<u>Date of book closure</u>	:	The Register of Members and Share Transfer Book shall remain closed from Saturday, 19th September, 2015 to Monday 21st September, 2015 (both days inclusive)
<u>Date of Dividend payment</u>	:	N.A.
<u>Listing of equity shares on stock exchanges</u>	:	The Equity shares of the Company are presently listed on the following Stock Exchanges: National Stock Exchange of India Limited "EXCHANGE PLAZA", 5th Floor, Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 BSE Limited 25, P. J. Towers, Dalal Street Mumbai - 400 001 The Calcutta Stock Exchange Limited 7, Lyons Range, Kolkata - 700 001
<u>Depositories</u>	:	Nationa Securities Depository Limited Trade world, 4th Floor, 'A' Wing Kamala Mills Compound Senapati Bapat Marg, Lower Parel Mumbai - 400 013 Central Depository Services (India) Limited Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street Mumbai - 400 001
<u>Stock Code/Symbol</u>	:	NSE - JAIBALAJI CSE - 10020253 BSE - 532976
Demat International Security Identification Number (ISIN) in NSDL and CDSL		
- For fully paid-up equity shares	:	INE 091G01018
- For partly paid-up equity shares	:	IN 9091G01016
Corporate Identification Number (CIN)	:	L27102WB1999PLC089755

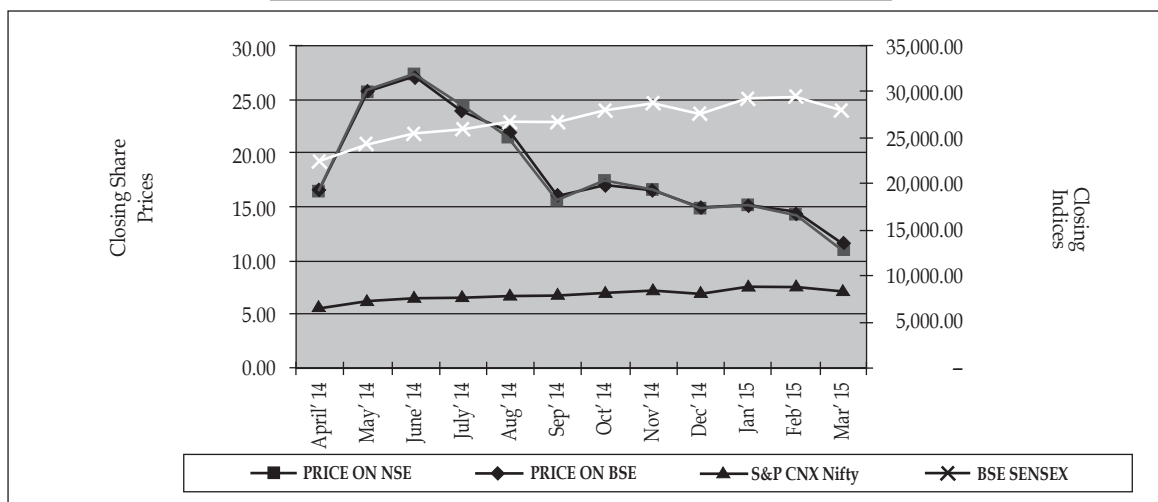
Market Price Data

The monthly high and low market prices of the shares of the Company as recorded on the National Stock Exchange of India Limited & BSE Limited during the last financial year 2014-15 were as under:

Month	Share Price (NSE)		Share Price (BSE)	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April '14	16.70	9.85	16.43	10.11
May '14	25.50	16.00	25.65	16.00
June '14	35.00	21.80	35.50	22.05
July '14	31.05	22.60	31.30	23.10
August '14	29.20	21.55	29.20	21.85
September '14	21.60	15.00	22.20	15.30
October '14	18.70	14.15	18.40	14.45
November '14	18.50	15.00	18.60	15.50
December '14	19.85	13.00	19.35	13.20
January '15	18.50	14.05	16.80	14.30
February '15	18.15	13.20	18.15	13.85
March '15	14.70	10.05	14.15	10.01

Report of the Directors on Corporate Governance (Contd.)

Performance in Comparison to Broad - based indices



Registrar and Share Transfer Agent : Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor
Kolkata - 700 001
Phone No.: 91 33 2243 5029/5809
E-mail: mdpldc@yahoo.com

Share transfer system

Transfer of shares held in electronic mode is done through the depositories. As regards transfer of shares held in physical form, the transfer documents can be lodged with the Registrar & Share Transfer Agent at the above mentioned address. The transfers are normally processed and share certificates are returned within a time period of 15 days from the date of receipt in accordance with SEBI Circular CIR/MIRSD/8/2012 dated 5th July, 2012, subject to the documents being valid and complete in all respects. The Stakeholders' Relationship Committee records the no. of transfer requests received and oversees its execution.

The Company obtains half-yearly certificate of compliance pertaining to share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges from a Company Secretary in Practice and files a copy of the said certificate with the Stock Exchanges.

CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2015

1	Category	No. of Shareholders	No. of shares held	As a % age of A+B+C
A	Promoter and Promoter Group Holding			
	Indian	21	43,263,195	58.64
	Foreign	0	NIL	NIL
	Total Promoter Shareholding (A)	21	43,263,195	58.64
B	Public Holding			
	Institutions	3	3,118,100	4.23
	Non-Institutions	9647	27,400,191	37.14
	Total Public Shareholding (B)	9650	30,518,291	41.36
C	Shares held by Custodian & against which Depository receipts have been issued (C)	NIL	NIL	NIL
	Grand Total (A+B+C)	9671	73,781,486	100.00

Report of the Directors on Corporate Governance (Contd.)

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2015

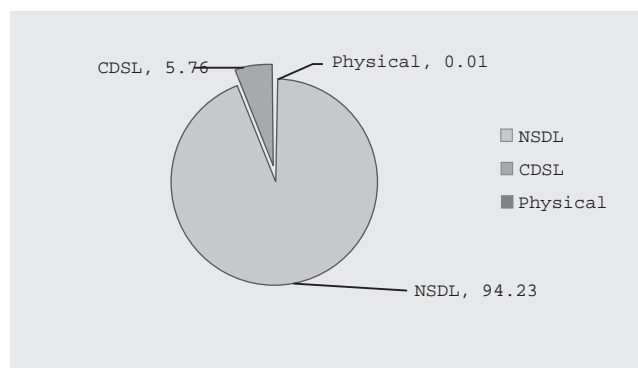
Range of ordinary shares held	No. of Shareholders	Percentage (%) to total shareholders	No. of Shares	Percentage (%) to share capital
Up to 500	8,060	83.34	9,86,736	14.34
501 to 1000	660	6.82	5,43,319	0.74
1001 to 2000	375	3.88	5,80,666	0.79
2001 to 3000	153	1.58	3,94,994	0.53
3001 to 4000	72	0.74	2,57,029	0.35
4001 to 5000	64	0.66	2,96,237	0.40
5001 to 10000	129	1.33	9,45,626	1.28
10001 and above	158	1.63	6,97,76,879	94.57
Total	9,671	100.00	7,37,81,486	100.00

DEMATERIALIZATION OF SHARES AND LIQUIDITY AS ON 31ST MARCH, 2015

The Company's equity shares are compulsorily traded in dematerialised form and are available for trading on both the depositories in India – the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As at 31st March, 2015 a total of 73,775,250 equity shares of the Company, representing 99.99% of the Company's share capital were held in dematerialised form of which 69,526,878 equity shares were held with NSDL and 4,248,372 equity shares with CDSL. The entire Promoters' Group shareholding in the Company is in dematerialised form.

The Company's shares are regularly traded on the National Stock Exchange of India Limited and BSE Limited. As per agreements of the Company with NSDL and CDSL, the investors have an option to dematerialise their ordinary shares with either of the depositories.

Under the depository system, the International Securities Identification Number (ISIN) allotted to the Company's shares for fully paid-up shares is INE 091G01018 and for partly paid-up shares it is IN 9091G01016



OUTSTANDING GDRs/ADRs/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

During the year under reporting, no GDRs/ADRs were issued. The Company has issued and allotted 1,00,00,000 warrants on 4th July, 2013, on private placement basis to two promoter group companies viz. M/s. Hari Management Limited (81,00,000 warrants) and M/s. Enfield Suppliers Limited (19,00,000 warrants) at an issue price of Rs. 50/- each. Each warrant was convertible into one fully paid-up equity share each ranking pari-passu in all respects, including as to dividend, with the existing equity shares of the Company, within a period of 18 months from the date of allotment, in one or more tranches, at a conversion price of Rs. 50/- per equity share (including premium of Rs. 40/- per share).

Subsequently, the Board of Directors at its meeting held on 5th August, 2013, had converted the 3,495,000 warrants, by way of allotment of 3,495,000 equity shares at a conversion price of ₹ 50/- per equity share (including a premium of ₹ 40/- per share), being 19,00,000 equity shares to M/s. Enfield Suppliers Limited and 15,95,000 equity shares to M/s. Hari Management Limited, pursuant to the application letter received from the respective allottees. Further during the year under reporting the Board of Directors of your Company at its meeting held on 29th May, 2014, has converted the remaining 65,05,000 warrants by way of allotment of 65,05,000 equity shares at a conversion price of ₹ 50/- per equity share (including a premium of ₹ 40/- per share) to M/s. Hari Management Limited, pursuant to the application letter received from the allottee.

Consequent to the full conversion of warrants, the paid-up equity share capital of the Company stands at Rs.73,78,14,860 divided into 7,37,81,486 equity shares of Rs.10/- each.

DETAILS OF UNCLAIMED SHARES

The Company has 847 unclaimed shares of 10 shareholders



Report of the Directors on Corporate Governance (Contd.)

in a Demat Account titled 'Jai Balaji Industries Limited – Unclaimed Shares Demat Suspense Account' opened by the Company in line with the Circular no. SEBI/CFD/DIL/LA/1/2009/24/04 dated 24th April, 2009 issued by the SEBI which could not be credited to shareholder's demat account due to insufficient/ incomplete/ improper details furnished by them. The said shares had arisen out of the allotment made at the time of Initial Public Issue of

erstwhile M/s. Shri Ramrupai Balaji Steels Limited (since amalgamated with the Company).

The allottee's account shall be credited as and when he/she approaches the Company, after undertaking the proper verification of identity of the allottee. The voting rights of these shares shall remain frozen till the rightful owner claims the shares. Details of Unclaimed shares are as follows:

Particulars	Number of Shareholders	Aggregate Number of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as at 1 st April, 2014	10	847
Number of shareholders who approached issuer for transfer of shares from suspense account during the year	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the year	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying as at 31 st March, 2015	10	847

PLEDGE OF EQUITY SHARES

As per declarations received, the under mentioned promoters/promoter group of the company have pledged the equity share of the company held by them:

Sl. No.	Name of Promoter/ Promoter Group	No. of Equity Shares Pledged as on 31.03.2015	% to total holding of respective promoter in the company	% to total paid up equity shares of the company
1	Shri Aditya Jajodia	3,075,000	83.68%	4.17%
2	Shri Sanjiv Jajodia	2,640,000	99.64%	3.58%
3	Shri Rajiv Jajodia	1,550,000	98.83%	2.10%
4	Shri Aashish Jajodia	323,000	40.66%	0.44%
5	M/s. Enfield Suppliers Limited	11,221,233	85.52%	15.21%
6	M/s. Hari Management Limited	7,044,000	46.51%	9.55%
7	M/s. Jai Salasar Balaji Industries Private Limited	2,519,000	99.82%	3.41%
8	M/s. K. D Jajodia Steels Industries Private Limited	2,410,000	99.99%	3.27%
	Total	30,782,233	–	41.72%



Report of the Directors on Corporate Governance (Contd.)

PLANT LOCATIONS

Unit I Ranigunj G/1, Mangalpur Industrial Complex, Post : Baktarnagar Dist. : Burdwan West Bengal - 713 321	Unit II Durgapur, Lenin Sarani, Dist.: Burdwan West Bengal - 713 210
Unit III & IV Durgapur, Vill: Banskopa, P.O. : Rajbandh Dist.: Burdwan West Bengal - 713 212	Unit V Industrial Growth Centre, Borai Village & P.O. : Rasmada, Dist : Durg Chhattisgarh - 491 009

ADDRESS FOR CORRESPONDENCE

: The Company Secretary
Jai Balaji Industries Limited
5, Bentinck Street
Kolkata - 700 001, India
Tel: (91)(33) 2248 8173 / 9808
Fax: (91)(33) 2243 0021
E-mail: jaibalaji@jaibalajigroup.com
Website: www.jaibalajigroup.com

Auditors' Certificate on Corporate Governance

The Company has received a certificate, annexed to the Directors' Report, from the Statutory Auditors of the Company testifying to its compliances with the provisions relating to Corporate Governance as stipulated in Clause 49 of the Listing Agreement executed with the Stock Exchanges.

Place : Kolkata
Date : 14th August, 2015

For and on behalf of the Board

Aditya Jajodia
Chairman & Managing Director
(DIN: 00045114)



Report of the Directors on Corporate Governance (Contd.)

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, this is to confirm that all the members of the Board and Senior Management have affirmed compliance with the Code of Conduct for the year ended 31st March, 2015.

The said Code of Conduct is posted on the website of the Company, namely, www.jaibalajigroup.com.

Place : Kolkata

Date : 14th August, 2015

Aditya Jajodia

Chairman & Managing Director

Auditor's Report on Corporate Governance

To

The Members

Jai Balaji Industries Limited

We have reviewed the records of Jai Balaji Industries Limited for the year ended on 31st March, 2015 relating to compliance with requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreements of the company with the Stock Exchanges.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our review was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression on the financial statements of the company.

In our opinion and according to the information and explanations given to us, we state that to the best of our knowledge the company has complied with the conditions of Corporate Governance stipulated in revised Clause 49 of the above mentioned Listing Agreements, except appointment of Independent Director, which is now complied with.

We further state that such compliance is neither an assurance as to further viability of the company nor the efficiency nor effectiveness with which the management has conducted the affairs of the company.

Place : Kolkata

Date : 14th August, 2015

Sandip Kumar Kejriwal

Practising Company Secretary

Membership No. : FCS 5152

Certificate of Practice No. 3821



Report of the Directors on Corporate Governance (Contd.)

CEO AND CFO CERTIFICATION Pursuant to Clause 49(IX) of the Listing Agreement

To,
The Board of Directors
Jai Balaji Industries Limited

We, Aditya Jajodia, Chairman & Managing Director and Sanjiv Jajodia, Chief Financial Officer of Jai Balaji Industries Limited, (hereinafter referred to as the company), certify that:

1. We have reviewed the Financial Statements and the Cash Flow Statement of the Company, for the financial year ended 31st March, 2015 and to the best of our knowledge and belief.
 - i. the aforesaid statements do not contain any materially untrue statement or omit any, material fact or containing statements that might be misleading;
 - ii. the aforesaid statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations;
2. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct;
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of the internal controls, if any, of which we are aware and the step that we have taken or propose to take to rectify the identified deficiencies;
4. That we have indicated to the Auditors and the Audit Committee :
 - i. Significant changes, if any, in the internal control over financial reporting during the year;
 - ii. Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and;
 - iii. Instances of significant fraud of which we have become aware and the involvements therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Kolkata
Date : 5th August, 2015

Aditya Jajodia
Chairman & Managing Director
DIN : 00045114

Sanjiv Jajodia
Chief Financial Officer
DIN : 00036339

Management Discussion and Analysis

♦ OVERVIEW OF THE COMPANY – *Inspired by steel*

Jai Balaji Industries Limited is the flagship company of Jai Balaji Group and the core business of the Company is manufacturing and marketing of Iron and Steel products. The Company has an Integrated Steel Plant with five manufacturing facilities located in Durgapur and Raniganj in West Bengal and Durg in Chhattisgarh.

The Company has a chain of value-added products which include DRI, Pig Iron, Ferro Alloys, Alloy and Mild Steel Billets, Reinforcement Steel TMT Bars, Wire Rods, Ductile Iron Pipes and Alloy and Mild Steel Heavy Rounds. It draws the strength from an old tradition of reliable customer service and quality products.

♦ GLOBAL ECONOMY – *the pendulum swings*

It has been a turbulent year for global economy. The year started on a good note however the growth was lower than expected. The growth in the advanced economies picked up, but there was a step down in the emerging and developing economies. Despite of the fall, the emerging and developing economies had a major say in the economic growth, registering a growth of 4.6% as against 1.8% of the advanced economies and accounted for three-fourth of the global growth in 2014.

The global economy was still under stress and was hampered by many economic factors and new challenges including medium and long term trends, such as pollution aging and declining potential growth; global shocks such as lower oil prices; and many country or region specific factors, such as crisis legacies and exchange rate swings triggered by actual and expected changes in monetary policies saddled the recovery process with unfinished post-crisis adjustments.

All major developed economy in North America, Europe and Developed Asia, have aligned on an upward growth ladder, for the first time since 2011, although the discrepancies in the growth have narrowed from the previous years. The US managed to maintain a growth of 2%; the economic situation in Europe was precarious; Japan gained momentum, generated by the fiscal stimulus package and monetary easing.

On the other plane, many large developing economies, showed a sharp deceleration, and encountered various country or region specific issues, including structural imbalances, financial risk, infrastructural hindrances etc. In disparity, some countries performed relatively well, China though showed a robust growth, the economy grew at its slowest pace in 24 years in 2014. India showed signs of improvement and was a key driver of economic strength.

Overview of the World Economic Performance and Outlook (Percentage Change unless otherwise stated)

	Projections		
	2014	2015	2016
World Output	3.4	3.5	3.8
Advanced Economies	1.8	2.4	2.4
United States	2.4	3.1	3.1
Euro Area	0.9	1.5	1.6
Japan	-0.1	1.0	1.2
United Kingdom	2.6	2.7	2.3
Emerging and Developing Economies	4.6	4.3	4.7
Russia	0.6	-3.8	-1.1
China	7.4	6.8	6.3
India	7.2	7.5	7.5

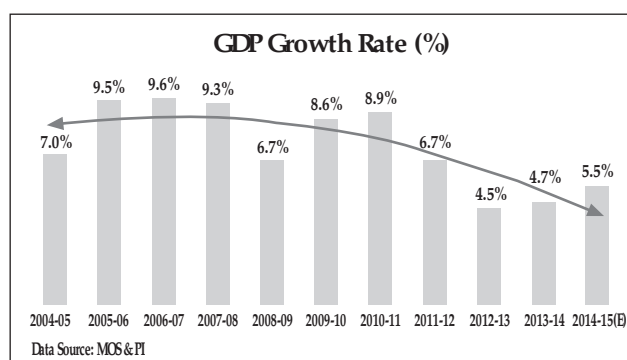
**Source: International Monetary Fund*

The major factors attributable to the lower growth explaining this downshift is the uneven growth in the emerging economies, geopolitical tensions and the impact of sharp declining oil prices rendering a weaker outlook in Russia and downward revision in commodity exports. The Advanced Economies are being expected to show a better performance than the emerging economies.

The global economy is still struggling to gain momentum as many high-income countries continue to grapple with the legacies of the global financial crisis and emerging economies are less dynamic than in the past.

♦ INDIAN ECONOMY – *towards the path of sustained growth*

The last year has been a fortuitously good one for the Indian Economy, gaining momentum since the new administration took office in May, 2014. The Indian Economy took a faster growth trajectory and emerged as one of the largest economies with a promising economic outlook. The Indian Economy after seeing various years of miniature growth have come a long way since then and marked a sustainable turnaround and clocked a growth of 7.2% as compared to 6.9% in the last year being patted by controlled inflation, which declined by over 6% in the last year, rise in domestic demand, increase in investments, decline in oil prices and reforms among





Management Discussion and Analysis (contd.)

others. India's economic profile recently got a lift as the country improved the way it measures economic output.

The worst is clearly behind us. Brighter prospect in India owe mainly to the fact that the economy stands largely relieved of the vulnerabilities associated with an economic slowdown, persistent inflation, elevated fiscal deficit, slackening domestic demand, external account imbalances and oscillating value of rupees. The New Government at the Centre has started climbing stepladders to unplug the bottleneck and has laid down many intentions. A massive digitization program has been launched to increase technology use in the government and in rural India. Large infrastructure schemes, including several smart city projects, are getting started. A manufacturing thrust has been created through a 'Make in India' program for both Indian firms and multinationals.

Growth rebounded in the crucial industrial sector. Core industries performed better than in the previous year. Improved performance of mining, manufacturing and services sector pushed India's economic growth rate to two-and-a-half - year high of 5.7 per cent in the April-June quarter.

In short, the Indian Economy have turned around the economy dramatically, restoring macro-economic stability and creating the conditions for sustainable poverty elimination, job creation and durable double-digit economic growth. Domestic and international investors are seeing us with renewed interest and hope.

Towards a brighter economic picture

The economic growth of the world economy though being downgraded to 0.3%, and the world trade growth from 5.3% to 4%, forecasts for India, however, has been positive, and the same has either been upgraded, or remained the same, without downgrades. The Government data shows that GDP in the first two quarters of the Financial Year 2014-15 has grown by 5.5%. Indian economy spurred and accelerated by strong consumer spending, low inflation rate, escalating infrastructure projects and government reform measures, is likely to clock the growth to 8.1% in 2015 and 8.2% in 2016. Encouraged by greater macro - economic stability and the reformist intent and actions of the government, coupled with improved business sentiments in the Country, Institutions like the International Monetary Fund and The World Bank have also projected the growth to be at 7.5% and the Reserve Bank has projected it to be at 7.8%. There is a lot of positivity being built around the Indian Growth. The Indian Economy is on its path of gradual growth.

India's GDP growth rate is currently hovering around 5% but the world's second most-populous country with 1.2 billion people has much going for it. Its population is young and, increasingly, digitally connected. Entrepreneurship is blossoming. But the government needs to boost many unconventional ideas as the next five years are a make-or-break phase for India's economy. The Indian economy is the bright spot in the global landscape, becoming one of the fastest-growing big emerging market economies in the world. The revised growth figures support our view that economic recovery

in India is under way, albeit pointing to a somewhat faster pace than we, and others, previously believed.

The Indian government's efforts to improve the business climate have gained momentum. Nonetheless, the country needs to implement reforms in various key areas including addressing bottlenecks in the energy, mining and power sectors; increasing investment to help close India's major infrastructure gaps; taking further steps to simplify and expedite the process of acquiring land and obtaining environmental clearances; reforming the agriculture sector to ensure greater efficiencies in the public system for food procurement, distribution, and storage; making labour markets more flexible, to encourage young job-seekers and boost presently low female labour force participation; improving education to meet rising shortages of skilled labour.

♦ **STEEL INDUSTRY - The Backbone of the Economy** **World Steel Industry - a roller coaster ride**

Steel industry continued to face challenges during the year. Steel Sector though registered a growth but the same was only 1% marginal increase, the output reaching 1,665 million tonnes. There was no change in the order of top three steel producing nations with China, Japan and the US retaining their slots in the respective order in 2014. The developed world showed growth in Steel demand of 6.2% in 2014 on the back of strong US fundamentals and a firming EU recovery. The developing economies (excluding China) posted low growth of 2.3% in 2014, in particular because of the continued deterioration in the Brazilian and Russian Steel markets.

The following chart depicts the Crude Steel production of the major steel producing countries in the world along with the percentage change from the last year and the contribution of each country in the world steel production.

(in Million Tonnes)

Name of the Country	2014	2013	% Change	% Share in World Steel Production
China	822.7	822.0	0	49.4
EU28	169.3	166.3	2	10.2
Japan	110.7	110.6	0	8.6
United States	88.2	88.9	1	5.3
India	86.5	81.3	6	5.2
South Korea	71.5	66.1	8	4.3
Russia	71.5	69.0	4	4.3
Turkey	34.0	34.7	-2	2.0
Brazil	33.9	34.2	-1	2.0
Ukraine	27.2	32.8	-17	1.6
Taiwan	23.1	22.3	4	1.4
Mexico	19.0	18.2	4	1.1
Iran	18.3	15.4	6	1.0
Canada	12.7	12.4	3	0.8
South Africa	6.6	7.2	-9	0.4
Others	72.0	69.7	3	4.3
Total	1665.2	1649.0	1	100

*Source: World Steel Association

Management Discussion and Analysis (contd.)

Exports

Of the large Steel producing nations, China continued to export more Steel and was the largest exporter in the world. The EU exported an increased amount as internal demand fell and a weak Euro made their exports more competitive. South Korea, Russia and Turkey also showed large increases in their exports of Steel.

Imports

The world's largest Steel importer, the US imported 39.4% in 2014 as compared to 28.6 % in 2013 as the economy started to recover following the downturn. China and South Korea continued to position themselves more as net exporters as higher domestic production led to a fall in imports. Apart from the USA, large increases in imports were seen in Thailand, Mexico and Indonesia.

China continued to top the chart as the largest producer of crude steel in the world but the growth was broadly flat. The country had been a driver for global production during the recent past but showed a slow-down in the previous year. Due to a downward trend in the China's real estate sector, the construction sector which accounted for more than half of the Steel consumption showed a poor performance, causing the overall steel consumption to fall.

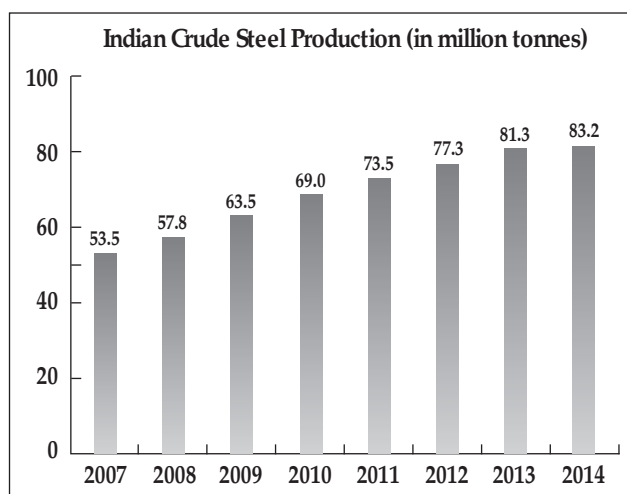
Crude Steel Production in Japan was high in the first months mainly for steel used in the building construction and automobiles to meet strong demand. However, pursuant to the consumption tax hike, the steel demand saw a down turn in the second half.

Steel demand in the US was a key driver for steel players in 2014. In 2014, the growth in US steel consumption was led by strong demand from end consumers of steel. Steel demand from the automobile and construction sector kept the steel players order books in good. Towards the end of 2014, the cycle turned upside down for the steel industry generally due to the global slow-down and the alarming increased import made by the country on a year-over-year basis. Adding to it, the reduction in crude oil prices further posed great hardship for the steel industries.

Growth in the developed world is set to moderate in 2015 due to the high base effect, but also less favorable steel market environments in the US, Japan and South Korea. The recovery in the EU, although becoming regionally broader based, is still constrained by weak investment activity and high unemployment. Steel demand in the developed economies is expected to grow by 0.2% in 2015 and by 1.8% in 2016. Growth momentum in the developing economies is expected to remain generally weak in 2015, however, positive growth is expected in some economies such as India, Indonesia, Vietnam and Egypt, where Steel markets are still developing.

INDIAN STEEL INDUSTRY - the year of optimism

The Indian steel industry is still showing the sluggish signs of recovery. Steel Economy witnessed a challenging environment, and was subjected to varied combination of optimism & distrust in the last financial year. The Crude steel production during the Financial Year 2014-15, was 88.124 Million Tones (MT), a growth of 7.9% over the same period



of last year and the total finished steel production was 91.46 MT a growth of 4.3 % over 2013-14. India's steel production grew at nearly half the world's average in the first six months of the year, but the country still remains at the fourth position among top steel producers.

Import of total finished product stood at 9.321 MT in Financial Year 2014-15 and saw a growth of 71% over the same period last year due to sharper fall in international steel prices than domestic prices. On the other hand steel exports de-grew by 8.1%. India remained a net importer of steel due to influx of cheap imported steel from China and there was a large gap between steel production (90.6 MT) and steel consumption (76.4 MT). Imports, coupled with subdued domestic steel demand growth, have worsened the weak steel pricing environment. Steel prices in India have declined by around 19 per cent in the past six months. Despite the fall, domestic steel prices stood around 10-11 per cent higher than the landed cost of imported steel.

The following is a status report on the performance of Indian steel industry during April-March 2014-15:

Total Finished Steel (alloy + non-alloy)	Indian Steel scene: April-March 2014-15 (Prov)	
	Qty (mt)	% Change*
Production for sale	90.552	3.3
Import	9.321	71.0
Export	5.501	-8.1
Real Consumption	76.355	3.1
Crude Steel Production	88.124	7.9

Source: JPC, *over same period of last year

This increasing production figures though gives a positive outlook to the Indian steel industry, the deep insight into the steel figures shows the actual scenario. The Indian Steel Industry faced various challenges due to high import of cheap

Management Discussion and Analysis (contd.)

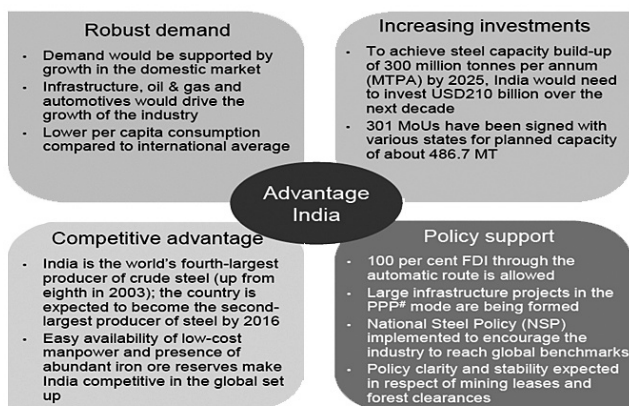
steel, the prices fell significantly which affected the overall steel market.

India's position in world's steel production during the Financial Year remains unchanged at the fourth place for the last four years since 2010. However as per the World Steel Association's latest provisional figure India has climbed a step ahead and has reached the 3rd spot and is showing immense potential to touch more heights.

♦ OUTLOOK – India poised to be the next steel giant

Indian Steel industry has a very bright future. The liberalization of industrial policy and other initiatives taken by the Government have given a definite impetus for entry, participation and growth of the steel industry. Since the start of 2015, steel production in India is already up by 9.4% on a year over year basis. India already is the fourth largest producer of steel, with infrastructure development and automotive industry driving steel demand, production is expected to hit with an expected steel use of 80 million tonnes in 2015 and 86 million tonnes in 2016. The government is working proactively to provide incentives for economic growth by injecting funds in construction, infrastructure, automotive and power, which will drive the steel industry in the future. India is also expected to become the 2nd largest producer of crude steel in the world soon, provided all requirements for creation of fresh capacity are adequately met.

The steel industry in India is being talked about in all corners of the world. The Indian Steel Industry has set its vision plan to scale up steel production to 300 MT by 2025. This is also one of the agenda chalked – out in the “Make in India” Campaign. This is a challenging task and to reach this target many hurdles and obstacles needs to be overcome. Government needs to provide for Investor friendly policies and framework, foreign Investment in steel sector needs to be encouraged, time consumed in obtaining clearances, finalising tenders needs to be curtailed. Moving the economy forward in these directions will help India continue along the path toward a brighter economic picture of rapid economic growth and macroeconomic stability for many years to come.



Source: IEBF

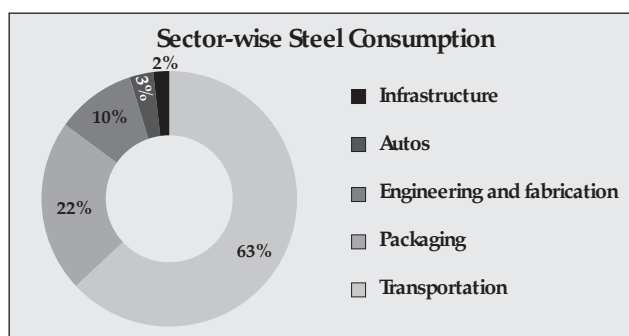
India is at the start of a new growth curve. It may not come immediately, but the fundamental conditions for growth is in place and is positive. This is the time, for all steel makers, miners, investors and government to address these issues and take up the challenge to build an economically stronger India.

♦ INDIAN STEEL INDUSTRY – OPPORTUNITIES, THREATS, RISKS AND CONCERNS

OPPORTUNITIES – Boosting Demand for Steel Industry

India's status as a major player in the global steel industry is well acknowledged. The fast growing economy has welcomed multiple opportunities for an Industry to develop. The Steel Industry is evolving itself to become a global leader in terms of product quality and overall efficiency. Growing demand in the construction, automobile and railway sectors supported by government policies and its favourable measures has resulted in and is continuously causing a rise in investments in the steel industry.

The major consumer of Steel, the automobile industry, is expected to increase in size in near future. With the increasing capacity addition, the demand of steel from this sector is expected to be robust. The capital goods sector accounting for more than 11% of the steel consumption is also expected to grow and generate greater demand. The increase in investment by the Government in the infrastructure spending will positively push the requirement of steel. The Government is setting up projects to enhance and modernise the Indian Railway, this project will actively and enormously require steel consumption. Further large scope of development is being eyed upon not only in the stated sectors but in all other sectors such as natural gas, powers etc. Huge Scope for growth is offered by India's comparatively low per capital steel consumption and the expected rise in consumption due to increased infrastructure construction and thriving automobile and railway sectors.



While the existing units are being modernized / expanded, a large number of new steel plants have also come up in different parts of the country based on modern, cost effective, state-of-the-art technologies. In the last few years, the rapid and stable growth of the demand side has also prompted domestic entrepreneurs to set up fresh greenfield projects in different states of the country.



Management Discussion and Analysis (contd.)

THREATS, RISKS AND CONCERNS - *to be overcome*

There are many prospects that are helping grow the Indian Steel Industry. For, India to regain its growth momentum several infrastructural and operational hurdles needs to be overcome in order to continue on the path of becoming next steel powerhouse. The Industry still has huge dependence on imported coking coal, low production efficiency, inadequate infrastructure & technology and delay in regulatory clearances & approvals are major hindrance to growth of the industry. Addressing these issues and challenges and building appropriate growth strategies can help attain the objective efficiently.

The Sector is highly fragmented with number of small to large scale producers with the process of making steel varying among different units. With a low level of advanced technology, Indian Steel industry faces issues of quality, efficiency and process standards. The overall use of technology is low throughout the value chain from mining to steel making.

The Industry is largely dependent on raw material and bulk movement. Raw material which accounts for about 30-50 percent of the total cost of steel production, including iron ore, coke lime, ferro-alloys and refractories etc. is met by importing. A key imperative for Indian Steel Industries are ensuring sufficient raw material to meet the Industry's current production level and future growth trajectory. Indian Steel industry is facing difficulties and delays caused due to inadequate infrastructure for transportation and handling bulk raw materials. Most of the unit does not have proper connectivity through rail network to mines and ports.

Indian steel Industry faces huge delays due to land acquisition and rehabilitation issues. Access to infrastructure such as roads, ports, power, and last-mile connectivity is also an issue in India which reduces the productivity of the steel industry and increases the cost of doing business. The Government needs to plan for future rail network capacity, as the railways accounts for more than 70%.

The time has come, for the steel producers to be optimistic, there is no looking back. The economic scenario is pointing towards positivity. This is the time the India steel industry is to take the utmost advantage. However, with the China, EU, Japan, the US and India making up the top five and given the rate of growth in the country it would not be a surprise to see India as the Second Largest producer in the years to come.

♦ FINANCIAL PERFORMANCE - *a year of Challenges*

The Company has been passing through a challenging phase during the past few years. The challenges continued to hamper the performance of the Company in the year under review. The Company recorded a loss before exceptional and extraordinary items of Rs. 48,693.99 Lakhs as compared to Rs. 41,874.07 Lakhs in the previous year. This deterioration in the performance of the Company is mainly attributable to the fall in demand in the steel product, high cost of raw material and cost of production, delays in implementation of projects on account of reform measures and the overhauling finance cost. The Net Loss for the year under review was Rs. 38,637.27 Lakhs against Rs. 31,895.15 Lakhs.

The Company is betting upon on the boost in the steel industry coming from the new and developing infrastructural projects and the redefining government reforms. The Company is highly hopeful that it will be able to slowly and steadily climb up the step ladders, to cope with all the existing challenges and to come out with better performance in near future.

♦ ADEQUACY OF INTERNAL CONTROL SYSTEM - *adding value to the organisation*

Internal Control is a procedure or system designed to ensure that the Company's financial results are reliable, its operations are effective and its activities complies with applicable laws and regulations.

Internal Control is a part of day to day management and administration of your Company. The Company has a proper and adequate system of Internal Control, commensurate with the size, scale and complexity of its operations to ensure orderly and efficient conduct of its business including adherence to corporate policies, safeguarding of assets, prevention of frauds and errors, accuracy and completeness of accounting records and preparation of reliable financial information.

The Internal Audit functions serve to provide independent and objective assurance on the adequacy and effectiveness of the organisation's risk management, control and governance processes and assesses opportunities for improvement in business processes, systems and controls and provides recommendations designed to add value to the organisation and follows up on the implementation of the agreed audit committee recommendations.

The Company has an Audit Committee to continuously monitor the adequacy and effectiveness of the internal control environment across your company. The Audit Committee of your Company comprises of eminent professionals who are well versed with the financial management. The Internal Auditor submits detailed reports periodically to the management and the Audit Committee. The Management makes it a point that the Internal Control is brought under regular review and evaluations in consultation with the Internal Auditor. The Audit Committee actively reviews the adequacy and effectiveness of the internal audit functions of the Company and monitors the implementation of the same. The Committee also calls for comments of the internal auditors about the Company's internal controls, scope of audit as and when required which gives them an additional insight on the assessment of such controls. Such adequate internal control system helps in identification of potential operation processes.

♦ HUMAN RESOURCES - *the levers of the Company*

Jai Balaji believes in the values of "human resources" and realises its significance in the business success. Jai Balaji has always stepped up and reviewed its HR policies to ensure transparency, to incorporate in it the competitiveness in the globally dynamic business environment and to become more powerful and develop itself to be the standard and a successful one. The Human



Management Discussion and Analysis (contd.)

resource managers of the Company have the tools and the opportunity to leverage employee commitment to, and engagement in, the Company's growth strategy.

The Company realises that workforce makes a fundamental difference to the organization goals. Without it there can be no clear vision and objectives and its resources full potential will remain woefully untapped. It considers the commitment and competence of the human resource as the levers of the organisation's growth. It aligns the individual goal and organizational goal in order to utilize organizational resources effectively and efficiently.

Jai Balaji commits to excel in promoting and fostering equal opportunity in compensation, promotion, and career advancement for all employees in all levels and areas of the business, regardless of race, colour, gender, religion, age, national origin, or disability, and to promote and foster an environment of inclusion, respect and freedom from retaliation. The Company recognizes that diversity is a fundamental and indispensable value and that the Company, its shareholders and all of its employees will benefit by striving to be a premier on diversity.

The Company emphasis on the training and development of its human resource. The company strives to create an environment which helps its people take the initiative to experiment, innovate and develop a passion to set and achieve their goals. The company gives full room to its staff to nurture their intellect, exploit opportunities and make their own decisions while competing with the best,

which thereby helps the company in its march towards progress.

The Company is proud to have a talented pool of around 2100 employees as on 31st March, 2015, comprising of professionals from different background with a mix of youth and experience, the leadership and knowledge of the senior management is aligned with the zeal and enthusiasm of the youth brigade.

Building a bright career is as difficult as moulding something in the right shape. It's the right combination of hard work, dedication, effort and above all the right atmosphere, which leads to the building of a brighter tomorrow for you. At Jai Balaji we make sure that one get all these which will help him in his journey towards success.

Cautionary Statement

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and/or expectations may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Significant factors that could make a difference to the Company's operations include, among others, domestic and international economic conditions affecting demand/supply and price conditions, changes in the government regulations, tax regimes and other statutes and other incidental factor.



INDEPENDENT AUDITORS' REPORT

To The Members of **Jai Balaji Industries Limited**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Jai Balaji Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 standalone financial statements based on 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 there under.

We conducted our audit 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 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, 2015, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:-

Note- 31 in the Notes to the financial statements which indicate that the company has been incurring losses and its net worth is fully eroded, however, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said note.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and



INDEPENDENT AUDITORS' REPORT (Contd.)

To The Members of **Jai Balaji Industries Limited**

- 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, and the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the Directors as on 31st March, 2015 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note. 26 & 28 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For, **S. K. AGRAWAL & CO.**
Chartered Accountants
Firms Registration No-306033E

(J. K. CHOUDHURY)
Partner

Place : Kolkata
Dated : 5th August, 2015

Membership No: 009367



Annexure to the Auditors' Report

The Annexure referred to in our Independent Auditor's Report to the members of Jai Balaji Industries Limited ('the Company') on the standalone financial statements for the year ended on 31st March 2015. We report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to information and explanation given to us, no material discrepancies were noticed on such verification.
- ii. (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventory and no material discrepancies were noticed on physical verification.
- iii. The Company has granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (a) The receipts of the principal amount and interest has been regular & thus paragraph (iii)(b) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- v. The Company has not accepted any deposits from the public.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 148(1) of the Act, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- vii. According to the information and explanations given to us in respect of statutory and other dues:-
 - (a) *The Company has not been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Value Added Tax, duty of Excise, Cess and other statutory dues with the appropriate authorities during the year.*

According to the information and explanations given to us, the following undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2015 for a period of more than six months from the date of becoming payable:-

Name of statute	Nature of dues	Amount Outstanding (Rs. in lacs)	Period to which amount relates	Amount paid up to 4th August, 2015 (Rs. in lacs)
Finance Act, 1994	Service Tax	756.96	March '13 to September '14	533.33
Income Tax Act, 1961	TDS	584.43	March '13 to September '14	322.29
Income Tax Act 1961	TCS	1.58	April '13	1.49
Central Excise Act, 1944	Excise Duty	1236.61	May '14 to September '14	1188.11
Provident Fund Act, 1952	Provident Fund	391.32	Feb '13 to September '14	388.70
Employee State Insurance Act, 1948	Employee state insurance	166.62	Feb '13 to September '14	166.62
P Tax	Professional Tax	19.06	March '14 to September '14	17.32



Annexure to the Auditors' Report (Contd.)

(b) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However,

according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise and value added tax have not been deposited by the Company on account of disputes.

Name of the statute	Nature of dues	Amount (Rs. in lacs)	Period to which amount relates	Forum where dispute is pending
The Central Excise Act, 1944	CENVAT Credit disallowed	13,833.11	2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15	Central Excise Service Tax Appellate Tribunal/ Commissioner (Appeals)
The West Bengal Sales Tax Act, 1994	Pending Forms	3.59	2004-05	West Bengal Appellate and Revision Board
The West Bengal Value Added Tax Act, 2003	Turnover Enhanced/ ITC disallowed	1,578.37	2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12	West Bengal Appellate and Revision Board/ Sr. Jt. Commissioner Sales Tax
The Central Sales Tax Act, 1956	Pending Forms/ Forms Disallowed	547.53	2004-05, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12	West Bengal Appellate and Revision Board/ Sr. Jt. Commissioner Sales Tax
The Income Tax Act, 1961	Income Tax matter under Dispute / Appeal	6.85	A Y 2009-10	DCIT / CIT (A)

(c) The amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.

viii. *The accumulated losses of the Company at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses in the current and immediately preceding financial year.*

ix. *In our opinion and according to information and explanations given by the management, we are of the opinion that the Company has defaulted in the repayment of dues to banks and financial institutions during the year at different maturities as given below.*

Banks		
Particulars of Default	Principal (Rs. in lacs)	Interest (Rs. in lacs)
Less than 1 Year	6,864.38	5,374.35
More than 1 Year	118.27	1,130.12
Total	6,982.65	6,504.47

Financial Institution		
Particulars of Default	Principal (Rs. in lacs)	Interest (Rs. in lacs)
Less than 1 Year	883.29	546.44
More than 1 Year	1421.59	585.44
Total	2304.88	1131.88

- x. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantee given by the Company for loans taken by subsidiaries or other companies from banks are not, prima facie, prejudicial to the interests of the Company. Total value of outstanding guarantee amounts to Rs. 5,045.00 lacs.
- xi. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were applied by the Company for the purposes for which the loans were obtained.
- xii. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

Place : Kolkata
Dated : 5th August, 2015

For, **S. K. AGRAWAL & CO.**
Chartered Accountants
Firms Registration No-306033E
(J. K. CHOUDHURY)
Partner
Membership No: 00936E



Balance Sheet as at March 31, 2015

(₹ in lacs)

	Notes	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	3	7,377.76	6,727.26
Reserves and Surplus	4	(25,458.79)	11,612.37
Equity Share Warrants		—	3,252.50
		<u>(18,081.03)</u>	<u>21,592.13</u>
Non Current Liabilities			
Long Term Borrowings	5	196,425.03	163,504.38
		<u>196,425.03</u>	<u>163,504.38</u>
Current Liabilities			
Short Term Borrowings	6	71,203.04	70,359.66
Trade Payables	7	89,057.60	91,399.06
Other Current Liabilities	7	58,248.52	53,446.41
Short Term Provisions	8	580.06	450.48
		<u>219,089.22</u>	<u>215,655.61</u>
TOTAL		<u>397,433.22</u>	<u>400,752.12</u>
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	9	170,025.06	183,563.84
Capital Work in Progress and Pre-Operative Expenditure Pending Allocation	10	11,169.82	11,207.25
Non Current Investments	11	8,129.11	8,097.10
Deferred Tax Assets (Net)	12	29,085.14	18,163.85
Long Term Loans and Advances	13	11,662.31	11,849.80
Other Non Current Assets	14	45.06	644.85
		<u>230,116.50</u>	<u>233,526.69</u>
Current Assets			
Inventories	15	49,693.20	50,933.19
Trade Receivables	16	76,316.23	79,109.10
Cash and Bank Balances	17	3,166.70	2,476.50
Short Term Loans and Advances	13	27,236.89	20,782.50
Other Current Assets	18	10,903.70	13,924.14
		<u>167,316.72</u>	<u>167,225.43</u>
TOTAL		<u>397,433.22</u>	<u>400,752.12</u>
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **S. K. Agrawal & Co.**
Firm Regn. No. 306033E
Chartered Accountants

CA J. K. Choudhury
Partner
Membership No. : 009367

Place : Kolkata
Date : 5th August, 2015

For and on behalf of the Board of Directors

Aditya Jajodia
Chairman & Managing
Director
DIN : 00045114

Sanjiv Jajodia
Wholesale Director & Chief
Financial Officer
DIN : 00036339

Rajiv Jajodia
Director
DIN : 00045192

Ajay Kumar Tantia
Company Secretary



Statement of Profit and Loss for the year ended March 31, 2015

(₹ in lacs)

	Notes	Current year ended March 31, 2015	Previous year ended March 31, 2014
INCOME			
Revenue from Operations (Gross)	19	158,955.23	212,800.93
Less: Excise Duty	19	11,180.78	15,990.80
Revenue from Operations (Net)		147,774.45	196,810.13
Other Income	20	3,471.62	2,268.27
Total Revenue (I)		151,246.07	199,078.40
EXPENSES			
Cost of Materials Consumed	21	91,276.25	129,767.47
Purchase of Stock in Trade	21	24,806.27	19,644.44
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	1,673.84	741.81
Employee Benefits Expense	23	5,070.99	5,900.18
Finance Costs	24	37,499.88	33,636.48
Depreciation and Amortisation Expense	9	12,615.68	13,572.21
Other Expenses	25	26,997.15	37,689.88
Total Expenses (II)		199,940.06	240,952.47
Profit / (Loss) before exceptional items and Tax (I-II)		(48,693.99)	(41,874.07)
Exceptional Item		318.31	-
Profit / (Loss) before Tax (I-II)		(49,012.30)	(41,874.07)
Tax Expenses:			
Provision (Write Back) relating to earlier years		12.81	(270.94)
Deferred tax charge/(credit)		(10,387.84)	(9,707.98)
Total tax expense / (credit)		(10,375.03)	(9,978.92)
Profit/(Loss) for the period		(38,637.27)	(31,895.15)
Earnings per Equity Share: (Nominal Value per Share ₹ 10)			
Basic & Diluted	38	(53.11)	(48.27)
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **S. K. Agrawal & Co.**
Firm Regn. No. 306033E
Chartered Accountants

CA J. K. Choudhury
Partner
Membership No. : 009367

Place : Kolkata
Date : 5th August, 2015

For and on behalf of the Board of Directors

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Director
DIN : 00045114

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Wholetime Director & Chief
Financial Officer
DIN : 00036339

Rajiv Jajodia
Director
DIN : 00045192

Ajay Kumar Tantia
Company Secretary



Cash Flow Statement for the year ended March 31, 2015

	(₹ in lacs)	
	Current year ended March 31, 2015	Previous year ended March 31, 2014
A: Cash Flow From Operating Activities		
Net Profit / (Loss) Before Taxes	(49,012.30)	(41,874.07)
Adjustments For :		
Depreciation / Amortisation (Net)	12,615.68	13,572.21
Loss on Sale of Fixed Assets	7.67	1.98
Irrecoverable Debts and Advances Written off	15.89	83.56
Liabilities no longer required written back	(407.98)	(476.19)
Interest on Term Loans and Others	36,022.59	31,493.65
Provision for doubtful debts/(written back)	–	738.50
Dividend from long term Non Trade Investments	(1.35)	(1.35)
Prior Period Expenditure (net)	(184.30)	116.16
Bad debt Recovery	(7.43)	–
(Profit) / Loss on Foreign Exchange Fluctuations (Net)	(1,285.31)	385.97
Interest Income	(1,696.12)	(1,683.51)
Operating Profit / (Loss) Before Working Capital Changes	(3,932.96)	2,356.91
Movements in Working Capital :		
Decrease / (Increase) in Trade Receivables	(1,315.49)	(10,611.58)
Increase in Loans and Advances and Other		
Current / Non Current Assets	(3,556.79)	(6,168.58)
Decrease / (Increase) in Advances to Subsidiary Company	(114.86)	139.29
Decrease / (Increase) in Inventories	1,239.98	8,501.51
Decrease in Trade Payables, Other Liabilities and Provisions	2,613.18	2,674.18
Cash generated (used in) Operating Activities	(5,066.94)	(3,108.27)
Direct Taxes paid (net of refunds)	139.39	(99.41)
Net Cash generated (used in) Operating Activities	(4,927.55)	(3,207.68)
B: Cash Flow From Investing Activities		
Purchase of Fixed Assets	(673.69)	(1,158.32)
Proceeds from Sale of Fixed Assets	62.40	58.84
Purchase of Investments in Joint Venture Companies	(32.01)	–
Application money paid in Joint Venture Companies	8.99	(5.00)
Dividend from long term Investments (other than Trade)	1.35	1.35
Loan received from body corporate	564.05	–
Loan to Related Party	–	1,500.00
Interest received	2,057.32	1,549.63
Net Cash generated from Investing Activities	1,988.41	1,946.50



Cash Flow Statement (Contd.)

	(₹ in lacs)	
	Current year ended March 31, 2015	Previous year ended March 31, 2014
C: Cash Flow From Financing Activities		
Money Received against share warrants	--	2,490.75
Proceeds from long / short term Borrowings	54,799.78	30,269.98
Repayment of long / short term Borrowings	(15,886.94)	(7,256.92)
Interest Paid	(34,637.29)	(25,007.88)
Dividend Paid	(0.51)	(0.73)
Net Cash generated from Financing Activities	4,275.04	495.20
Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)	1,335.90	(765.98)
Cash and Cash Equivalents as at the beginning of the year	182.57	948.55
Cash and Cash Equivalents as at the end of the year	1,518.47	182.57
Components of cash and cash equivalents		
Cash on hand	49.29	62.31
Cheques in hand	1,287.69	19.82
Balance with Scheduled Banks on:		
Current Account	179.62	98.06
Fixed Deposit Account	1,689.73	2,926.76
Unclaimed Dividend Account *	1.71	2.22
Unclaimed Fractional Share Balance*	0.16	0.16
Cash and Bank Balances as per Note 17	3,208.20	3,109.33
Less : Fixed deposits not considered as cash equivalents	1,689.73	2,926.76
Cash and Cash Equivalents in Cash Flow Statement :	1,518.47	182.57

* These balances are not available for use by the Company as they represent corresponding unpaid dividend and unclaimed fractional share balances.

* Previous financial year's figures which have been rearranged / regrouped wherever necessary to confirm to this year's classification.

As per our report of even date

For **S. K. Agrawal & Co.**
Firm Regn. No. 306033E
Chartered Accountants
CA J. K. Choudhury
Partner
Membership No. : 009367

Place : Kolkata
Date : 5th August, 2015

For and on behalf of the Board of Directors

Aditya Jajodia
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Financial Officer
DIN : 00036339

Rajiv Jajodia
Director
DIN : 00045192

Ajay Kumar Tantia
Company Secretary



Notes to financial statements for the year ended March 31, 2015

1 General Information

Jai Balaji Industries Limited (the Company) is a public limited Company domiciled in India and is listed on the Bombay Stock Exchange[BSE], National Stock Exchange[NSE] and the Calcutta Stock Exchange[CSE]. The Company is engaged in the manufacture and sale of steel and allied products.

2 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India. The Company has prepared these financial statements to comply in all material respects with the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts), Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and except for the changes discussed more fully below, are consistent with those used in the previous year.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Tangible Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price inclusive of duties (net of CENVAT and VAT Credit), taxes, incidental expenses, erection / commissioning expenses and interest etc., upto the date the asset is ready to be put to use.

Own produced materials used for fixed assets are capitalised at cost.

Machinery spares which can be used only in connection with a particular item of fixed asset and whose use as per technical assessment is expected to be irregular, are capitalised and depreciated prospectively over the residual life of the respective asset.

(d) Depreciation

- i) The classification of Plant and Machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.
- ii) Depreciation on fixed assets is provided on depreciable value of assets using straight-line method on the basis of useful life specified in Schedule II to the Companies Act, 2013, except for Railway Wagons and Moulds as stated below.
- iii) Railway Wagons are depreciated over a period of 10 years because of the conditions prescribed in the agreement with Indian Railway Authorities.
- iv) Pipe Moulds for Ductile Iron Foundry Works are depreciated over a period of 4 years.
- v) In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.

(e) Borrowing Costs

Borrowing costs relating to acquisition / construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

(f) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the greater of the asset's net selling price and value in use, which is determined based on the estimated future cash flows are discounted to their present values. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there is change in the estimates used to determine the recoverable amount.

(g) Tangible Fixed Assets acquired under Finance Lease

Assets acquired under lease agreements which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly to expense.

If there is no reasonable certainty that the Company



Notes to Financial Statements (Contd.)

will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

(h) Government grants and subsidies

Grants and subsidies from the government are recognized when there is a reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of shareholders' funds.

(i) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

(j) Inventories

Inventories are valued as follows:

Raw materials	At lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
Stores and Spares	At lower of cost and net realizable value. Cost is determined on 'First in First Out' basis except for Durg unit where the cost is determined on weighted average basis.
Work-in- Process and Finished Goods	At lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.
Scrap and By Products	At net realizable value.

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

(k) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue from sale of goods is recognized on passage of title thereof to the customers, which generally coincides with delivery. Further, sales are inclusive of excise duty and are net of returns, claims, rebates, discounts, Sales Tax, VAT etc.

Income from Services

Income from Services is recognized on performance of the contract and acceptance of the services by the customers.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend

Dividend income is recognized when the shareholders' right to receive payment is established by the balance sheet date.

(l) Foreign currency transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign



Notes to Financial Statements (Contd.)

currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement / conversion of monetary items are recognized as income or as expenses in the period in which they arise.

(m) Retirement and other employee benefits

- i. Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contribution is charged to statement of profit and loss of the year when the contributions to the respective fund is due. There is no other obligation other than the contribution payable to provident fund.
- ii. Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each financial year. Unrecognised past service cost arising at the time of change in plan measures are charged to statement of profit and loss on a straight line basis over the period of vesting of the defined benefit obligation.
- iii. Short term compensated absences are provided for based on estimates whereas long term compensated absences are provided for on the basis of actuarial valuation, as per projected unit credit method.
- iv. Actuarial gains / losses are immediately taken to statement of profit and loss and are not deferred.

(n) Taxation

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantially enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses,

deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

(o) Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity are capitalised. Indirect expenditure incurred during construction period are capitalised as part of the indirect construction cost to the extent to which the expenditure are indirectly related to construction or are incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which are not related to the construction activity nor are incidental thereto are charged to the statement of profit and loss. Income earned during construction period is deducted from the total of the indirect expenditure.

All direct capital expenditure on expansion are capitalised. As regards indirect expenditure on expansion, only that portion is capitalised which represents the marginal increase in such expenditure



Notes to Financial Statements (Contd.)

involved as a result of capital expansion. Both direct and indirect expenditure are capitalised only if they increase the value of the asset beyond its original standard of performance.

(p) Segment Reporting Policies

Based on the synergies, risks and returns associated with business operations and in terms of Accounting Standard-17, the Company is predominantly engaged in a single reportable segment of Iron and Steel during the year. The risks and returns of existing captive power plants are directly associated with the manufacturing operations of Iron and Steel and hence treated as a single reportable segment as per Accounting Standard-17. The Company at present primarily operates in India and therefore the analysis of geographical segments is not applicable to the Company.

(q) Earnings Per Share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Partly paid equity shares / instruments are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(r) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on

best estimates required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

(s) Cash and Cash Equivalents

Cash and cash equivalents as indicated in the Cash Flow Statement comprise cash at bank and on hand and short-term investments with an original maturity of three months or less.

(t) Contingent Liabilities

Contingent liabilities are not provided for in the accounts and are separately disclosed in the Financial statements.

(u) Basis of classification of Current and Non Current

Assets and Liabilities in the balance sheet have been classified as either current or non-current based upon the requirements of Schedule III specified under the Companies Act, 2013.

An asset has been classified as current if (a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is expected to be realized within twelve months after the reporting date; or (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets have been classified as non-current.

A Liability has been classified as current when (a) it is expected to be settled in the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is due to be settled within twelve months after the reporting date; or (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

Note 3 : Share Capital

(₹ in lacs)

	As at March 31, 2015	As at March 31, 2014
Authorised capital		
101,000,000 (101,000,000) Equity Shares of ₹ 10/- each	<u>10,100.00</u>	<u>10,100.00</u>
Issued, subscribed and fully paid-up capital		
73,781,486 (67,276,486) Equity Shares of ₹ 10/- each	7,378.15	6,727.65
Less: Calls unpaid (Due from other than directors or officers)	0.39	0.39
Total	<u>7,377.76</u>	<u>6,727.26</u>



Notes to Financial Statements (Contd.)

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period :

	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	(₹ in lacs)	No. of Shares	(₹ in lacs)
Equity Shares of ₹ 10/- each				
At the beginning of the period	67,276,486	6,727.26	63,781,486	6,377.76
Issued during the period	6,505,000	650.50	3,495,000	349.50
At the end of the period	<u>73,781,486</u>	<u>7,377.76</u>	<u>67,276,486</u>	<u>6,727.26</u>

(b) Terms/rights attached to equity shares

The Company has only one class of ordinary shares (equity shares) having at par value of ₹ 10/- each. Each shareholder of ordinary shares (equity shareholders) is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing annual general meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distributions of all preferential amounts, in the proportions to their share holdings.

(c) Lock-in- of Shares

The Equity shares are allotted pursuant to part conversion of warrants issued to promoter group companies and are under lock-in for a period of one year from the date of allotment (29th May, 2014).

(d) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Enfield Suppliers Ltd.	13,121,233	17.78	13,121,233	19.50
Hari Management Ltd.	15,144,533	20.53	8,639,533	12.84
CVCIGP II Client Rosehill Limited	3,886,734	5.27	3,886,734	5.78
Aditya Jajodia	--	--	3,674,576	5.46
	<u>32,152,500</u>	<u>43.58</u>	<u>29,322,076</u>	<u>43.58</u>

As per records of the Company, including its register of shareholders/members, the above share holdings represents legal ownership of shares.

Note 4 : Reserves & Surplus

(₹ in lacs)

	As at March 31, 2015	As at March 31, 2014
Capital Reserve		
As per last financial statements	<u>6,408.50</u>	<u>6,408.50</u>
Amalgamation Reserve		
As per last financial statements	<u>4,400.00</u>	<u>4,400.00</u>
Securities Premium Account		
As per last financial statements	<u>47,415.50</u>	<u>46,017.50</u>
Add : For the period	<u>2,602.00</u>	<u>1,398.00</u>
	<u>50,017.50</u>	<u>47,415.50</u>
General Reserve		
As per last financial statements	<u>10,325.00</u>	<u>10,325.00</u>
	<u>10,325.00</u>	<u>10,325.00</u>
Surplus/(Deficit) in Statement of Profit and Loss		
As per last financial statements	<u>(56,936.63)</u>	<u>(25,041.48)</u>
Less: Depreciation adjustment as per Companies Act, 2013 (Net of Deferred Tax ₹ 533.40 lacs.)	<u>1,035.89</u>	<u>-</u>
Add: Profit/(Loss) for the period	<u>(38,637.27)</u>	<u>(31,895.15)</u>
Surplus/ (Deficit) in Statement of Profit and Loss	<u>(96,609.79)</u>	<u>(56,936.63)</u>
Total :	<u>(25,458.79)</u>	<u>11,612.37</u>



Notes to Financial Statements (Contd.)

Note 5 : Long Term Borrowings

(₹ in lacs)

	Non Current Portion		Current Portion	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
(Secured, unless otherwise stated)				
Term Loans :				
Rupee Loan from banks	183,242.73	155,251.61	27,588.01	20,813.16
Rupee Loan from Financial Institutions	3,702.36	4,235.52	2,838.04	4,348.48
Rupee Loan from Others	—	—	—	102.77
Rupee Loan from Bodies Corporate (Unsecured)	797.25	797.25	—	—
Deferred Payments Liabilities	—	—	—	12.83
Other Loan and Advances				
Interest Free Loan (Unsecured)	8,682.69	3,220.00	—	—
Total :	196,425.03	163,504.38	30,426.05	25,277.24
Amount disclosed under the head "Other Current Liabilities" (Refer Note 7)	—	—	(30,426.05)	(25,277.24)
Total :	196,425.03	163,504.38	—	—

1) Rupee Loan from banks and Financial Institution (except to the extent stated in point no 2 below)

- a) Rupee Term Loan from banks and financial institution are secured by pari- passu 1st charge over the entire fixed assets (both present and future) and 2nd charge over the entire current assets (both present and future) of the Company's units at Ranigunge and Durgapur in the state of West Bengal and Durg in the state of Chattisgarh.

The above loan are further secured as follows.

- (i) Personal Guarantees of Promoter Directors of the Company.
 - (ii) Pledge of equity shares of the Company held by the promoters
- b) Rupee Term Loan from banks and financial institution carry interest as follows:
- (i) term loan and working capital term loan aggregating ₹ 149168.22 lacs at base rate of individual lenders plus spread, where spread is computed as difference between 11.75% p.a. and base rate of the individual lenders as on 16th June, 2012.
 - (ii) funded interest term loan aggregating ₹ 18713.27 lacs at base rate of lead banker (UCO Bank).
 - (iii) Viability Gap Term Loan(VGTL) aggregating to ₹ 47318.06 lacs at 30bps over base rate of the leader bank.
- c) The above loans are repayable as under from the balance sheet date :

Payment Terms	37 structured quarterly installments starting from April 2015	
Installments Due	Number	(₹ in lacs)
(i) Overdue	—	7,115.94
(ii) Within 1 year	4	21,138.52
(iii) One year to three year	8	71,271.95
(iv) Three year to five year	8	76,034.47
(v) More than five year	17	39,638.67
	37	215,199.55

- 2) Rupee Term Loan from a Financial Institution aggregating ₹ 2171.59 lacs carry interest in the range of 14.50% - 15% p.a. and is for repayment. The loan is secured personal guarantees of certain promoter directors and 100% shares of its subsidiary company.
- 3) Unsecured loan from bodies corporate has been received from a promoter group company as per the CDR scheme.
- 4) Interest free loan has been received from promoter group companies as per the term of sanction of corporate loan by the consortium after the CDR Scheme.



Notes to Financial Statements (Contd.)

5) The company has defaulted in repayment of loans and interest in respect of the following:-

Particulars	Principal (₹ in lacs)	Interest (₹ in lacs)
In respect of Banks		
- April 2014 to March 2015	6982.65	6504.47
In respect of Financial Institutions		
- April 2014 to March 2015	2304.88	1131.88

Note 6 : Short Term Borrowings (₹ in lacs)

	As at March 31, 2015	As at March 31, 2014
Loan Repayable on Demand		
- Cash Credit from Banks	71,023.23	70,164.66
From Bodies Corporate (Unsecured)	179.81	195.00
Total :	71,203.04	70,359.66

Cash Credit facilities from banks are secured by pari- passu 1st charge over the entire current assets (both present and future) and 2nd charge over the entire fixed assets (both present and future) of the Company's units at Ranigunge and Durgapur in the state of West Bengal and Durg in the state of Chattisgarh.

The above facilities are further secured as follows.

- Personal Guarantees of Promoter Directors of the Company.
- Pledge of equity shares of the Company held by the promoters

Note 7 : Trade Payables and other Current Liabilities (₹ in lacs)

	As at March 31, 2015	As at March 31, 2014
Trade Payables		
-Raw materials & Others [including acceptances of ₹ 16458.52 lacs (₹ 19600.69 lacs)]	89,057.60	91,399.06
	89,057.60	91,399.06
Current Maturities of Long Term Borrowings (Refer Note 5)	30,426.05	25,277.24
Capital Creditors	3,116.74	3,179.68
Interest Accrued but not due on Borrowings	--	26.63
Interest Accrued and due on Borrowings	8,096.67	6,684.74
Advance from Customer	4,501.02	7,880.72
Temporary Book Overdraft	917.28	2,441.14
Investor Education and Protection Fund will be credited by the following amounts (as and when due)		
- Unclaimed Dividend	1.71	2.22
- Unclaimed Fractional Share Liabilities	0.16	0.16
Others		
- Statutory Dues Payable	8,248.92	4,850.09
- Excise Duty payable on Closing Stock	507.65	975.24
- Interest Others	1,429.39	690.57
- Due to Employees	924.79	1,411.09
- Other Miscellaneous	78.14	26.89
	58,248.52	53,446.41
Total:	147,306.12	144,845.47



Notes to Financial Statements (Contd.)

Note 8 : Short Term Provisions

(₹ in lacs)

	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits :		
Gratuity (Refer Note 32)	459.16	350.87
Leave Salary	120.45	99.15
Other Provision :		
Provision for Wealth Tax	0.45	0.46
Total :	<u>580.06</u>	<u>450.48</u>

Note 9 : Tangible Assets

(₹ in lacs)

Description	Gross Block			Depreciation / Amortisation						Net Block	
	As at March 31, 2014	Additions	Deductions	As at March 31, 2015	Up to March 31, 2014	Depreciation in respect of assets whose useful life is over	For the period	Deductions	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Freehold Land	4,175.66	-	-	4,175.66	-	-	-	-	-	4,175.66	4,175.66
Leasehold Land	707.57	-	-	707.57	136.44	-	9.53	-	145.97	561.60	571.13
Factory Buildings	40,503.85	10.63	23.32	40,491.16	5,406.02	334.15	1,333.18	-	7,073.35	33,417.81	35,097.83
Railway Siding	4,354.18	-	-	4,354.18	1,164.63	-	319.85	-	1,484.48	2,869.70	3,189.55
Plant and Machinery	173,093.41	678.73	41.58	173,730.56	51,315.64	-	7,291.20	3.87	58,602.97	115,127.59	121,777.77
Electrical Installations	24,395.10	6.48	-	24,401.58	6,092.56	1,111.96	3,546.20	-	10,750.72	13,650.86	18,302.54
Furniture, Fixtures	123.91	0.31	-	124.22	56.45	11.70	11.14	-	79.29	44.93	67.46
Office Equipments	899.91	19.58	-	919.49	606.34	109.47	88.64	-	804.45	115.04	293.57
Vehicles	208.51	0.52	18.21	190.82	120.18	2.00	15.94	9.17	128.95	61.87	88.33
Total	248,462.10	716.25	83.11	249,095.24	64,898.26	1,569.28	12,615.68	13.04	79,070.18	170,025.06	183,563.84
Previous Year's Total	248,210.73	318.30	66.93	248,462.10	51,332.16	-	13,572.21	6.11	64,898.26	183,563.84	

Note 10 : Capital Work-in-Progress and Pre-Operative Expenditure Pending Allocation

(₹ in lacs)

	As at March 31, 2015	As at March 31, 2014
A. Capital Work-in-Progress		
Buildings	1,216.22	1,204.72
Railway Siding	359.01	359.01
Plant and Machinery	546.56	112.24
Electrical Installations	385.32	379.17
Land	5,274.77	5,274.77
Sub Total	<u>7,781.88</u>	<u>7,329.91</u>
Less : Transferred to Fixed Assets	502.84	-
Total A :	<u>7,279.04</u>	<u>7,329.91</u>



Notes to Financial Statements (Contd.)

Note 10 : Capital Work-in-Progress and Pre-Operative Expenditure Pending Allocation

(₹ in lacs)

	As at March 31, 2015	As at March 31, 2014
B Pre-operative Expenditure Pending Allocation		
Opening Balance	3,877.34	3,861.94
Additions		
Power and Fuel	—	0.06
Salaries, Wages and Bonus	—	2.06
Rent and Hire	0.49	0.90
Rates and Taxes	—	—
Insurance	—	—
Travelling and Conveyance	3.81	2.14
Telephone and Postage	—	0.04
Legal and Professional Charges	—	1.17
Miscellaneous Expenses	9.14	9.00
Interest on Term Loans	—	0.03
Finance Charges	—	—
	<u>3,890.78</u>	<u>3,877.34</u>
Less : Transferred to Fixed Assets	—	—
Total B :	<u>3,890.78</u>	<u>3,877.34</u>
Grand Total (A+B)	<u>11,169.82</u>	<u>11,207.25</u>

Note 11 : Non Current Investments

(₹ in lacs)

	Number of shares	Face Value Per Share	As at March 31, 2015	As at March 31, 2014
(Valued at cost unless otherwise stated)				
Trade Investment				
Unquoted, Fully Paid up Investment in Equity Shares				
In Subsidiary Companies				
Nilachal Iron and Power Limited	34,948,727	10	7,709.46	7,709.46
Jai Balaji Energy (Purulia) Limited	50,000	10	5.00	5.00
Jai Balaji Steels (Purulia) Limited	50,000	10	5.00	5.00
In Joint Venture Companies				
Andal East Coal Company Private Limited	319,290	10	134.79	134.79
Rohne Coal Company Private Limited	69,000	10	6.90	6.90
Investment in Preference Shares				
In a Joint Venture Company				
1% Redeemable Preference Shares of Rohne Coal Company Private Limited	2,302,105	10	230.21	198.20
			<u>8,091.36</u>	<u>8,059.35</u>
Non Trade Investment				
Unquoted, Fully Paid up Investment in Equity Shares				
Calcutta Stock Exchange Limited	6,726	1	33.63	33.63
[At cost less provision for other than temporary diminution ₹ 100.89 lacs (₹ 100.89 lacs)]				
In Government Securities				
National Saving Certificate			4.12	4.12
(Deposited with Third Parties)			<u>37.75</u>	<u>37.75</u>
			<u>8,129.11</u>	<u>8,097.10</u>
Aggregate Value of Investments				
- Quoted			—	—
- Unquoted			8,230.00	8,197.99
Aggregate provision for diminution in the value of Investments			100.89	100.89



Notes to Financial Statements (Contd.)

Note 12 : Deferred Tax Assets / (Liabilities) (Net)

(₹ in lacs)

	As at March 31, 2015	As at March 31, 2014
Deferred Tax Asset		
Unabsorbed Depreciation and carry forward Business Losses	49,798.92	36,822.39
Expenses Allowed On Payment Basis/Other Timing Differences	1,022.04	2,916.06
Sub Total (A)	50,820.97	39,738.45
Deferred Tax Liability		
Timing Difference on Depreciable assets	21,735.83	21,574.60
Sub Total (B)	21,735.83	21,574.60
Deferred Tax Assets / (Liabilities) (Net) (A-B)	29,085.14	18,163.85

Although, there is carried forward unabsorbed depreciation as on the reporting date, yet in view of the future profitability projections, the Company is virtually certain that there would be sufficient taxable income in future, to claim the above tax credit.

Note 13 : Loans and Advances

(₹ in lacs)

	Non Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
(Unsecured, Considered Good)				
Capital Advances	5,637.66	5,705.73	—	—
Security Deposit	1,115.16	1,063.43	90.89	210.35
[Net of Provision for Doubtful Advances ₹ 24.28 lacs (₹ 24.28 lacs)]				
Loans and advances to Related parties				
Loans to Body Corporate (Receivable on demand)*	—	—	7,000.00	7,000.00
Advances to a Subsidiary Company*	—	—	233.72	118.87
Advances to a Body Corporate **	—	—	1,713.28	951.30
Share Application Money to Joint Venture Company	—	—	189.71	198.70
	—	—	9,136.71	8,268.87
Loans to Body Corporate (Receivable on demand)	—	—	—	564.05
Advances recoverable in cash or kind				
Advances recoverable in cash or in kind or for value to be received				
[Net of Provision for Doubtful Advances ₹ 810.70 lacs (₹ 810.70 lacs)]	—	—	13,277.63	9,633.05
Other Loans and advances				
Balance with Excise and other Government Authorities	—	—	4,326.52	1,662.56
Advance income tax	—	—	218.14	370.36
[Net of Provisions ₹ Nil (₹ Nil)]	—	—	187.00	73.26
Sales Tax and Other Refunds Receivable	199.78	370.93	—	—
Mat Credit Entitlement	4,709.71	4,709.71	—	—
	4,909.49	5,080.64	4,731.66	2,106.18
Total :	11,662.31	11,849.80	27,236.89	20,782.50

*(Refer Note 32)

since realised



Notes to Financial Statements (Contd.)

Note 14 : Other Non Current Assets

	As at March 31, 2015	As at March 31, 2014
Non Current bank balances (Refer Note 17)	41.50	632.83
Interest Receivable on Deposits	3.56	12.02
Total	45.06	644.85

Note 15 : Inventories

	As at March 31, 2015	As at March 31, 2014
Raw Materials	37,859.96	36,464.06
[Including in transit ₹ 3440.55 lacs (₹ 7165.34 lacs)]		
Stores and Spares	3,490.48	3,984.95
[Including in transit ₹ 41.51 lacs (₹ 41.81 lacs)]		
Work - in - Process	3,018.52	837.18
Finished Goods [including materials lying at port ₹ Nil (₹ Nil lacs)]	4,320.08	8,476.87
By Products and Scrap	1,004.16	1,170.13
Total :	49,693.20	50,933.19

Note 16 : Trade Receivables

	As at March 31, 2015	As at March 31, 2014
Outstanding for a period exceeding six month from the date they are due for payment		
Unsecured, considered good	25,177.14	23,238.46
Unsecured, considered doubtful	993.34	993.34
	26,170.48	24,231.80
Less: Provision for Doubtful Debts	993.34	993.34
	(A) 25,177.14	23,238.46
Other Debts		
Unsecured, considered good	(B) 51,139.09	55,870.64
Total	(A+B) 76,316.23	79,109.10

Note 17 : Cash and Bank Balances

	Non Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Cash and Cash equivalents				
Balance with Banks :-				
On Current Accounts	-	-	179.62	98.06
Cash on hand	-	-	49.29	62.31
Cheques in hand	-	-	1,287.69	19.82
Unclaimed Dividend Account	-	-	1.71	2.22
Unclaimed Fractional Share Balance	-	-	0.16	0.16
	-	-	1,518.47	182.57
Other Bank Balances				
Deposits with original maturity for more than 12 Months*	41.50	632.83	-	-
Deposits with original maturity for more than 3 Months but less than 12 months*	-	-	1,648.23	2,293.93
	41.50	632.83	1,648.23	2,293.93
Amount disclosed under the head "Other Non Current Assets" (Refer Note 14)	(41.50)	(632.83)	-	-
Total :	-	-	3,166.70	2,476.50

* including ₹ 1689.73 lacs (₹ 2926.76 lacs) pledged with banks and as margin money against borrowings/other facilities



Notes to Financial Statements (Contd.)

Note 18 : Other Current Assets

(₹ in lacs)

	As at March 31, 2015	As at March 31, 2014
Interest Receivable on Loans, Advances and Deposits	149.21	501.95
Subsidies and Incentives Receivable	10,754.49	13,422.19
Total :	10,903.70	13,924.14

Note 19 : Revenue from Operations

(₹ in lacs)

	Current year ended March 31, 2015	Previous year ended March 31, 2014
Sales of products		
Finished Goods	153,121.81	204,872.93
By Products and Scraps	2,909.24	3,603.02
Raw Materials	1,460.59	1,881.86
Other Operating Revenue		
Conversion Charges	86.34	155.42
Subsidy on Sales Tax/Value Added Tax	1,357.96	2,209.93
Export Incentives	19.29	77.77
Revenue from Operations (Gross)	158,955.23	212,800.93
Less: Excise Duty	11,180.78	15,990.80
Revenue from Operations (Net)	147,774.45	196,810.13

Sale of finished goods comprise @ :

(₹ in lacs)

	Current year ended March 31, 2015	Previous year ended March 31, 2014
Sponge Iron	16,597.42	20,042.94
Pig Iron	39,284.90	27,598.71
Steel Bars/Rods	21,480.44	24,580.34
Billet/MS Ingots	13,489.16	77,101.95
Ferro Alloys	13,691.74	7,745.31
Ductile Iron Pipe	22,932.66	25,839.80
Power	386.59	518.53
Sinter	--	248.27
Coke/Coal	306.58	1,444.73
M.S. Billet/TMT	24,952.32	19,752.35
	153,121.81	204,872.93

@ excludes goods transferred for further processing and used for self consumption in Fixed Assets/Trial Run.

Note 20 : Other Income

(₹ in lacs)

	Current year ended March 31, 2015	Previous year ended March 31, 2014
Interest on :		
(a) Fixed Deposits with Banks	202.37	290.99
[Gross, Tax deducted at source ₹ 17.18 lacs (₹ 39.06 lacs)]		
(b) Loans and Advances	1,485.57	1,392.52
[Gross, Tax deducted at source ₹ 28.62 lacs (₹ 13.90 lacs)]		
(c) Refund from Income Tax Department	8.18	--
[Gross, Tax deducted at source ₹ Nil (₹ Nil)]		
Dividend from long term Investments (other than trade)	1.35	1.35
Insurance Claims	69.87	101.30
Liabilities no longer required written back	407.98	476.19
Bad Debt Recovery	7.43	--
Gain on Foreign Exchange Fluctuations (Net)	1,285.31	--
Miscellaneous Income	3.56	5.92
Total :	3,471.62	2,268.27



Notes to Financial Statements (Contd.)

Note 21 : Cost of Materials Consumed

(₹ in lacs)

	Current year ended March 31, 2015	Previous year ended March 31, 2014
Opening Stock	36,464.06	44,036.55
Purchases	92,672.15	122,194.98
	129,136.21	166,231.53
Less: Closing Stock	37,859.96	36,464.06
Raw Materials Consumed	91,276.25	129,767.47

Consumption of Raw Material

(₹ in lacs)

	Current year ended March 31, 2015	Previous year ended March 31, 2014
Iron Ore/Pellets/Sinter	30,222.14	31,265.29
Manganese Ore	5,697.23	2,717.25
Sponge Iron	3,221.13	21,873.29
Billet/Ingot	350.35	8,618.17
Coke/Coal	46,291.77	60,440.53
Magnesium Metal	336.78	369.87
Pig Iron	466.62	26.61
Steel Scrap & Wastes	541.56	70.71
Ferro Alloys	730.46	884.19
Quartzite, Limestone and Dolomite	3,418.21	3,501.56
	91,276.25	129,767.47

Purchase of Stock in Trade

(₹ in lacs)

	Current year ended March 31, 2015	Previous year ended March 31, 2014
Coal (Import)	5.12	—
M.S. Billet	24,801.15	16,074.45
M.S. Angle	—	285.71
TMT	—	3,284.28
	24,806.27	19,644.44

Note 22 : Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

(₹ in lacs)

	Current year ended March 31, 2015	Previous year ended March 31, 2014
Opening Stocks :		
Work-in-Process	837.18	793.28
Finished Goods	8,476.87	9,753.35
By Products and Scrap	1,170.13	611.97
	10,484.18	11,158.60
Less:		
Closing Stocks :		
Work-in-Process	3,018.51	837.18
Finished Goods	4,320.08	8,476.87
By Products and Scrap	1,004.16	1,170.13
	8,342.75	10,484.18
	2,141.43	674.42
(Increase)/Decrease in excise duty and cess on stocks	(467.59)	67.39
Total :	1,673.84	741.81



Notes to Financial Statements (Contd.)

Note 22 : Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade (Contd.)

Stock of finished goods comprises :

(₹ in lacs)

	Current year ended March 31, 2015	Previous year ended March 31, 2014
Opening Stock :		
Sponge Iron	1147.711	516.72
Pig Iron	4060.047	4,463.22
Steel Bars/Rods	399.77	146.54
Billet/MS Ingots	1,071.99	2,182.35
Ferro Alloys	227.499	529.97
Ductile Iron Pipe	717.16	1,004.89
Coke	852.69	909.66
Total :	8,476.87	8,843.69
Closing Stock :		
Sponge Iron	116.76	1147.71
Pig Iron	2,542.77	4060.05
Steel Bars/Rods	67.41	399.77
Billet/MS Ingot	132.77	1071.99
Ferro Alloys	288.46	227.50
Ductile Iron Pipe	614.93	717.16
Coke	556.99	852.69
Total :	4,320.08	8,476.87

Note 23 : Employee Benefits Expense

(₹ in lacs)

	Current year ended March 31, 2015	Previous year ended March 31, 2014
Salaries, Wages, Bonus & Other Benefits	4,517.46	5,622.58
Contribution to Provident Fund & other fund	342.29	68.70
Staff Welfare Expenses	202.24	199.90
Directors remuneration	9.00	9.00
Total :	5,070.99	5,900.18

Note 24 : Finance Costs

(₹ in lacs)

	Current year ended March 31, 2015	Previous year ended March 31, 2014
Interest Expenses		
On Term loans	23,491.99	22,078.51
On Others	12,530.60	9,415.11
Finance charges	1,477.29	2,142.86
Total :	37,499.88	33,636.48



Notes to Financial Statements (Contd.)

Note 25 : Other Expenses

(₹ in lacs)

	Current year ended March 31, 2015	Previous year ended March 31, 2014
Consumption of Stores and Spares	6,627.62	10,249.66
Labour Charges	5,409.62	5,083.84
Power and Fuel	8,080.70	13,161.32
Repairs and Maintenance:		
- Plant and Machinery	816.13	630.21
- Buildings	78.98	62.58
- Others	296.69	280.75
Water Charges	356.76	356.11
Equipment Hire Charges	2,157.37	2,288.59
Shifting Expenses	377.38	340.62
Freight and Transportation	700.94	1,463.86
Rent and Hire	65.46	94.92
Rates and Taxes	97.96	148.65
Insurance	143.42	150.78
Advertisement	36.97	88.83
Brokerage and Commission (Other than Sole Selling Agents)	403.86	195.19
Travelling and Conveyance	350.02	443.14
Telephone and Postage	76.15	94.40
Legal and Professional Charges (Refer Note 38)	280.08	363.78
Directors' Fees	1.01	2.45
Provision for Doubtful Debts and Advances	—	738.50
Irrecoverable Debts and Advances Written off	15.89	83.56
Less: Adjusted against Provisions	—	—
Loss on Foreign Exchange Fluctuations (Net)	—	385.97
Charity and Donations	11.98	15.88
Security and Service Charges	571.52	441.38
Loss on Sale of Fixed Assets	7.67	1.98
Loss on Sale of Store Inventory	—	36.71
Miscellaneous Expenses	217.27	370.07
Prior period expenses (Net)	(184.30)	116.15
Total :	26,997.15	37,689.88



Notes to Financial Statements (Contd.)

26. Contingent liabilities not provided for:

(₹ in lacs)

	As at March 31, 2015	As at March 31, 2014
a) Claims against the Company not acknowledged as debts		
i) Excise and Service Tax Demands under dispute/appeal	13,833.11	11,320.16
ii) Sales Tax/VAT matters under dispute/appeal	2,129.49	13,930.47
iii) Income Tax matters under dispute/appeal	6.85	6.85
b) Letters of Credit, Bills discounted and Bank Guarantees outstanding	19,843.00	23,177.35
c) Custom Duty on Import of Equipment and spare parts under EPCG Scheme	3,929.72	4,380.00
d) Guarantees and Counter guarantees given by the Company for loans obtained by Subsidiary/other companies	5,045.00	5,045.00
e) Guarantees given for Joint Venture Companies	1,412.46	1,412.46
27. Estimated amount of contracts remaining to be executed on Capital Account and not provided for [Net of Advances ₹ 5,705.73 lacs (₹ 5,705.73 lacs)]	1,245.05	1,245.05

Proportionate amount of pending capital commitments on account of Joint Venture Companies is ₹ Nil excluding one Joint Venture Company [(₹0.64 lacs (March 31, 2014)] as at March 31, 2015.

- 28 In respect of an electricity supply matter where the Electricity Supplier has demanded enhanced charges, the matter was challenged by the Company at the Appellate Tribunal for Electricity ("the tribunal"). The Tribunal vide its order dated May 10, 2010 dismissed the appeal of the Supplier and directed to implement the tariff as determined by the Central Electricity Regulatory Commission vide its Order dated August 6, 2009. The Supplier has preferred an appeal with Hon'ble Supreme Court, pending finalisation of the outcome of the matter, the liabilities for the electricity charges are accounted for based on provisional bills provided by the Supplier.
- 29 Subsequently, on 4th July, 2013 the company allotted 10,000,000 convertible warrants as per SEBI(Issue of Capital and Disclosure Requirements) Regulations, 2009 to two promoter group companies @ ₹50 per warrant each convertible into one equity share of the company of ₹10 each at a price of ₹50/- each(including premium of ₹40/-). Out of the said 10,000,000 warrants, 3,495,000 warrants were converted into equity shares on 5th August, 2013 and balance 6,505,000 warrants were converted into equity shares on 29th May, 2014.
- 30 The Company had applied for restructuring of its debts, under the Corporate Debt Restructuring (CDR) mechanism. The CDR Empowered Group approved the restructuring on 24th August, 2012 and the CDR Cell issued the Letter of Approval (LOA) on 20th September, 2012. The Master Restructuring Agreement (MRA) incorporating the terms of the LOA was signed with the lenders on 28th September, 2012 supplementary MRA was executed on 18.01.2013. The Company has also created security as per the Master Restructuring Agreement.
31. The accumulated losses of the Company as at the end of financial year 2014-15 are in excess of the entire net worth of the Company as on that date. However in view of the ongoing restructuring by the secured lenders and other creative action plans being envisaged by the management, the management is hopeful of an early recovery. As such the accounts for the year have been prepared on a going concern basis.
- 32 During the year, the Company has accounted for the following subsidies / incentives receivable from the Government of West Bengal under West Bengal Incentive Scheme aggregating to ₹ 1357.96 lacs (₹ 2209.93 lacs):

(₹ in lacs)

Sl. No.	Particulars	Account to which credited	Current year ended March 31, 2015	Previous year ended March 31, 2014
a)	Industrial Promotion Assistance	Subsidy on Sales Tax / Value Added Tax under Sales & Service	1,357.96	2,209.93

Notes to Financial Statements (Contd.)

33 Loans and Advances includes the following balances

(₹ in lacs)

Name of the Company	As at March 31, 2015	Maximum Amount due at any time during year ended March 31, 2015	As at March 31, 2014	Maximum Amount due at any time during year ended March 31, 2014
In terms of Clause 32 of the Listing Agreement				
Jai Balaji Jyoti Steels Ltd.	8713.28	8,713.28	7,951.30	9,254.19
Subsidiary Company				
Nilachal Iron and Power Limited	233.72	233.72	118.87	799.09

34 Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than The Provisions of Payment of Gratuity Act, 1972. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The disclosures required under Accounting Standard 15 'Employee Benefits' notified in the Companies (Accounting Standards) Rules 2006 are given below:

I. Expenses recognized in the Statement of Profit & Loss Account are as follows :

(₹ in lacs)

Particulars	Current year ended March 31, 2015	Previous year ended March 31, 2014
Current service cost	120.03	174.98
Interest cost on benefit obligation	59.32	67.98
Expected return on plan assets	(27.84)	(29.60)
Net actuarial loss/(gain) recognised in the year	(5.44)	(334.18)
Past Service cost	--	--
Total Expenses	146.07	(120.82)

II. Net Liability/(Assets) recognized in the Balance Sheet are as follows:

(₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Present value of Defined Benefits Obligation	746.75	707.27
Fair value of plan assets	287.59	356.40
	459.16	350.87
Less: Unrecognised past service cost	--	--
Total Expenses	459.16	350.87

III. Change in the present value of the defined benefit obligation during the year are as follows:

(₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Present Value of Defined Benefit Obligation at the beginning of the year	707.27	858.87
Current Service Cost	120.03	174.98
Interest Cost	59.32	67.98
Benefits Paid	(131.90)	(59.58)
Actuarial Loss/(Gain)	(7.97)	(334.98)
Plan Amendments	--	--
Present Value of Defined Benefits Obligation at the year end	746.75	707.27



Notes to Financial Statements (Contd.)

IV. Change in the Fair Value of Plan Assets during the year ended are as follows: (₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Fair Value of Plan Assets at the beginning of the year	356.40	330.23
Expected Return	27.84	29.60
Contribution by Employer	37.77	56.95
Benefits paid	(131.91)	(59.58)
Actuarial Gains/(Losses)	(2.52)	(0.80)
Fair Value of Plan Assets at the year end	287.59	356.40

V. The major categories of plan assets as a percentage of the fair value of the total plan assets (₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Investment with the insurer	100%	100%

VI. The principal assumptions used in determining gratuity obligations for the Company's plans are shown below. (₹ in lacs)

Particulars	Current year ended March 31, 2015	Previous year ended March 31, 2014
Discount Rate	7.80%	9.25%
Expected Rate of return on assets	9.00%	9.00%
Rate of increase in salaries	10.00%	10.00%
Mortality Table	Indian Assured Life Mortality (2006-08) (modified) Ultimate	Indian Assured Life Mortality (2006-08) (modified) Ultimate

VII. Amounts for the current and previous years are as follows: (₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Defined benefit obligation	(746.75)	(707.27)	(858.87)	(623.55)	(574.74)
Plan Assets	287.59	356.40	330.23	304.79	209.13
Funded Status	(459.16)	(350.87)	(528.64)	(318.76)	(365.61)
Experience Gain/(Loss)					
Adjustments on plan liabilities	(131.70)	233.73	(13.21)	111.23	(68.68)
Experience Gain/(Loss)					
Adjustments on plan assets	(2.52)	(0.80)	0.86	0.31	0.99
Experience Gain/(Loss) due to change on assumptions	(123.73)	101.25	(44.73)	34.94	--

(₹ in lacs)

	Current year ended March 31, 2015	Previous year ended March 31, 2014
Contribution to Provident Fund and other Funds	550.19	389.71



Notes to Financial Statements (Contd.)

Note:

- i) The Company expects to contribute ₹ 459.16 lacs (₹ 350.87 lacs) to Gratuity Fund in 2015-16.
 - ii) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by the Actuary.
 - iii) The management has relied on the overall actuarial valuation conducted by the actuary.
35. Based on the information available with the Company, the amounts due to Micro and Small Enterprises as per MSMED Act, 2006 are as follows :

(₹ in lacs)

Sl No.	Particulars	Current year ended March 31, 2015	Previous year ended March 31, 2014
a)	Principal Amount remaining unpaid to the suppliers as at the end of the period	—	—
b)	Interest due on above remaining unpaid to the suppliers as at the end of the period	—	—
c)	Amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006	—	—
d)	Amount of interest due and payable for the period of delay in making payment (which have been paid beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	—	—
e)	Amount of interest accrued and remaining unpaid at the end of each accounting year; and	—	—
f)	Amount of further interest remaining due and payable even in the succeeding years.	—	—

36. Excise duty on increase/decrease in stock represents differential excise duty on opening and closing stock of Finished Goods.

37. Unhedged Foreign Currency Exposures outstanding at the year end are as follows :

Particulars	Foreign Currency (FC)	As at March 31, 2015		As at March 31, 2014	
		in FC	₹ in lacs	in FC	₹ in lacs
Receivables					
(a) Trade Receivables	US\$	32,403	20.28	–	–
(b) Advances	US\$	59,777	36.10	136,169	80.44
	Euro	111,472	75.19	38,113	31.25
Total			131.57		111.69
Payables					
(a) Trade Payables	US\$	329,051	205.96	344,404	206.99
	Euro	21,840	14.75	21,840	18.03
(b) Advances	US\$	--	--	–	–
	Euro	--	--	–	–
Total			220.71		225.02



Notes to Financial Statements (Contd.)

38. Basic and diluted earnings per share :

Sl No.	Particulars		Current year ended March 31, 2015	Previous year ended March 31, 2014
A	Profit/(Loss) after Tax	₹ in lacs	(38,637.27)	(31,895.15)
B	Number of shares at the beginning of the year	Nos.	67,276,486	63,781,486
C	Total equity shares outstanding at the end of the year	Nos.	73,781,486	67,276,486
D	Weighted average number of equity shares outstanding at the end of the year	Nos.	72,747,815	66,069,993
E	Nominal Value of each Share	₹	10.00	10.00
F	Basic Earning per Share	₹	(53.11)	(48.27)
G	Diluted Earning per Share	₹	(53.11)	(48.27)

39. Related Party Disclosures

a. Name of Related Parties

Subsidiary Companies	Nilachal Iron & Power Limited (NIPL) Jai Balaji Steels (Purulia) Limited (JBSPL) Jai Balaji Energy (Purulia) Limited (JBEPL)
Joint Venture Companies	Rohne Coal Company Private Limited (RCCPL) Andal East Coal Company Private Limited (AECCPL)
Key Management Personnel	Mr. Aditya Jajodia, Chairman and Managing Director Mr. Sanjiv Jajodia, Wholtime Director and Chief Financial Officer Mr. Ajay Kumar Tantia, Company Secretary
Relatives of Key Management Personnel	Mr. Rajiv Jajodia, Brother of Wholtime Director Mr. Gourav Jajodia, Nephew of Wholtime Director
Enterprises owned or significantly influenced by key management personnel or their relatives	Chandi Steel Industries Limited (CSIL) Jai Balaji Jyoti Steels Limited (JBJSI) Jai Salasar Balaji Industries Private Limited (JSBIPL) Balaji Ispat Udyog (BIU) Enfield Suppliers Limited (ESL) Hari Management Limited (HML) Jajodia Estate Private Limited (JEPL)

Notes to Financial Statements (Contd.)

b. Related Party Transactions:

Relationship	Party	Sales	Purchases	Rent paid	Interest Received	Interest Paid	Director fee	Gross Salary & Perquisites	Share Application Advance	Investment in Equity/Preference Shares	Allotment of Equity Share Warrants	Balance Receivable	Balance Payable	Guarantees Obtained	Corporate Guarantee Given
(₹ in lacs)															
Subsidiaries	NPL	-	763.07	-	-	-	-	-	-	-	-	233.72	-	-	2,515.00
Joint Venture	RCCPL	-	-	-	-	-	-	(118.87)	-	(2,515.00)	-	-	-	-	898.38
	AECPL	-	-	-	-	-	-	-	(898.38)	-	-	-	-	-	514.08
Key Management Personnel	Aditya Jajodia	-	-	-	-	-	-	-	-	-	-	-	-	3,84,357.00	-
	Sanjiv Jajodia	-	-	-	-	-	-	-	(2,79,829.00)	-	-	-	-	3,84,357.00	-
	Ajay Kumar Tanti	-	-	-	-	-	-	-	(2,79,829.00)	-	-	-	-	-	-
		-	-	-	-	-	-	2013	-	-	-	-	-	-	-
Relatives of Key Management Personnel	Rajiv Jajodia	-	-	-	-	-	0.20	-	-	-	-	-	-	3,84,357.00	-
	Gaurav Jajodia	-	-	-	-	-	0.20	-	-	-	-	-	-	3,84,357.00	-
Enterprises owned or significantly influenced by key management personnel or their relatives	CSIL	84.47	504.62	-	275.35	-	-	-	-	-	-	2,122.63	-	-	2,530.00
	-JBSL	360.43	356.87	-	1,057.30	-	-	-	-	-	-	8,390.28	-	-	-
	JSBPL	404.75	21.47	-	-	-	-	-	-	-	-	1,100.05	-	-	-
	SMBSL	-	-	-	-	-	-	(837.42)	-	-	-	-	-	-	-
	BIU	-	7.12	-	-	-	-	-	(2,79,829.00)	-	-	-	1.62	-	-
	JEPL	-	-	0.73	-	-	-	-	-	-	-	-	-	-	-
	ESL	-	-	-	-	60.97	-	-	-	-	-	-	585.02	-	-
	HML	-	-	-	-	36.31	-	-	-	-	-	-	8,708.15	-	-
Total		849.65	1,653.15	0.73	1,332.65	972.8	0.40	20.13	23.03	32.01	650.50	5,462.69	-	-	-
		(3,087.80)	(5619.12)	(0.69)	(1,287.67)	(54.09)	(0.80)	-	(5.00)	-	(349.50)	(4,017.25)	(3,252.50)	(11,443.60)	(6,457.46)



Notes to Financial Statements (Contd.)

40. Auditors Remuneration (included in Legal and Professional Charges) (₹ in lacs)

Payment to Auditor	Current year ended March 31, 2015		Previous year ended March 31, 2014	
As auditor :				
Audit fee	3.50		3.50	
Limited Review	8.50		6.50	
Tax Audit	0.75		0.75	
Out-of-pocket expenses	—	12.75	—	10.75
In other manner for Certification		0.36		0.22
Total		13.11		10.97

Out of above amount, paid to previous auditor amounts to ₹ 0.75 lacs (₹ 3.25 lacs)

41. Interest in Joint Venture

(a) The Company has interest in following Joint Venture Companies which are in the process of setting up coal mining facilities at respective Coal blocks which they have been allotted.

Name of the Joint Venture Company	Andal East Coal Company Pvt. Ltd.*		Rohne Coal Company Pvt Ltd.	
	2014-15	2013-14	2014-15	2013-14
Company's share in Joint Venture	32.79%	32.79%	6.90%	6.90%
Country of Incorporation	India	India	India	India

(₹ in lacs)

Proportionate share of the Company in the Joint Venture

Particulars	Rohne Coal Company Pvt Ltd	
	2014-15	2013-14
Current Assets	0.18	1.39
Non Current Assets	307.46	299.47
Current Liabilities	283.99	0.11
Non Current Liabilities	-	-
Revenue	-	0.18
Other Expenses	57.67	0.13
Profit / (Loss) before tax	(57.67)	0.05
Contingent liabilities capital expenditure commitments and of the joint venture are disclosed in Note 26 & 27.		

*Apart from the above the Company has interest in one more Joint Venture Entity, namely, M/s Andal East Coal Company Pvt Ltd, in which the Company is holding 32.79% equity shares. The same has been reported under note no. 11(Investment in Joint Venture Companies). However the Company believes that it is inappropriate to follow the principle of proportionate consolidation of assets and liabilities to the extent of Company's Interest in the said Joint Venture Company pursuant to Accounting Standard 27.

(b) Pursuant to the Order the Hon'ble Supreme Court of India dated 24th September, 2014 regarding cancellation of number of coal blocks allotted to various entities which includes two coal blocks under development allotted to the company jointly with others by the Ministry of Coal, Government of India. Subsequently the Government of India issued second ordinance on 26th December, 2014 for implementing the order of the Hon'ble Supreme Court and fixation of compensation etc. These mines will be allotted to other bidders in the e-auction by the Ministry of Coal, Government of India. Subject to the above, no adjustment have been made in the value of the investments in and Loans & Advances to the Joint Ventures and Associates for the above mentioned mining assets as the value of the compensation to be received can not be determined at this stage. The losses/gains, if any on account of it would be recognised as and when determined.



Notes to Financial Statements (Contd.)

42. Details of the Equity Shares pledged by the promoter or persons forming part of the promoter group ('Promoter Group') of the Company as on the balance sheet date:

	As at March 31, 2015	As at March 31, 2014
Total Number of Equity shares held by the promoter group	43,263,195	36,715,395
Total Number of Equity shares pledged by the promoter group	30,782,233	30,782,233
Percentage of total shares pledged to total shareholding of the promoter group	71.15%	83.84%
Percentage of total shares pledged to total outstanding shares of the Company	41.72%	45.75%

43. Value of Consumption of Imported and Indigenous raw materials and components, spare parts etc.

Consumption	Raw Materials		Components, Spare Parts etc	
	₹ in lacs	% of total Consumption	₹ in lacs	% of total Consumption
Imported	17,860.37 (37,585.42)	19.57 (28.96)	601.70 (1,140.51)	9.08 (11.13)
Indigenous	73,415.88 (92,182.05)	80.43 (71.04)	6,025.92 (9,109.15)	90.92 (88.87)
Total	91,276.25 (129,767.47)	100.00 (100.00)	6,627.62 (10,249.66)	100.00 (100.00)

44. Value of Imports (calculated on CIF basis)

(₹ in lacs)

Particulars	Current year ended March 31, 2015	Previous year ended March 31, 2014
Raw Materials	11,147.69	27,058.13
Components & Spare Parts	503.16	1,107.74
Capital Goods	154.20	159.66
Total	11,805.05	28,325.53

45. Expenditure in Foreign Currency (on accrual basis)

(₹ in lacs)

Particulars	Current year ended March 31, 2015	Previous year ended March 31, 2014
Professional Consultation Fees	--	6.54
Interest	--	--
Others	0.15	--
Total	0.15	6.54

46. Earnings in Foreign Currency (on accrual basis)

(₹ in lacs)

Particulars	Current year ended March 31, 2015	Previous year ended March 31, 2014
Exports at FOB Value	282.81	717.21



Notes to Financial Statements (Contd.)

47. Amount remitted in foreign currency on account of dividends:

	Current year ended March 31, 2015	Previous year ended March 31, 2014
i) Financial Year to which the dividend relates	2013-14	2012-13
ii) No. of non-resident shareholders	128	132
iii) No. of Shares held	1,18,78,146	1,16,78,295
iv) Amount remitted as dividend (₹ in lacs)*	Nil	Nil

*No dividend was declared for the financial year 2013-14 and 2012-13

48. Figures in brackets represent previous financial year's figures, which have been rearranged / regrouped wherever necessary to conform to this year's classification.

As per our report of even date

For and on behalf of the Board of Directors

For **S. K. Agrawal & Co.**
Firm Regn. No. 306033E
Chartered Accountants

CA J. K. Choudhury
Partner
Membership No. : 009367

Aditya Jajodia
Chairman & Managing
Director
DIN : 00045114

Sanjiv Jajodia
Wholetime Director & Chief
Financial Officer
DIN : 00036339

Rajiv Jajodia
Director
DIN : 00045192

Place : Kolkata
Date : 5th August, 2015

Ajay Kumar Tantia
Company Secretary



INDEPENDENT AUDITORS' REPORT

To The Members of **Jai Balaji Industries Limited**

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **Jai Balaji Industries Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entity comprising of the Consolidated Balance Sheet as at 31st March 2015, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 there under.

We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial control system over financial reporting in place and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in term of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group and jointly controlled entity as at 31st March, 2015, and their consolidated loss and their consolidated cash flow for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:-

Note- 31 in the Notes to the financial statements which indicates that the company has been incurring losses and its net worth is fully eroded; and

Note - 41(b) in the Notes to the financial statements which indicates that coal blocks allotted to its joint venture companies have been cancelled pursuant to the order of the Hon'ble Supreme Court;

However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said note.

Our opinion is not qualified in respect of this matter.



Independent Auditors' Report (Contd.)

To The Members of
Jai Balaji Industries Limited

Other Matters

We did not audit the financial statements of three subsidiaries and one jointly controlled entity, whose financial statements reflect total assets of Rs. 20,351.98 lacs as at 31st March 2015, total revenues of Rs. 3,555.85 lacs and net cash inflows amounting to Rs. 20.45 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on the reports of other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditors' report of the Holding Company, Subsidiary Companies & Jointly controlled entity incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial

statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled entity incorporated in India, none of the directors of the Group companies and jointly controlled entity incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entity - Refer Note 26 & 28 to the consolidated financial statements;
 - ii. The Group and jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and jointly controlled entity incorporated in India.

For, **S. K. AGRAWAL & CO.**
Chartered Accountants
Firms Registration No-306033E

(J. K. CHOUDHURY)

Partner

Membership No: 009367

Place : Kolkata

Dated : 5th August, 2015



ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our Independent Auditor's Report to the members of Jai Balaji Industries Limited ('the Holding Company') on the consolidated financial statements for the year ended on 31st March 2015.

Our reporting on the order includes three subsidiary companies and one jointly controlled entity incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report on these entities is based solely on the reports of other auditors, to the extent considered applicable for reporting under the Order in case of the consolidated financial statements.

We report that:

- i. (a) The Group and the jointly controlled entity has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Group and the jointly controlled entity has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion and the opinion of other auditors, this periodicity of physical verification is reasonable having regard to the size of the respective entities and the nature of its assets. According to information and explanation given to us and the other auditors, no material discrepancies were noticed on such verification.
- ii. (a) The inventories have been physically verified during the year by the management of the respective entities. In our opinion and the opinion of other auditors, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us and other auditors, the procedures of physical verification of inventories followed by the management of respective entities are reasonable and adequate in relation to the size of the respective entities and nature of its business.
- (c) In our opinion and according to the information and explanations given to us and the other auditors, the Group and the jointly controlled entity have maintained proper records of its inventory and no material discrepancies were noticed on physical verification.
- iii. The Group and the jointly controlled entity have granted

unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') by respective entities.

- (a) The receipts of the principal amount and interest have been regular & thus paragraph (iii)(b) of the Order is not applicable to the Group and the jointly controlled entity.
- iv. In our opinion and according to the information and explanations given to us and the other auditors, there is an adequate internal control system commensurate with the size of the respective entities and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit and other auditor's audit, no major weakness or continuing failure to correct any major weakness in the internal control system of the respective entities has been observed.
- v. In our opinion and according to the information and explanations given to us and the other auditors the Group and the jointly controlled entity have not accepted any deposits from the public.
- vi. According to the information and explanations given to us and the other auditors, prima facie in our opinion and opinion of other auditors, pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 148(1) of the Act, the Group and the jointly controlled entity have maintained cost records, wherever applicable. Neither the nor the other auditors have, however, made a detailed examination of the same.
- vii. According to the information and explanations given to us and the other auditors in respect of statutory and other dues:
 - (a) *The Group and the jointly controlled entity have not been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Value Added Tax, duty of Excise, Cess and other statutory dues with the appropriate authorities during the year.*

According to the information and explanations given to us and the other auditors, the following undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2015 for a period of more than six months from the date of becoming payable:-

Name of statute	Nature of dues	Amount Outstanding (Rs. in lacs)	Period to which amount relates	Amount paid up to 04th August, 2015* (Rs. in lacs)
Finance Act, 1994	Service Tax	757.38	March '13 to September '14	533.33
The Income Tax Act, 1961	TDS	603.04	March '13 to September '14	322.29
The Income Tax Act, 1961	TCS	1.58	April '13	1.49
Central Excise Act, 1944	Excise Duty	1236.61	May '14 to September '14	1188.11


Annexure to the Independent Auditors' Report (Contd.)

Name of statute	Nature of dues	Amount Outstanding (Rs. in lacs)	Period to which amount relates	Amount paid up to 04th August, 2015* (Rs. in lacs)
The employee's Provident Funds and miscellaneous Provisions Act, 1952	Provident Fund	423.58	Feb '13 to September '14	388.70
Employee State Insurance Act, 1948	Employee state insurance	166.62	Feb '13 to September '14	166.62
Directorate of Commercial taxes, Govt. of West Bengal	Professional Tax	19.26	March '14 to September '14	17.32
Jharkhand Value Added Tax Act, 2005	Works Contract Tax	1.66	2012-13	-

* Considered only for the Holding Company.

(b) According to the information and explanations given to us and the other auditors, there are no material dues of wealth tax and duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However,

according to information and explanations given to us and the other auditors, the following dues of income tax, sales tax, duty of excise and value added tax have not been deposited by the Group and the jointly

Name of statute	Nature of dues	Amount (Rs. in lacs)	Period to which amount relates	Forum where dispute is pending
The Central Excise Act, 1944	CENVAT Credit disallowed	13833.11	2005-06, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15	Central Excise Service Tax Appellate Tribunal/ Commissioner (Appeals)
The Central Excise Act, 1944	Disallowance of CENVAT Credit of Excise Duty	68.97	2005-06	CESTAT - Appeal Hearing Pending
The Central Excise Act, 1944	Duty Demand on scarp on Fabrication of Kiln & Cooler	69.38	2006-07	Commissioner of Central Excise
The Central Excise Act, 1944	Passage of Illegal Benefit to TISCO	62.21	2005-06	Central Excise Service Tax Appellate Tribunal- Appeal Hearing Pending
The Central Excise Act, 1944	Irregular Availment of Service Tax	2.63	2005-06	Remand from CESTAT
The Central Excise Act, 1944	Irregular Availment of CENVAT Credit on input/equipments	83.15	2006-07	CESTAT
The Central Excise Act, 1944	Availment of Cenvat Credit relating to low grade Sponge Iron	39.09	2005-06	Commissioner of Central Excise (Appeal) - Remand from CESTAT
The Central Excise Act, 1944	Availment of Cenvat Credit in respect of bought out low grade Sponge Iron	30.75	2005-06	Commissioner of Central Excise (Appeal) - Remand from CESTAT
The Central Excise Act, 1944	Duty Demand in respect of Scrap arose from fabrication of Kiln & Cooler	6.94	2005-06	CESTAT



Annexure to the Independent Auditors' Report (Contd.)

Name of statute	Nature of dues	Amount (Rs. in lacs)	Period to which amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Availment of CENVAT Credit in respect of bought out Iron ore Pallet	78.64	2010-11	CESTAT
The Central Excise Act, 1944	Service Tax on Mutual Fund Distribution (Sub-Brokerage)	50.22	2005-06, 2006-07	CESTAT - Appeal Hearing Pending
The West Bengal Sales Tax Act, 1994	Pending Forms	3.59	2004-05	West Bengal Appellate and Revision Board
The West Bengal Value added Tax Act, 2003	Turnover Enhanced/ ITC disallowed	1578.37	2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, and 2011-12	West Bengal Appellate and Revision Board/ Sr. Jt. Commissioner Sales Tax
The Central Sales Tax Act, 1956	Pending Forms/ Forms Disallowed	547.53	2004-05, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, and 2011-12	West Bengal Appellate and Revision Board/ Sr. Jt. Commissioner Sales Tax
The Income Tax Act, 1961	Income Tax matter under Dispute/ Appeal	6.85	AY 2009-10	DCIT / CIT (A)

(c) According to the information and explanations given to us and the other auditors by the respective management of the aforesaid entities the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under have been transferred to such fund within time, wherever required.

viii The accumulated losses of the Group and jointly controlled entity, as a whole, at the end of the financial year, are more than fifty percent of its net worth. The Group and the jointly controlled entity as a whole have incurred cash losses in the current and immediately preceding financial year.

ix. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors by respective management, of the aforesaid entities the subsidiaries and jointly controlled entity have not defaulted in the repayment of dues to financial institution and banks, however the Holding company has defaulted in the repayment of dues to banks and financial institutions during the year at different maturities as given below.

Banks		
Particulars of Default	Principal (Rs. in lacs)	Interest (Rs. in lacs)
Less than 1 Year	6864.38	5374.35
More than 1 Year	118.27	1130.12
Total	6982.65	6504.47

Financial Institutions		
Particulars of Default	Principal (Rs. in lacs)	Interest (Rs. in lacs)
Less than 1 Year	883.29	546.44
More than 1 Year	1421.59	585.44
Total	2304.88	1131.88

x. In our opinion and the opinion of the other auditors and according to the information and the explanations given to us and the other auditors by respective management, of the aforesaid entities, the terms and conditions of the guarantee given by the respective entities for loans taken by subsidiaries or other companies from banks are not, prima facie, prejudicial to the interests of the Group or jointly controlled entity. Total value of outstanding guarantee amounts to Rs. 5,045.00 lacs.

xi. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, term loans availed by the Group and the jointly controlled entity during the year were applied for the purposes for which the loans were obtained.

xii. To the best of our knowledge and belief and knowledge and belief of the other auditors according to the information and explanations given to us and the other auditors, no fraud on or by the Group and jointly controlled entity has been noticed or reported during the year.

Place : Kolkata
Dated : 5th August, 2015

For, **S. K. AGRAWAL & CO.**
Chartered Accountants
Firms Registration No-306033E
(J. K. CHOUDHURY)
Partner
Membership No: 009367



Consolidated Balance Sheet as at March 31, 2015

(₹ in lacs)

	Notes	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	3	7,377.76	6,727.26
Reserves and Surplus	4	(27,012.02)	12,052.00
Equity Share Warrants		—	3,252.50
		<u>(19,634.26)</u>	<u>22,031.76</u>
Share Application Money pending allotment		71.44	89.05
Non Current Liabilities			
Long Term Borrowings	5	203,923.00	170,760.28
Long Term Provisions	6	29.43	(11.42)
		<u>203,952.43</u>	<u>170,748.86</u>
Current Liabilities			
Short Term Borrowings	7	72,854.14	71,777.09
Trade Payables	8	90,414.47	92,505.73
Other Current Liabilities	8	61,066.15	54,360.03
Short Term Provisions	6	580.06	450.48
		<u>224,914.82</u>	<u>219,093.33</u>
TOTAL		409,304.43	411,963.00
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	9	180,921.52	195,275.97
Capital Work in Progress and Pre-Operative Expenditure	10	12,655.01	12,870.53
Pending Allocation			
Non Current Investments	11	199.40	199.40
Deferred Tax Assets (Net)	12	30,716.69	19,011.87
Long Term Loans and Advances	13	12,059.64	11,964.80
Other Non Current Assets	14	49.46	648.75
		<u>236,601.72</u>	<u>239,971.32</u>
Current Assets			
Inventories	15	52,871.85	53,951.23
Trade Receivables	16	77,124.08	79,811.80
Cash and Bank Balances	17	3,414.09	2,703.96
Short Term Loans and Advances	13	28,389.00	21,600.55
Other Current Assets	18	10,903.69	13,924.14
		<u>172,702.71</u>	<u>171,991.68</u>
TOTAL		409,304.43	411,963.00
Significant Accounting Policies	2		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For **S. K. Agrawal & Co.**
Firm Regn. No. 306033E
Chartered Accountants

CA J. K. Choudhury
Partner
Membership No. 009367

Place : Kolkata
Date : 5th August, 2015

For and on behalf of the Board of Directors

Aditya Jajodia
Chairman & Managing
Director
DIN : 00045114

Sanjiv Jajodia
Wholesale Director & Chief
Financial Officer
DIN : 00036339

Rajiv Jajodia
Director
DIN : 00045192

Ajay Kumar Tantia
Company Secretary



Consolidated Statement of Profit and Loss for the year ended March 31, 2015

(₹ in lacs)

	Notes	Year ended March 31, 2015	Year ended March 31, 2014
INCOME			
Revenue from Operations (Gross)	19	162,095.95	213,166.66
Less: Excise Duty	19	11,528.72	15,990.80
Revenue from Operations (Net)		150,567.23	197,175.86
Other Income	20	3,516.20	2,297.12
Total Revenue (I)		154,083.43	199,472.98
EXPENSES			
Cost of Materials Consumed	21	94,317.56	129,767.47
Purchase of Stock in Trade		24,806.27	19,644.44
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	1,661.67	741.79
Employee Benefits Expense	23	5,461.94	6,249.80
Finance Costs	24	38,412.85	34,523.72
Depreciation and Amortisation Expense	9	13,406.93	14,334.24
Other Expenses	25	27,459.78	38,178.39
Total Expenses (II)		205,527.00	243,439.85
Profit / (Loss) before exceptional items and Tax (I-II)		(51,443.57)	(43,966.87)
Exceptional Item		318.31	-
Profit / (Loss) before Tax (I-II)		(51,761.88)	(43,966.87)
Tax Expenses:			
Provision (Write back) relating to earlier year		15.16	(249.49)
Deferred tax charge / (credit)		(11,163.85)	(10,399.28)
Total Tax Expense		(11,148.69)	(10,648.77)
Profit/(Loss) for the period		(40,613.19)	(33,318.10)
Earnings per Equity Share : (Nominal Value per Share ₹ 10)			
Basic & Diluted	38	(55.83)	(50.43)
Significant Accounting Policies	2		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For **S. K. Agrawal & Co.**
Firm Regn. No. 306033E
Chartered Accountants

CA J. K. Choudhury
Partner
Membership No. 009367

Place : Kolkata
Date : 5th August, 2015

For and on behalf of the Board of Directors

Aditya Jajodia
Chairman & Managing
Director
DIN : 00045114

Sanjiv Jajodia
Wholetime Director & Chief
Financial Officer
DIN : 00036339

Rajiv Jajodia
Director
DIN : 00045192

Ajay Kumar Tantia
Company Secretary



Consolidated Cash Flow Statement for the year ended March 31, 2015

(₹ in lacs)

	Current year ended March 31, 2015	Previous year ended March 31, 2014
A: Cash Flow From Operating Activities		
Net Profit / (Loss) Before Taxes	(51,761.88)	(43,966.87)
Adjustments For :		
Depreciation / Amortisation (Net)	13,406.92	14,334.25
Loss on Sale of Fixed Assets	7.67	1.98
Irrecoverable Debts and Advances Written off	15.89	92.36
Liabilities no longer required written back	(427.22)	(478.22)
Interest on Term Loans and Others	36,911.23	32,355.87
Provision for doubtful debts/ (written back)	–	738.50
Dividend from long term Non Trade Investments	(1.35)	(1.35)
Dividend from Current Investments (other than trade)	0.00	(0.18)
Prior Period Expenditure (net)	(146.16)	120.06
Bad debt Recovery	(7.43)	–
(Profit) / Loss on Foreign Exchange Fluctuations (Net)	(1,285.31)	385.97
Interest Income	(1,696.12)	(1,703.03)
Operating Profit / (Loss) Before Working Capital Changes	(4,983.76)	1,879.34
Movements in Working Capital :		
Decrease / (Increase) in Trade Receivables	(1,420.64)	(10,339.63)
Increase in Loans and Advances and Other	(4,077.78)	(6,135.88)
Current / Non Current Assets		
Decrease / (Increase) in Advances to Subsidiary Company	(0.01)	134.79
Decrease / (Increase) in Inventories	1,079.38	8,502.28
Decrease in Trade Payables, Other Liabilities and Provisions	4,353.49	2,736.08
Cash generated from / (used in) Operating Activities	(5,049.33)	(3,223.01)
Direct Taxes paid (net of refunds)	137.27	(120.86)
Net Cash generated from / (used in) Operating Activities	(4,912.05)	(3,343.87)
B: Cash Flow From Investing Activities		
Purchase of Fixed Assets	(697.24)	(1,235.81)
Proceeds from Sale of Fixed Assets	62.40	58.84
Proceeds from sale of current Investments (other than trade)	0.00	0.34
Dividend from long term Investments (other than Trade)	1.35	1.35
Dividend from Current Investments (other than trade)	(0.00)	0.18
Loan received from body corporate	564.05	–
Loan to Related Party	–	1,500.00
Interest received	2,057.31	1,569.15
Net Cash generated from (used in) Investing Activities	1,987.87	1,894.05



Consolidated Cash Flow Statement (Contd.)

(₹ in lacs)

	Current year ended March 31, 2015	Previous year ended March 31, 2014
C: Cash Flow From Financing Activities		
Proceeds from issue of equity/Preference share capital	(26.60)	—
Advance against Share Application Money	8.99	—
Proceeds from Share Application Money	0.00	16.03
Money Received against share warrants	--	2,490.75
Proceeds from long / short term Borrowings	55,711.51	31,276.06
Repayment of long / short term Borrowings	(15,886.94)	(7,256.92)
Interest Paid	(35,525.93)	(25,870.10)
Dividend Paid	(0.51)	(0.73)
Net Cash generated from Financing Activities	4,280.52	655.09
Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)	1,356.34	(794.73)
Cash and Cash Equivalents as at the beginning of the year	409.52	1,204.25
Cash and Cash Equivalents as at the end of the year	1,765.86	409.52
Components of cash and cash Equivalents		
Cash on hand	77.12	80.40
Cheques in hand	1,287.69	19.82
Balance with Scheduled Banks on:		
Current Account	183.88	106.57
Fixed Deposit Account	1,905.03	3,127.11
Unclaimed Dividend Account *	1.71	2.23
Unclaimed Fractional Share Balance*	0.16	0.16
Cash and Bank Balances as per Note 18	3,455.59	3,336.29
Less : Fixed deposits not considered as cash equivalents	1,689.73	2,926.77
Cash and Cash Equivalents in Cash Flow Statement :	1,765.86	409.52

* These balances are not available for use by the Company as they represent corresponding unpaid dividend and unclaimed fractional share balances.

* Previous financial year's figures, which have been rearranged/regrouped wherever necessary to confirm to this year's classification.

As per our report of even date

For **S. K. Agrawal & Co.**
Firm Regn. No. 306033E
Chartered Accountants

CA J. K. Choudhury
Partner
Membership No. 009367

Place : Kolkata
Date : 5th August, 2015

For and on behalf of the Board of Directors

Aditya Jajodia
Chairman & Managing
Director
DIN : 00045114

Sanjiv Jajodia
Wholetime Director & Chief
Financial Officer
DIN : 00036339

Rajiv Jajodia
Director
DIN : 00045192

Ajay Kumar Tantia
Company Secretary

Notes to Consolidated Financial Statements for the year ended March 31, 2015

1 PRINCIPLES OF CONSOLIDATION:

- (a) The Consolidated Financial Statements which relate to Jai Balaji Industries Limited ("the Company") and its subsidiaries and joint ventures (collectively referred as "the Group"), have been prepared on the following basis :
- (b) The Subsidiary Companies considered in the financial statements are as follows :

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership / interest	
		As at March 31, 2015	As at March 31, 2014
Nilachal Iron & Power Limited (NIPL)	India	100%	100%
Jai Balaji Steels (Purulia) Limited	India	100%	100%
Jai Balaji Energy (Purulia) Limited	India	100%	100%

- (c) In terms of Accounting Standard 21 – 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India, the financial statements of the Company and its Subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenditure, after fully eliminating intra-group balances, intra-group transactions and any unrealised profit/loss included therein.
- (d) The difference of the cost to the Company of its investment in Subsidiary as at the date of acquisition of stake is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be. Any such difference arising subsequently is adjusted against Statement of Profit and Loss.
- e) The Joint Venture Companies considered in the financial statements are as follows :

Name of the Joint Venture Company	Country of Incorporation	Proportion of Ownership / interest	
		As at March 31, 2015	As at March 31, 2014
Rohne Coal Company Private Ltd.	India	6.90%	6.90%
Andal East Coal Company Private Ltd*	India	32.79%	32.79%

*Refer Note no 1(f) below

- (f) In terms of Accounting Standard 27 – 'Financial Reporting of Interests in Joint Venture' issued by the Institute of Chartered Accountants of India, the Company has prepared these consolidated financial statements by including the Company's proportionate interest in the Joint Venture's assets, liabilities, income and expenditure etc in the consolidated financial statements in respective line items. However it is inappropriate to follow the principles of consolidation of assets, liabilities, income and expenditure to the extent of companies interest in M/s Andal East Coal Company Private Ltd, one of the Joint Venture Companies in which the company holds 32.79% equity shares.
- (g) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
- (h) The financial statements of the entities used for the purpose of consolidation are drawn up for the same reporting period i.e year ending 31st March, 2015.

2 Summary of Significant Accounting

(a) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India. The Group has prepared these financial statements to comply in all material respects with the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts), Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956("the 1956 Act"), as applicable. The financial statements have been



Notes to Consolidated Financial Statements (Contd.)

prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Group and except for the changes discussed more fully below, are consistent with those used in the previous year.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Tangible Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price inclusive of duties (net of CENVAT and VAT Credit), taxes, incidental expenses, erection / commissioning expenses and interest etc., upto the date the asset is ready to be put to use.

Own produced materials used for fixed assets are capitalised at cost.

Machinery spares which can be used only in connection with a particular item of fixed asset and whose use as per technical assessment is expected to be irregular, are capitalised and depreciated prospectively over the residual life of the respective asset.

(d) Depreciation

- i) The classification of Plant and Machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.
- ii) Depreciation on fixed assets is provided on depreciable value of assets using Straight Line Method on the basis of useful life specified in Schedule II to the Companies Act, 2013, except for Railway Wagons and Moulds as stated below.
- iii) Railway Wagons are depreciated over a period of 10 years because of the conditions prescribed in the agreement with Indian Railway Authorities.
- iv) Pipe Moulds for Ductile Iron Foundry Works are depreciated over a period of 4 years.
- v) In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.

(e) Borrowing Costs

Borrowing costs relating to acquisition / construction

of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

(f) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the greater of the asset's net selling price and value in use, which is determined based on the estimated future cash flows are discounted to their present values. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there is change in the estimates used to determine the recoverable amount.

(g) Tangible Fixed Assets acquired under Finance Lease

Assets acquired under lease agreements which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly to expense.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

(h) Government grants and subsidies

Grants and subsidies from the government are recognized when there is a reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of shareholders' funds.



Notes to Consolidated Financial Statements (Contd.)

(i) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

(j) Inventories

Inventories are valued as follows:

Raw materials	At lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
Stores and Spares	At lower of cost and net realizable value. Cost is determined on 'First in First Out' basis except for Durg unit where the cost is determined on weighted average basis.
Work-in- Process and Finished Goods	At lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.
Scrap and By Products	At net realizable value.

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

(k) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Sale of Goods

Revenue from sale of goods is recognized on passage of title thereof to the customers, which generally coincides with delivery. Further, sales are inclusive

of excise duty and are net of returns, claims, rebates, discounts, Sales Tax, VAT etc.

Income from Services

Income from Services is recognized on performance of the contract and acceptance of the services by the customers.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend

Dividend income is recognized when the shareholders' right to receive payment is established by the balance sheet date.

(l) Foreign currency transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement / conversion of monetary items are recognized as income or as expenses in the period in which they arise.

(m) Retirement and other employee benefits

- Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contribution is charged to statement of profit and loss of the year when the contributions to the respective fund is due. There is no other obligation other than the contribution payable to provident fund.
- Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial



Notes to Consolidated Financial Statements (Contd.)

valuation on projected unit credit method made at the end of each financial year. Unrecognised past service cost arising at the time of change in plan measures are charged to statement of profit and loss on a straight line basis over the period of vesting of the defined benefit obligation.

- iii. Short term compensated absences are provided for based on estimates whereas long term compensated absences are provided for on the basis of actuarial valuation, as per projected unit credit method.
- iv. Actuarial gains / losses are immediately taken to statement of profit and loss and are not deferred.

(n) Taxation

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantially enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that

sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

(o) Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity are capitalised. Indirect expenditure incurred during construction period are capitalised as part of the indirect construction cost to the extent to which the expenditure are indirectly related to construction or are incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which are not related to the construction activity nor are incidental thereto are charged to the statement of profit and loss. Income earned during construction period is deducted from the total of the indirect expenditure.

All direct capital expenditure on expansion are capitalised. As regards indirect expenditure on expansion, only that portion is capitalised which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalised only if they increase the value of the asset beyond its original standard of performance.

(p) Segment Reporting Policies

Based on the synergies, risks and returns associated with business operations and in terms of Accounting Standard-17, the Company is predominantly engaged in a single reportable segment of Iron and Steel during the year. The risks and returns of existing captive power plants are directly associated with the



Notes to Consolidated Financial Statements (Contd.)

manufacturing operations of Iron and Steel and hence treated as a single reportable segment as per Accounting Standard-17. The Company at present primarily operates in India and therefore the analysis of geographical segments is not applicable to the Company.

(q) Earnings Per Share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares / instruments are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(r) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

(s) Cash and Cash Equivalents

Cash and cash equivalents as indicated in the Cash Flow Statement comprise cash at bank and on hand

and short-term investments with an original maturity of three months or less.

(t) Contingent Liabilities

Contingent liabilities are not provided for in the accounts and are separately disclosed in the Financial statements.

(u) Basis of classification of Current and Non Current

Assets and Liabilities in the balance sheet have been classified as either current or non-current based upon the requirements of Schedule III specified under the Companies Act 2013.

An asset has been classified as current if (a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is expected to be realized within twelve months after the reporting date; or (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets have been classified as non-current.

A Liability has been classified as current when (a) it is expected to be settled in the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is due to be settled within twelve months after the reporting date; or (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

Note 3 : Share Capital

(₹ in lacs)

	As at March 31, 2015	As at March 31, 2014
Authorised capital		
101,000,000 (101,000,000) Equity Shares of ₹ 10/- each	<u>10,100.00</u>	<u>10,100.00</u>
Issued, subscribed and fully paid-up capital		
73,781,486 (67,276,486) Equity Shares of ₹ 10/- each	<u>7,378.15</u>	<u>6,727.65</u>
Less: Calls unpaid (Due from other than directors or officers)	<u>0.39</u>	<u>0.39</u>
Total	<u><u>7,377.76</u></u>	<u><u>6,727.26</u></u>



Notes to Consolidated Financial Statements (Contd.)

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period :

	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	(₹ in lacs)	No. of Shares	(₹ in lacs)
Equity Shares of ₹ 10/- each				
At the beginning of the period	67,276,486	6,727.26	63,781,486	6,377.76
Issued during the period	6,505,000	650.50	3,495,000	349.50
Call money received during the period	--	--	--	--
At the end of the period	<u>73,781,486</u>	<u>7,377.76</u>	<u>67,276,486</u>	<u>6,727.26</u>

(b) Terms/rights attached to equity shares

The Company has only one class of ordinary shares (equity shares) having at par value of ₹ 10/- each. Each shareholder of ordinary shares (equity shareholders) is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the share holders in the ensuing annual general meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distributions of all preferential amounts, in the proportions to their share holdings.

(c) Lock-in of shares

The Equity Shares are allotted pursuant to part conversion of warrants issued to promoters group companies and are under lock-in for a period of one year from the date of allotment (29th May, 2014).

(d) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Enfield Suppliers Ltd.	13,121,233	17.78	13,121,233	19.50
Hari Management Ltd.	15,144,533	20.53	8,639,533	12.84
Client Rosehill Limited	3,886,734	5.27	3,886,734	5.78
Aditya Jajodia	--	--	3,674,576	5.46
	<u>32,152,500</u>	<u>43.58</u>	<u>29,322,076</u>	<u>43.58</u>

As per records of the Company, including its register of share holders/ members, the above share holdings represents legal ownership of shares.

Note 4 : Reserves & Surplus

	As at March 31, 2015	As at March 31, 2014
Capital Reserve		
As per last financial statements	8,943.21	8,943.21
Less : Allocated to Depreciation	--	--
Amalgamation Reserve		
As per last financial statements	4,400.00	4,400.00
Securities Premium Account		
As per last financial statements	47,400.83	46,002.83
Add : For the period	2,602.00	1,398.00
	<u>50,002.83</u>	<u>47,400.83</u>
General Reserve		
As per last Financial Statements	10,827.08	10,827.08
	--	--
	<u>10,827.08</u>	<u>10,827.08</u>
Surplus/(Deficit) in Statement of Profit & Loss		
As per last financial statements		
Transfer from General Reserve	(59,519.12)	(26,201.02)
Less: Depreciation adjust as per Companies Act, 2013 (Net of Deferred Tax ₹ 540.98 lac.)	1,052.83	--
Add: Profit/(Loss) for the period	(40,613.19)	(33,318.10)
Surplus/ (Deficit) in Statement of Profit & Loss	<u>(101,185.14)</u>	<u>(59,519.12)</u>
Total :	<u>(27,012.02)</u>	<u>12,052.00</u>



Notes to Consolidated Financial Statements (Contd.)

Note 5 : Long Term Borrowings

(₹ in lacs)

	Non Current Portion		Current Portion	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
(Secured, unless otherwise stated)				
Term Loans				
Rupee Loan from banks	190,215.70	161,982.03	28,034.50	20,818.69
Rupee Loan from Financial Institutions	3,702.36	4,235.52	2,838.04	4,348.48
Rupee Loan from Others	—	—	—	102.77
Rupee Loan from Bodies Corporate (Unsecured)	797.25	797.25	—	—
Deferred Payments Liabilities	0.00	0.48	0.49	18.36
Other Loan and Advances				
Interest Free sales Tax Loan (Unsecured)	—	—	—	—
Debentures from Related Party (Unsecured)	525.00	525.00	—	—
Interest Free Loan (Unsecured)	8,682.69	3,220.00	—	—
Total :	203,923.00	170,760.28	30,873.03	25,288.30
Amount disclosed under the head "Other Current Liabilities" (Refer Note 8)	—	—	(30,873.03)	(25,288.30)
Total :	203,923.00	170,760.28	—	—

1) Rupee Loan from banks and Financial Institution (except to the extent stated in point no 2 and 3 below)

- Rupee Term Loan from banks and financial institution are secured by pari- passu 1st charge over the entire fixed assets (both present and future) and 2nd charge over the entire current assets (both present and future) of the Company's units at Ranigunge and Durgapur in the state of West Bengal and Durg in the state of Chattisgarh. The above loan are further secured as follows.
 - Personal Guarantees of Promoter Directors of the Company.
 - Pledge of equity shares of the Company held by the promoters
- Rupee Term Loan from banks and financial institution carry interest as follows:
 - term loan and working capital term loan aggregating ₹149168.22 lacs at base rate of individual lenders plus spread, where spread is computed as difference between 11.75% p.a. and base rate of the individual lenders as on 16th June 2012.
 - funded interest term loan aggregating ₹18713.27 lacs at base rate of lead banker (UCO Bank).
 - Viability Gap Term Loan(VGTL) aggregating to ₹47318.06 lacs at 30bps over base rate of leader bank.
- The above loans are repayable as under from the balance sheet date :

Payment Terms	37 structured quarterly installments starting from April 2015	
Installments Due	Number	(₹ in lacs)
(i) Overdue	—	7,115.94
(ii) Within 1 year	4	21,138.52
(iii) One year to three year	8	71,271.95
(iv) Three year to five year	8	76,034.47
(v) More than five year	17	39,638.67
	37	215,199.55

- Rupee Term Loan from banks aggregating ₹ 7419.46 lacs are secured by way of (i) First mortgage/charge on the entire Fixed Assets, movable and immovable, present and future ranking pari passu amongst the lenders herein (ii) First charge on all the banks accounts of the Company/Project and assignment of all the Company's project contracts and documents ranking pari passu amongst the lenders herein, and (iii) Second charge on all the stock of raw materials, semi-finished and finished goods and receivables, present and future, subservient to prior charge created by the Company in favour of its Working Capital Bankers.



Notes to Consolidated Financial Statements (Contd.)

The above Loans are guaranteed by three Directors of the subsidiary company.

Terms of Repayment:-

Name of Bank	Primary Security	Collateral Security	Other Securities	Terms of repayment
State Bank of India	First charge on existing and future fixed assets of the company on pari passu basis with other term lenders by way of - i) Equitable Mortgage on company's land and building at Ratanpur, Jharkhand ii) Hypothecation of plant & machinery iii) Hypothecation of machinery installed at Coal Mining Block created/to be created out of bank finance, iv) Negative lien to be created on the Coal Block at North Karanpura Block (Dumri Block) allocated to the company by Government of India.	Second charge on current assets (both present and future) of the company on pari passu basis with other term lenders.	Personal Guarantee : Sri Aditya Jajodia Sri Ashish Jajodia Sri Sanjiv Jajodia Corporate Guarantee : M/s Chandi Steel Industries Limited.	32 quarterly installments commencing from 30.06.2015.
Axis Bank	First Charge over the entire fixed assets (both present and future) of the company on pari passu with other term lenders.	Second charge on current assets (both present and future) of the company on pari passu basis with other term lenders.	Personal Guarantee : Sri Aditya Jajodia Sri Ashish Jajodia Sri Sanjiv Jajodia Corporate Guarantee (Only for Term Loan) : M/s Jai Balaji Industries Limited.	32 quarterly installments commencing from 30.06.2015.
Canara Bank	First Charge over the entire fixed assets (both present and future) of the company on pari passu with other term lenders.	Second charge on current assets (both present and future) of the company on pari passu basis with State Bank of India.	Personal Guarantee : Sri Aditya Jajodia Sri Ashish Jajodia Sri Sanjiv Jajodia Corporate Guarantee : M/s Jai Balaji Industries Limited	32 quarterly installments commencing from 30.06.2015.
UCO Bank	First charge on the immovable fixed assets & first hypothecation charge on entire movable fixed assets (both existing and future) of the company's factory at Ratanpur, Jharkhand ranking parri passu with all the term lenders.	Second charge on current assets (both present and future) of the company on pari passu basis with other term lenders.	Personal Guarantee : Sri Aditya Jajodia Sri Ashish Jajodia Sri Sanjiv Jajodia	32 quarterly installments commencing from 01.04.2015.



Notes to Consolidated Financial Statements (Contd.)

- 3) Rupee Term Loan from a Financial Institution aggregating ₹2171.59 lacs carry interest in the range of 14.50% - 15% p.a. and is for repayment. The loan is secured personal guarantees of certain promoter directors and 100% shares of its subsidiary company.
- 4) Unsecured loan from bodies corporate has been received from a promoter group company as per the CDR scheme.
- 5) Deferred Payment Liabilities are repayable in 36 equal monthly installments from the date of disbursement of the loan amounts.
- 6) 5,25,000 Zero Interest Unsecured Optionally fully Convertible Debentures of ₹100/- each fully paid Convertible at the option of the debenture holder anytime after the date of allotment (03.01.2014) but within 20 years from the date of allotment at the Net Asset Value per equity share as per the last Audited Balance Sheet as on the date of Conversion or redeemable at par or Premium as may be mutually decided by the Company and the debenture holder anytime after 12 months but within 20 years from the date of allotment.
- 7) Interest free loan has been received from a promoter group company as per the CDR scheme.
- 8) The company has defaulted in repayment of loans and interest in respect of the following:-

Particulars	Principal (₹in lacs)	Interest (₹in lacs)
In respect of Banks		
-April 2014 to March 2015	6,982.65	6,504.47
In respect of Financial Institution		
-April 2014 to March 2015	2,304.88	1,131.88

Note 6 : Provisions

(₹ in lacs)

	Long Term		Short Term	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits :				
Gratuity (Refer Note 32)	29.43	(11.42)	459.15	350.87
Leave Salary	-	-	120.46	99.15
Other Provision :				
Provision for Wealth Tax	-	-	0.45	0.46
	<u>29.43</u>	<u>(11.42)</u>	<u>580.06</u>	<u>450.48</u>



Notes to Consolidated Financial Statements (Contd.)

Note 7 : Short Term Borrowings

(₹ in lacs)

	As at March 31, 2015	As at March 31, 2014
Secured		
Loan Repayable on Demand		
- Cash Credit from Banks	72,674.33	71,582.09
From Bodies Corporate (Unsecured)	179.81	195.00
Total :	72,854.14	71,777.09

Cash Credit facilities from banks aggregating ₹ 71023.23 lacs are secured by pari- passu 1st charge over the entire current assets (both present and future) and 2nd charge over the entire fixed assets (both present and future) of the Company's units at Ranigunge and Durgapur in the state of West Bengal and Durg in the state of Chattisgarh.

The above facilities are further secured as follows.

- Personal Guarantees of Promoter Directors of the Company.
- Pledge of equity shares of the Company held by the promoters

Cash Credit facilities from banks aggregating ₹ 1651.10 lacs are secured by way of hypothecation of all current assets including stock and book debts (both present and future) and second charge on all fixed assets (both present and future) of the subsidiary company. The facility are further guaranteed by three Directors of the subsidiary company.

Note 8 : Trade Payables and other Current Liabilities

(₹ in lacs)

	As at March 31, 2015	As at March 31, 2014
Trade Payables		
(Refer Note 33 for details due to Micro and Small Enterprises)		
- Raw materials & Others [including acceptances of ₹ 16458.52 lacs (₹ 19600.69 lacs)]	90,414.47	92,505.73
	90,414.47	92,505.73
Current Maturities of Long Term Borrowings (Refer Note 5)	30,873.03	25,288.30
Capital Creditors	3,570.25	3,633.30
Interest Accrued but not due on Borrowings	--	26.63
Interest Accrued and due on Borrowings	8,096.67	6,684.74
Advance from Customer	5,752.69	7,899.95
Temporary Book Overdraft	917.28	2,441.14
Investor Education and Protection Fund will be credited by the following amounts (as and when due)		
- Unclaimed Dividend	1.71	2.22
- Unclaimed Fractional Share Liabilities	0.16	0.16
Others		
- Statutory Dues Payable	8,251.46	4,850.14
- Excise Duty payable on Closing Stock	518.42	975.88
- Interest Others	1,429.39	690.57
- Mining Development Expenses	32.95	--
- Due to Employees	924.79	1,411.10
- Other Miscellaneous	697.35	455.90
	61,066.15	54,360.03
Total:	151,480.62	146,865.76

Notes to Consolidated Financial Statements (Contd.)

Note 9 : Tangible Assets

(₹ in lacs)

Description	Gross Block				Depreciation/ Amortisation					Net Block	
	As at March 31, 2014	Additions	Deductions	As at March 31, 2015	Up to March 31, 2014	Depreciation in respect assets whose of useful life is over	For the period	Deductions	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Freehold Land	4,450.26	0.08	-	4,450.34	-	-	-	-	-	4,450.34	4,450.26
Leasehold Land	707.57	-	-	707.57	136.44	-	9.53	-	145.97	561.60	571.13
Factory Buildings	42,563.05	10.63	23.32	42,550.36	5,710.84	334.15	1,397.61	-	7,442.60	35,107.76	36,852.21
Railway Siding	4,354.18	-	-	4,354.18	1,164.63	-	319.85	-	1,484.48	2,869.70	3,189.55
Plant and Machinery	184,934.84	678.73	41.58	185,571.99	54,490.52	-	7,688.34	3.87	62,174.99	123,397.00	130,444.31
Electrical Installations	25,609.21	6.48	-	25,615.69	6,336.37	1,123.85	3,867.35	-	11,327.57	14,288.12	19,272.84
Furniture, Fixtures	145.07	0.31	-	145.38	71.50	11.70	13.88	-	97.08	48.30	73.57
Office Equipments	938.52	19.58	-	958.10	627.96	121.71	90.53	-	840.20	117.90	310.56
Vehicles	315.57	0.52	18.21	297.88	204.03	2.39	19.83	9.17	217.08	80.80	111.54
Total	264,018.26	716.33	83.11	264,651.48	68,742.29	1,593.80	13,406.93	13.04	83,729.98	180,921.52	195,275.97
Previous Year's Total	263,763.76	321.43	66.93	264,018.26	54,414.16	-	14,334.24	6.11	68,742.29	195,275.97	

Note 10 : Capital Work-in-Progress and Pre-Operative Expenditure Pending Allocation

(₹ in lacs)

	As at March 31, 2015	As at March 31, 2014
A Capital Work-in-Progress		
Buildings	1,216.22	1,204.72
Railway Siding	395.38	395.38
Plant and Machinery	546.56	112.24
Electrical Installations	385.32	379.17
Minning Land	6,471.98	6,471.98
Land	-	-
Sub Total	9,015.46	8,563.49
Less : Transferred to Fixed Assets	502.84	-
Total A :	8,512.62	8,563.49
B Pre-operative Expenditure Pending Allocation		
Opening Balance	4,105.48	4,046.98
Additions		
Power and Fuel	0.00	0.06
Salaries, Wages and Bonus	11.77	233.80
Rent and Hire	0.49	1.00
Rates and Taxes	0.07	0.07
Insurance	-	-
Travelling and Conveyance	3.81	2.98
Telephone and Postage	-	0.04
Legal and Professional Charges	1.70	1.47
Land Related Expenses	-	-
Miscellaneous Expenses	18.82	10.24
Depreciation	-	0.01
Interest on Term Loans	-	0.03
Bank Guarantee Charges	0.25	10.36
Finance Charges	0.00	0.00
	4,142.39	4,307.04
Less : Transferred to Fixed Assets	-	-
Total B :	4,142.39	4,307.04
Grand Total (A+B)	12,655.01	12,870.53



Notes to Consolidated Financial Statements (Contd.)

Note 11 : Non Current Investments

(₹ in lacs)

	Number of shares	Face Value Per Share	As at March 31, 2015	As at March 31, 2014
(Valued at cost unless otherwise stated)				
Trade Investment				
Unquoted, Fully Paid up Investment in Equity Shares In Joint Venture Companies				
Andal East Coal Company Private Limited	319,290	10.00	134.79	134.79
			<u>134.79</u>	<u>134.79</u>
Non Trade Investment				
Unquoted, Fully Paid up Investment in Equity Shares				
Calcutta Stock Exchange Limited	6,726	1.00	33.63	33.63
[At cost less provision for other than temporary diminution ₹ 100.89 lacs (₹ 100.89 lacs)]				
Quoted, Fully Paid up Equity Shares				
Shyama Infosys Limited	366,200	10.00	25.91	25.91
Shri Nidhi Trading Co. Limited	10,500	10.00	0.95	0.95
In Government Securities				
National Saving Certificate (Deposited with Third Parties)			4.12	4.12
			<u>64.61</u>	<u>64.61</u>
			<u>199.40</u>	<u>199.40</u>
Aggregate Value of Investments				
- Quoted			26.86	26.86
- Unquoted			273.43	273.43
Aggregate provision for diminution in the value of Investments			100.89	100.89
*Market Value of Quoted Investments			25.08	27.57

Note 12 : Deferred Tax Assets / (Liabilities) (Net)

(₹ in lacs)

	As at March 31, 2015	As at March 31, 2014
Deferred Tax Asset		
Unabsorbed Depreciation and carry forward Business Losses	53,008.63	39,306.95
Expenses Allowed On Payment Basis/Other Timing Differences	1,041.75	2,926.41
Sub Total (A)	<u>54,050.38</u>	<u>42,233.36</u>
Deferred Tax Liability		
Timing Difference on Depreciable assets	23,333.69	23,221.49
Sub Total (B)	<u>23,333.69</u>	<u>23,221.49</u>
Deferred Tax Assets / (Liabilities) (Net) (A-B)	<u>30,716.69</u>	<u>19,011.87</u>

Although, there is carried forward unabsorbed depreciation as on the reporting date, yet in view of the future profitability projections, the Company is virtually certain that there would be sufficient taxable income in future, to claim the above tax credit.



Notes to Consolidated Financial Statements (Contd.)

Note 13 : Loans and Advances

(₹ in lacs)

	Non Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
(Unsecured, Considered Good)				
Capital Advances	5,700.61	5,768.69	-	-
Security Deposit	1,229.47	819.31	90.89	560.16
[Net of Provision for Doubtful Advances ₹ 24.28 lacs (₹ 24.28 lacs)]				
Loans and advances to Related parties				
Loans to Body Corporate (Receivable on demand)*	-	-	7,000.00	7,000.00
Advances to a Body Corporate *#	-	-	1,713.28	951.30
Advance to a Subsidiary Company*	-	-	-	-
Share Application Money to Joint Venture Company	-	-	189.71	189.71
	-	-	8,902.99	8,141.01
Loans to Body Corporate (Receivable on demand)	-	-	-	564.05
Advances recoverable in cash or kind				
Advances recoverable in cash or in kind or for value to be received	220.07	4.11	14,233.61	10,079.64
Other Loans and advances				
Balance with Excise and other Government Authorities	-	4.90	4435.88	1778.50
Advance income tax [net of Provisions]	-	-	234.02	386.47
Sales Tax and Other Refunds Receivable	199.78	353.47	187.00	90.72
Mat Credit Entitlement	4,709.71	5,014.32	304.61	-
	4,909.49	5,372.69	5,161.51	2,255.69
Total:	12,059.64	11,964.80	28,389.00	21,600.55

*(Refer Note 32)

since realised

Note 14 : Other Non Current Assets

(₹ in lacs)

	As at March 31, 2015	As at March 31, 2014
Non Current bank balances (Refer Note 17)	41.50	632.33
Unamortised Expenses	4.40	4.40
Interest Receivable on Deposits	3.56	12.02
Total:	49.46	648.75

Note 15 : Inventories

(₹ in lacs)

	As at March 31, 2015	As at March 31, 2014
Raw Materials	40,462.46	38,931.78
[Including in transit ₹ 3651.61 lacs (₹ 7165.34 lacs)]		
Stores and Spares	3,689.94	4,180.86
[Including in transit ₹ 41.51 lacs (₹ 41.81 lacs)]		
Work-in-Process	3,018.52	837.18
Finished Goods	4,406.21	8,482.74
[including materials lying at port ₹ Nil (₹ Nil)]		
By Products and Scrap	1,294.72	1,518.67
Total :	52,871.85	53,951.23



Notes to Consolidated Financial Statements (Contd.)

Note 16 : Trade Receivables

(₹ in lacs)

	As at March 31, 2015	As at March 31, 2014
Outstanding for a period exceeding six month from the date they are due for payment		
Unsecured, considered good	25,869.64	23,260.67
Unsecured, considered doubtful	993.34	993.34
	26,862.98	24,254.01
Less: Provision for Doubtful Debts	993.34	993.34
	(A) 25,869.64	23,260.67
Other Debts		
Unsecured, considered good	(B) 51,254.44	56,551.13
Total	(A+B) 77,124.08	79,811.80

Note 17 : Cash and Bank Balances

(₹ in lacs)

	Non Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Cash and Cash equivalents				
Balance with Banks :-				
On Current Accounts	-	-	183.88	106.57
Cash on hand	-	-	77.12	80.40
Cheques in hand	-	-	1,287.69	19.82
Unclaimed Dividend Account	-	-	1.71	2.23
Unclaimed Fractional Share Balance	-	-	0.16	0.16
	-	-	1,550.56	209.18
Other Bank Balances				
Deposits with original maturity for more than 12 Months*	41.50	632.33	215.30	200.85
Deposits with original maturity for more than 3 Months but less than 12 months*	-	-	1,648.23	2,293.93
	41.50	632.33	1863.53	2,494.78
Amount disclosed under the head "Other Non Current Assets" (Refer Note 14)	(41.50)	(632.33)	-	-
Total :	-	-	3,414.09	2703.96

*including ₹ 1689.73 lacs (₹ 2926.77 lacs) pledged with banks and others as margin money against borrowings/ other facilities

Note 18 : Other Current Assets

(₹ in lacs)

	As at March 31, 2015	As at March 31, 2014
Interest Receivable on Loans, Advances and Deposits	149.21	501.95
Subsidies and Incentives Receivable	10,754.48	13,422.19
Total :	10,903.69	13,924.14



Notes to Consolidated Financial Statements (Contd.)

Note 19 : Revenue from Operations

(₹ in lacs)

	Current year ended March 31, 2015	Previous year ended March 31, 2014
Sales of products		
Finished Goods	156,249.90	204,872.93
By Products and Scraps	2,921.86	3,603.02
Raw Materials	1,460.59	1,881.86
Other Operating Revenue		
Conversion Charges	86.34	155.42
Subsidy on Sales Tax/ Value Added Tax	1,357.96	2,209.93
Export Incentives	19.30	77.77
Service and other charges	--	365.73
Revenue from Operations (Gross)	162,095.95	213,166.66
Less: Excise Duty	11,528.72	15,990.80
Revenue from Operations (Net)	150,567.23	197,175.86

Sale of finished goods comprise®:

(₹ in lacs)

	Current year ended March 31, 2015	Previous year ended March 31, 2014
Sponge Iron	19,725.51	20,042.94
Pig Iron	39,284.90	27,598.71
Steel Bars/Rods	21,480.44	24,580.34
Billet/MS Ingots	13,489.16	77,101.95
Ferro Alloys	13,691.74	7,745.31
Ductile Iron Pipe	22,932.66	25,839.80
Power	386.59	518.53
Sinter	--	248.27
Coke/Coal	306.57	1,444.72
M.S. Billet/TMT	24,952.32	19,752.35
	156,249.90	204,872.93

®excludes goods transferred for further processing and used for self consumption in Fixed Assets/Trial Run.

Note 20 : Other Income

(₹ in lacs)

	Current year ended March 31, 2015	Previous year ended March 31, 2014
Interest on :		
(a) Fixed Deposits with Banks	204.67	310.52
[Gross, Tax deducted at source ₹ 19.30 lacs (₹ 40.79 lacs)]		
(b) Loans and Advances	1508.57	1,392.52
[Gross, Tax deducted at source ₹ 28.62 lacs (₹ 13.90 lacs)]		
(c) Refund from Income Tax Department	8.18	--
[Gross, Tax deducted at source ₹ Nil (₹ Nil)]		
Dividend from long term Investments (other than trade)	1.35	1.35
Dividend from Current Investments (other than trade)	--	0.18
Insurance Claims	69.88	101.30
Liabilities no longer required written back	427.22	478.22
Bad Debt Recovery	7.43	--
Gain on Foreign Exchange Fluctuations (Net)	1,285.31	--
Miscellaneous Income	3.59	13.03
Total :	3,516.20	2,297.12



Notes to Consolidated Financial Statements (Contd.)

Note 21 : Cost of Materials Consumed

(₹ in lacs)

	Current year ended March 31, 2015	Previous year ended March 31, 2014
Opening Stock	38,931.78	46,489.02
Purchases	95,848.24	122,210.23
	134,780.02	168,699.25
Less: Closing Stock	40,462.46	38,931.78
Raw Materials Consumed	94,317.56	129,767.47
Consumption of Raw Material :		(₹ in lacs)

	Current year ended March 31, 2015	Previous year ended March 31, 2014
Iron Ore/Pellets	31,994.16	31,265.29
Manganese Ore	5,697.23	2,717.25
Sponge Iron	3,215.78	21,873.29
Billet/Ingot	350.35	8,618.17
Coke/Coal	47,558.08	60,440.53
Magnesium Metal	336.78	369.87
Pig Iron	466.62	26.61
Steel Scrap & Wastes	541.56	70.71
Ferro Alloys	730.46	884.19
Quartzite, Limestone and Dolomite	3,426.54	3,501.56
	94,317.56	129,767.47

Purchase of Stock in Trade includes :

(₹ in lacs)

	Current year ended March 31, 2015	Previous year ended March 31, 2014
Coal (Import)	5.12	—
M.S. Billet	24,801.15	16,074.45
M.S. Angle	—	285.71
TMT	—	3,284.28
	24,806.27	19,644.44

Note 22 : Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

(₹ in lacs)

	Current year ended March 31, 2015	Previous year ended March 31, 2014
Opening Stocks :		
Work-in-Process	837.18	793.28
Finished Goods	8,482.74	9,759.19
By Products and Scrap	1,518.67	960.51
	10,838.59	11,512.98
Less:		
Closing Stocks :		
Work-in-Process	3,018.52	837.18
Finished Goods	4,406.21	8,482.74
By Products and Scrap	1,294.72	1,518.67
	8,719.45	10,838.59
	2,119.14	674.39
(Increase)/Decrease in excise duty and cess on stocks	(457.47)	67.40
Total :	1,661.67	741.79



Notes to Consolidated Financial Statements (Contd.)

Note 22 : Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade (Contd.)

Stock of finished goods comprises :

(₹ in lacs)

	Current year ended March 31, 2015	Previous year ended March 31, 2014
Opening Stock :		
Sponge Iron	1153.58	522.56
Pig Iron	4,060.05	4,463.22
Steel Bars/Rods	399.77	146.54
Billet/MS Ingots	1,071.99	2,182.35
Ferro Alloys	227.50	529.97
Ductile Iron Pipe	717.16	1,004.89
Coke	852.69	909.66
Total :	8,482.74	9,759.19
Closing Stock :		
Sponge Iron	202.88	1153.58
Pig Iron	2,542.77	4,060.05
Steel Bars/Rods	67.41	399.77
Billet/MS Ingot	132.78	1,071.99
Ferro Alloys	288.46	227.50
Ductile Iron Pipe	614.93	717.16
Coke	556.99	852.69
Total :	4,406.21	8,482.74

Note 23 : Employee Benefits Expense

(₹ in lacs)

	Current year ended March 31, 2015	Previous year ended March 31, 2014
Salaries, Wages, Bonus & Other Benefits	4,828.14	5,884.53
Contribution to Provident Fund & other fund	375.80	101.32
Staff Welfare Expenses	207.00	208.55
Directors remuneration	51.00	55.40
Total :	5,461.94	6,249.80

Note 24 : Finance Costs

(₹ in lacs)

	Current year ended March 31, 2015	Previous year ended March 31, 2014
Interest Expenses		
On Term loans	24,278.01	22,672.49
On Others	12,633.22	9,683.35
Finance charges	1,501.62	2,167.88
Total :	38,412.85	34,523.72



Notes to Consolidated Financial Statements (Contd.)

Note 25 : Other Expenses

(₹ in lacs)

	Current year ended March 31, 2015	Previous year ended March 31, 2014
Consumption of Stores and Spares	6,639.14	10,292.64
Labour Charges	5,409.62	5,083.84
Processing Charges	13.48	6.83
Power and Fuel	8,277.23	13,392.66
Repairs and Maintenance:		
- Plant and Machinery	819.33	632.61
- Buildings	78.98	62.58
- Others	297.72	281.52
Water Charges	356.76	356.11
Equipment Hire Charges	2,214.93	2,288.59
Shifting Expenses	377.38	340.63
Freight and Transportation	700.94	1,463.87
Rent and Hire	86.14	177.61
Rates and Taxes	101.02	151.99
Insurance	156.04	160.88
Advertisement	36.97	89.19
Brokerage and Commission (Other than Sole Selling Agents)	404.66	195.18
Travelling and Conveyance	358.27	467.53
Telephone and Postage	76.15	97.86
Legal and Professional Charges (Refer Note 38)	292.50	373.08
Directors' Fees	1.01	2.45
Provision for Doubtful Debts and Advances	--	738.50
Provision for Diminution in the Value of Investments	0.00	--
Irrecoverable Debts and Advances Written off	15.89	92.36
Less: Adjusted against Provisions	-- 15.89	-- 92.36
Loss on Foreign Exchange Fluctuations (Net)	--	385.97
Charity and Donations	11.98	--
Security and Service Charges	598.09	470.08
Loss on Sale of Fixed Assets	7.67	1.98
Loss on Sale of Store Inventory	--	36.71
Miscellaneous Expenses	241.09	415.09
Mining Development Expenses	32.95	--
Prior period expenses (Net)	(146.16)	120.05
Total :	27,459.78	38,178.39



Notes to Consolidated Financial Statements (Contd.)

26 Contingent liabilities not provided for:

(₹ in lacs)

	As at March 31, 2015	As at March 31, 2014
a) Claims against the Company not acknowledged as debts		
i) Excise and Service Tax Demands under dispute/appeal	14,325.09	11,812.14
ii) Sales Tax/VAT matters under dispute/appeal	2,129.49	13,930.47
iii) Income Tax matters under dispute/appeal	6.85	6.85
b) Letters of Credit, Bills discounted and Bank Guarantees outstanding	19,843.00	23,177.35
c) Custom Duty on Import of Equipment and spare parts under EPCG Scheme	3,929.72	4,380.00
d) Guarantees and Counter guarantees given by the Company for loans obtained by subsidiary/other companies	5,045.00	5,045.00
27 Estimated amount of contracts remaining to be executed on Capital Account and not provided for [Net of Advances ₹ 5,768.68 lacs (₹ 5,768.68 lacs)]	1,632.59	1,632.59
28 In respect of an electricity supply matter where the Electricity Supplier has demanded enhanced charges, the matter was challenged by the Company at the Appellate Tribunal for Electricity ("the tribunal"). The Tribunal vide its order dated May 10, 2010 dismissed the appeal of the Supplier and directed to implement the tariff as determined by the Central Electricity Regulatory Commission vide its Order dated August 6, 2009. The Supplier has preferred an appeal with Hon'ble Supreme Court, pending finalisation of the outcome of the matter, the liabilities for the electricity charges are accounted for based on provisional bills provided by the Supplier.		
29 Subsequently, on 4th July, 2013 the company allotted 10,000,000 convertible warrants as per SEBI(Issue of Capital and Disclosure Requirements) Regulations, 2009 to two promoter group companies @ ₹50 per warrant each convertible into one equity share of the company of ₹10 each at a price of ₹50/- each(including premium of ₹40/-). Out of the said 10,000,000 warrants,3,495,000 warrants were converted into equity shares on 5th August, 2013 and balance 6,505,000 warrants were converted into equity shares on 29th May,2014.		
30 The Company had applied for restructuring of its debts, under the Corporate Debt Restructuring (CDR) mechanism. The CDR Empowered Group approved the restructuring on 24th August, 2012 and the CDR Cell issued the Letter of Approval(LOA) on 20th September,2012. The Master Restructuring Agreement (MRA) incorporating the terms of the LOA was signed with the lenders on 28th September,2012 supplementary MRA was executed on 18.01.2013. The Company has also created security as per the Master Restructuring Agreement.		
31. The accumulated losses of the Company as at the end of financial year 2014-15 are in excess of the entire net worth of the Company as on that date. However in view of the ongoing rest including by the secured lenders and other creative action plans being envisaged by the management, the management is hopeful of an early recovery. As such the accounts for the year have been prepared on a going concern basis.		
32 During the year, the Company has accounted for the following subsidies / incentives receivable from the Government of West Bengal under West Bengal Incentive Scheme aggregating to ₹ 1357.96 lacs (₹ 2209.93 lacs):		

(₹ in lacs)

Sl. No.	Particulars	Account to which credited	Current year ended March 31, 2015	Previous year ended March 31, 2014
a)	Industrial Promotion Assistance	Subsidy on Sales Tax / Value Added Tax under Sales & Service	1,357.96	2,209.93

Notes to Consolidated Financial Statements (Contd.)

33 Loans and Advances includes the following balances

(₹ in lacs)

Name of the Company	As at March 31, 2015	Maximum Amount due at any time during year ended March 31, 2015	As at March 31, 2014	Maximum Amount due at any time during year ended March 31, 2014
In terms of Clause 32 of the Listing Agreement.				
Jai Balaji Jyoti Steels Ltd.	8,713.28	8,713.28	7,951.30	9,254.19

34 Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than The Provisions of Payment of Gratuity Act, 1972. The Holding Company and its Subsidiary Company (NIPL) have funded their gratuity liability with insurance company in the form of a qualifying insurance policy. In respect of a joint venture company, Andal East Coal Company Private Limited the aforesaid scheme is unfunded insurance policy.

The disclosure required under Accounting Standard 15 'Employee Benefits' notified in the Company's (Accounting Standards) Rules 2006 are given below:

I. Expenses recognized in the Statement of Profit & Loss Account are as follows :

(₹ in lacs)

Particulars	Current year ended March 31, 2015	Previous year ended March 31, 2014
Current service cost	123.91	183.38
Interest cost on benefit obligation	61.08	71.89
Expected return on plan assets	(30.59)	(32.36)
Net actuarial loss/(gain) recognised in the year	33.02	(371.59)
Past Service cost	—	—
Total Expenses	187.42	(148.68)

II. Net Liability/(Assets) recognized in the Balance Sheet are as follows:

(₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Present value of Defined Benefits Obligation	806.26	729.76
Fair value of plan assets	317.68	390.31
	488.58	339.45
Less: Unrecognised past service cost	—	—
Net Liability	488.58	339.45

III. Change in the present value of the defined benefit obligation during the year are as follows:

(₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Present Value of Defined Benefit Obligation at the beginning of the year	729.77	906.63
Current Service Cost	123.91	183.38
Interest Cost	61.08	71.89
Benefits Paid	(138.70)	(59.70)
Actuarial Loss/(Gain)	30.19	(372.43)
Plan Amendments	—	—
Present Value of Defined Benefits Obligation at the year end	806.25	729.77



Notes to Consolidated Financial Statements (Contd.)

IV. Change in the Fair Value of Plan Assets during the year ended are as follows: (₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Fair Value of Plan Assets at the beginning of the year	390.32	360.39
Expected Return	30.59	32.36
Contribution by Employer	37.98	58.11
Benefits paid	(138.70)	(59.70)
Actuarial Gains/(Losses)	(2.52)	(0.84)
Fair Value of Plan Assets at the year end	317.67	390.32

V. The major categories of plan assets as a percentage of the fair value of the total plan assets (₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Investment with the insurer	100%	100%

VI. The principal assumptions used in determining gratuity obligations for the Company's plans are shown below.

Particulars	Current year ended March 31, 2015	Previous year ended March 31, 2014
Discount Rate	7.80%	9.25%
Expected Rate of return on assets	9.00%	9.00%
Rate of increase in salaries	10.00%	10.00%
Mortality Table	Indian Assured Life Mortality (2006-08) (modified) Ultimate	Indian Assured Life Mortality (2006-08) (modified) Ultimate

VII. Amounts for the current and previous years are as follows: (₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Defined benefit obligation	(806.26)	(729.77)	(906.63)	(659.24)	(602.78)
Plan Assets	317.68	390.32	360.39	331.78	231.77
Surplus/(Deficit)	(488.58)	(339.45)	(546.24)	(327.46)	(371.01)
Experience Gain/(Loss)					
Adjustments on plan liabilities	(159.99)	268.19	(13.00)	110.81	(68.67)
Experience Gain/(Loss)					
Adjustments on plan assets	(2.51)	(0.84)	2.01	(0.03)	0.99
Experience Gain/(Loss) due to change on assumptions	(133.60)	104.24	(47.60)	36.78	—

	Current year ended March 31, 2015	Previous year ended March 31, 2014
Contribution to Provident Fund and other Funds	581.06	421.85



Notes to Consolidated Financial Statements (Contd.)

Note:

- i) The Holding Company expects to contribute ₹ 459.16 lacs (₹ 350.87 lacs) to Gratuity Fund in 2015-16. The Subsidiary Company expects to contribute ₹29.42 lacs (₹ -11.41 lacs) to Gratuity Fund in 2015-16.
 - ii) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the Actuary.
 - iii) The management has relied on the overall actuarial valuation conducted by the actuary.
- 35 Based on the information available with the Company, the amounts due to Micro and Small Enterprises as per MSMED Act, 2006 are as follows :

(₹ in lacs)

Sl No.	Particulars	Current year ended March 31, 2015	Previous year ended March 31, 2014
a)	Principal Amount remaining unpaid to the suppliers as at the end of the period	—	—
b)	Interest due on above remaining unpaid to the suppliers as at the end of the period	—	—
c)	Amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006	—	—
d)	Amount of interest due and payable for the period of delay in making payment (which have been paid beyond the appointed day during the year) but without adding the interest.	—	—
e)	Amount of interest accrued and remaining unpaid at the end of each accounting year; and	—	—
f)	Amount of further interest remaining due and payable even in the succeeding years.	—	—

- 36 Excise duty on increase/decrease in stock represents differential excise duty on opening and closing stock of Finished Goods.

- 37 i) Unhedged Foreign Currency Exposures outstanding at the year end are as follows :

Particulars	Foreign Currency (FC)	As at March 31, 2015		As at March 31, 2014	
		in FC	₹ in lacs	in FC	₹ in lacs
Receivables					
(a) Trade Receivables	US\$	32,403	20.28	–	–
(b) Advances	US\$	59,777	36.10	136,169	80.44
	Euro	111,472	75.19	38,113	31.25
Total			131.57		111.69
Payables					
(a) Trade Payables	US\$	329,051	205.96	344,404	206.99
	Euro	21,840	14.75	21,840	18.03
(b) Advances	US\$	--	--	–	–
	Euro	--	--	–	–
Total			220.71		225.02



Notes to Consolidated Financial Statements (Contd.)

38 Basic and diluted earnings per share :

Sl No.	Particulars		Current year ended March 31, 2015	Previous year ended March 31, 2014
A	Profit/(Loss) after Tax	₹ in lacs	(40,613.19)	(33,318.10)
B	Number of shares at the beginning of the year	Nos.	67,276,486	63,781,486
C	Total equity shares outstanding at the end of the year	Nos.	73,781,486	67,276,486
D	Weighted average number of equity shares outstanding at the end of the year	Nos.	72,747,815	66,069,993
E	Nominal Value of each Share	₹	10.00	10.00
F	Basic Earning per Share	₹	(55.83)	(50.43)
G	Diluted Earning per Share	₹	(55.83)	(50.43)

39. Related Party Disclosures

a) Name of Related Parties :

Key Management Personnel	Mr. Aditya Jajodia, Chairman and Managing Director Mr. Sanjiv Jajodia, Wholtime Director and Chief Financial Officer Mr. Aashish Jajodia, Wholtime Director of Subsidiary Mr. Ajay Kumar Tantia, Company Secretary Ms. Ekta Agarwal, Company Secretary of Subsidiary
Relatives of Key Management Personnel	Mr. Rajiv Jajodia, Brother of Wholtime Director Mr. Gaurav Jajodia, Nephew of Wholtime Director
Enterprises owned or significantly influenced by key management personnel or their relatives	Chandi Steel Industries Limited (CSIL) Jai Balaji Jyoti Steels Limited (JBJSI) Jai Salasar Balaji Industries Private Limited (JSBIPL) Balaji Ispat Udyog (BIU) Enfield Suppliers Limited (ESL) Hari Management Limited (HML) Jajodia Estate Private Limited (JEPL)

Notes to Consolidated Financial Statements (Contd.)

b) Related Party Transactions:

Relationship	Party	Sales	Purchases	Rent paid	Interest Received	Managerial remuneration	Interest Paid	Director fee	Gross Salary & Perquisites	Loan Taken	Allotment of Shares	Allotment of Equity Share warrants	Alignment of Optically Convertible Debentures (disclosed)	Balance Receivable	Balance Payable	Guarantees Obtained	Corporate Guarantee Given
(₹ in lacs)																	
Key Management Personnel	Aditya Jajodia	-	-	-	-	-	-	-	(289,862.00)	-	-	-	-	-	-	394,390.00	-
	Sanjiv Jajodia	-	-	-	-	-	-	-	(289,862.00)	-	-	-	-	-	-	394,390.00	-
	Aashish Jajodia	-	-	(42.00)	-	42.00	-	-	(10,033.00)	-	-	-	-	-	-	10,033.00	-
	Ajay Kumar Tanti	-	-	-	-	-	-	-	2013	-	-	-	-	-	-	-	-
	Eka Agarwal	-	-	-	-	-	-	-	276	-	-	-	-	-	-	-	-
Relatives of Key Management Personnel	Rajiv Jajodia	-	-	-	(0.45)	-	-	0.20	(279,829.00)	-	-	-	-	-	-	384,357.00	-
	Gaurav Jajodia	-	-	-	(0.35)	-	-	0.20	(279,829.00)	-	-	-	-	-	-	384,357.00	-
	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Enterprises owned or significantly influenced by key management personnel or their relatives	CSIL	84.47	504.62	-	275.35	-	-	-	-	-	-	-	-	2,122.63	-	-	-
	JBSL	360.43	356.87	-	1,057.30	-	-	(2,536.01)	-	323.00	-	-	-	8,390.28	-	-	-
	JSBPL	404.75	21.47	-	-	-	-	-	(7,951.30)	-	-	-	525.00	1,100.05	-	-	-
	JSMBSL	(2,015.29)	(2,409.78)	-	-	-	(525.00)	(837.42)	-	-	-	-	-	-	-	-	-
	BIU	-	7.12	-	-	-	-	-	(279,829.00)	-	-	-	-	1.62	-	-	-
	JEPIL	-	-	0.73	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	ESL	-	-	-	-	-	60.97	-	-	-	-	-	-	585.02	-	-	-
	HML	-	-	-	-	-	36.31	-	-	5,139.69	650.50	-	-	8,708.15	-	-	-
	Others	-	-	-	-	-	-	-	(3,535.78)	-	-	-	-	-	-	-	-
	TOTAL	849.65	882.96	0.73	1,332.65	42.00	97.28	0.40	22.89	5,462.69	650.50	-	525.00	11,612.96	9,294.79	-	-



Notes to Consolidated Financial Statements (Contd.)

40 Auditors Remuneration (included in Legal and Professional Charges)

(₹ in lacs)

Payment to Auditor	Current year ended March 31, 2015	Previous year ended March 31, 2014
Holding Company		
As auditor :		
Audit fee	3.50	3.50
Limited Review	8.50	6.50
Tax Audit	0.75	0.75
Out-of-pocket expenses	—	—
In other manner for Certification	12.75	10.75
Total*	0.36	0.22
	13.11	10.97
Subsidiary Company		
As auditor :		
Audit fee	1.62	1.62
Tax Audit	0.50	0.50
Out-of-pocket expenses	—	—
In other manner for Certification	2.12	2.12
Total	0.30	0.05
	2.42	2.17

*Out of above amount, paid to previous auditor amounts to ₹ 0.75 lacs (₹ 3.25 lacs)

41. (a) The Proportionate share of Assets, Liabilities and Equity for the year ended March 31, 2015 and Income and Expenditure for the year ended March 31, 2015 of Joint Venture Company viz M/s Rohne Coal Company Private Limited are included in these financial statements in respective items.

(₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Assets		
Non Current Assets		
Fixed Assets : Tangible Assets	87.40	87.32
Capital Work in Progress and Pre-operative Expenditure Pending Allocation	—	201.57
Long Term Loans & Advances	220.07	10.58
Current Assets		
Current Investments	—	—
Cash and Bank Balances	0.18	1.38
Short Term Loans & Advances	224.84	0.01
Non Current Liabilities		
Long Term Provisions	—	—
Current Liabilities		
Trade Payables	248.41	—
Other Current Liabilities	35.58	0.03
Short-Term Provisions	—	0.08
Equity		
Reserves and Surplus	(60.06)	(2.40)
Share Application Money	71.44	89.05
Capital Commitment and Contingencies :		
Capital Commitment and Contingencies	—	0.64
	Current year ended March 31, 2015	Previous year ended March 31, 2014
Income		
Other Income	—	0.18
Expenditure		
Other Expenses	57.67	0.13

**Notes to Consolidated Financial Statements (Contd.)**

- (b) Pursuant to the Order the Hon'ble Supreme Court of India dated 24th September, 2014 regarding cancellation of number of coal blocks allotted to various entities which includes two coal blocks under development allotted to the company jointly with others by the Ministry of Coal, Government of India. Subsequently the Government of India issued second ordinance on 26th December, 2014 for implementing the order of the Hon'ble Supreme Court and fixation of compensation etc. These mines will be allotted to other bidders in the e-auction by the Ministry of Coal, Government of India. Subject to the above, no adjustment have been made in the value of the investments in and Loans & Advances to the Joint Ventures for the above mentioned mining assets as the value of the compensation to be received can not be determined at this stage. The losses/gains, if any on account of it would be recognised as and when determined.
- 42 A) The current period's figures represents consolidated figures of subsidiaries and Joint Venture except one Joint Venture Company namely M/s. Andal East Coal Company Pvt Ltd.
- B) Figures in brackets represent previous financial year's figures, which have been rearranged/regrouped wherever necessary to conform to this year's classification.

As per our report of even date

For and on behalf of the Board of Directors

For **S. K. Agrawal & Co.**
Firm Regn. No. 306033E
Chartered Accountants

CA J. K. Choudhury
Partner
Membership No. : 009367

Aditya Jajodia
*Chairman & Managing
Director*
DIN : 00045114

Sanjiv Jajodia
*Wholetime Director &
Chief Financial Officer*
DIN : 00036339

Rajiv Jajodia
Director
DIN : 00045192

Place : Kolkata
Date : 5th August, 2015

Ajay Kumar Tantia
Company Secretary

[illegible]

Notes :

[illegible]

Corporate Information

Board of Directors

Shri Aditya Jajodia

Chairman & Managing Director

Shri Sanjiv Jajodia

*Whole-time Director &
Chief Financial Officer*

Shri Rajiv Jajodia

Shri Gourav Jajodia

Shri Amit Kumar Majumdar

Shri Shyam Bahadur Singh

Shri Shailendra Kumar Tamotia

Shri Chandra Kant Bhartia

Ms. Seema Chowdhury

Ms. Swati Agarwal

Ms. Rakhi Jain

Shri Manas Kumar Nag

Nominee Director

Company Secretary & Compliance Officer

Shri Ajay Kumar Tantia

Statutory Auditors

M/s. S. K. Agrawal & Co.

Chartered Accountants
Suite - 606-08, The Chambers
1865, Rajdanga Main Road
Kolkata - 700 107

Internal Auditor

M/s. Namita Kedia & Associates

Chartered Accountants
202, Jessore Road, Lake Garden
Block - E, 1st Floor
Kolkata - 700 089

Cost Auditor

M/s. Mondal & Associates

Mr. Amiya Mondal, Proprietor
Cost Accountants
45, Akhil Mistry Lane
Kolkata - 700 009

Registered Office

5, Bentinck Street
Kolkata – 700 001
West Bengal, India
Phone: 91-33-2248 9808/8173
Fax: 91-33-2243 0021
E-mail: jaibalaji@jaibalajigroup.com
Website: www.jaibalajigroup.com

Registrar and Share Transfer Agent

M/s. Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane,
(Surendra Mohan Ghosh Sarani)
2nd Floor,
Kolkata – 700 001
West Bengal, India
Phone: 91-33-2243 5029/5809
E-mail: mdpldc@yahoo.com

Plant Locations

Ranigunj

G/1, Mangalpur Industrial Complex,
Post– Baktarnagar
Dist.: Burdwan
West Bengal – 713 321, India

Durgapur

Lenin Sarani,
Dist.: Burdwan
West Bengal – 713 210, India

Durgapur

Vill: Banskopa,
P.O.: Rajbandh
Dist.: Burdwan
West Bengal – 713 212, India

Durg

Industrial Growth Centre, Borai
Village & P.O.: Rasmada,
Dist.: Durg
Chhattisgarh – 491 009, India

Bankers and Financial Institutions

Allahabad Bank
Axis Bank Limited
Bank of India
Canara Bank
Corporation Bank
ICICI Bank Limited
IDBI Bank Limited
IFCI Limited
Indian Overseas Bank
Oriental Bank of Commerce
Punjab National Bank
State Bank of Bikaner & Jaipur
State Bank of Hyderabad
State Bank of India
State Bank of Mysore
State Bank of Patiala
State Bank of Travancore
The Federal Bank Limited
UCO Bank
Union Bank of India
United Bank of India
Vijaya Bank
West Bengal Infrastructure
Development Finance Corporation
Limited

WEBSITE

www.jaibalajigroup.com

INVESTORS' E-MAIL ID

jaibalaji@jaibalajigroup.com



Jai Balaji Industries Limited

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