



Jai Balaji Industries Limited

INSPIRED BY STEEL

18th
Annual Report
2016-17

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 Eighteenth Annual General Meeting of the Members of Jai Balaji Industries Limited will be held on Thursday, 14th September, 2017 at 11:00 a.m. at Rotary Sadan (Shripati Singhanian Hall), 94/2, Chowringhee Road, Kolkata - 700 020 to transact the following businesses:

ORDINARY BUSINESS

Item No. 1

To receive, consider and adopt the:-

- (a) Audited Standalone Financial Statement of the Company for the financial year ended 31st March, 2017 together with the Report of the Board of Directors and the Auditors thereon.
- (b) Audited Consolidated Financial Statement of the Company for the financial year ended 31st March, 2017 and the Auditors' Report 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, including any statutory modification(s) or re-enactment thereof, for the time being in force, the appointment of 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 ratified as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting (AGM) till the conclusion of 19th Annual General Meeting to examine and audit the accounts of the Company for the financial year 2017-18 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 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), the consolidated remuneration amounting to ₹ 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 7th August, 2017 payable to Mondal & Associates, Proprietor Mr. Amiya Mondal, being the Cost Auditor 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 2017-18, that may be required to be prepared and submitted by the Cost Auditors under applicable statute, be and is hereby ratified and confirmed."

Item No. 6

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 recommendation of the Nomination & Remuneration Committee, and approval of the Board and pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and also subject to the approval of the necessary statutory authorities, if required, approval of the members of the Company be and is hereby accorded to the re-appointment of Shri Aditya Jajodia (holding DIN: 00045114), as Managing Director of the Company for a period of five years with effect from 22nd July, 2017 to 21st July, 2022 on the terms and conditions of appointment and remuneration as set out in the agreement of the reappointment, as approved by the Board of Directors of the Company and the Nomination & Remuneration Committee and as set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors and the Nomination & Remuneration Committee of the Company be and are hereby authorized to alter and vary such terms of reappointment and remuneration from time to time as may be mutually agreed to between the Board of Directors and Shri Aditya Jajodia subject to the limits contained in the Companies Act, 2013.

RESOLVED FURTHER THAT in case of losses or inadequate profits or for any other reasons as stated in Schedule V of the Companies Act, 2013, no remuneration shall be paid to

Notice to the Shareholders (Contd.)

Shri Aditya Jajodia, Managing Director of the Company or if payable, shall be governed by the prevailing statutes in any financial year, during his tenure of office and that at present no remuneration is payable to Shri Aditya Jajodia till such time as may be decided by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorised to file necessary forms with the Registrar of Companies and to take further steps to give effect to this resolution 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 : 7th August, 2017

Sd/-
Ajay Kumar Tantia
Company Secretary

Notes:

1. The 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 and 6 to be transacted at the Eighteenth 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 Friday, 8th September, 2017 to Thursday, 14th September, 2017 (both days inclusive).
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL 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. If a proxy is appointed for more than 50 (fifty) members, he/she shall choose any 50 (fifty) members and confirm the same to the company before the commencement of specified period for inspection. In case, proxy fails to do so, the company shall consider only first 50 (fifty) proxies as valid. The instrument appointing the proxy shall be in writing and be signed by the appointer or his attorney duly authorized in writing or if the appointer is a body

corporate, be under its seal or be signed by an officer or an attorney duly authorized by it and in order to be effective, should be deposited at the registered office of the Company, duly completed stamped and signed, not less than 48 (Forty Eight) hours before the commencement of the meeting. A proxy form is annexed to this Report.

Further, proxies submitted on behalf of authorized representative of the companies, societies etc. must be supported by 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 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 between 11 a.m. to 6 p.m., 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 authorized representatives to attend the Annual General Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified true copy of the Board Resolution together with respective specimen signature of those representative(s) authorized under said resolution to attend and vote on their behalf at the meeting.
5. Members/ proxies / authorized representatives should bring the duly filled attendance slip to attend the meeting.
6. The Annual Report of the Company for the Financial Year 2016-17, circulated to the members of the Company, is also uploaded on the Company's website "www.jaibalajigroup.com".
7. Members holding shares in physical mode are requested to intimate any change in their address to the Registrar and Share Transfer Agent, Maheshwari Datamatics Private Limited, at their Corporate Office 23, R. N. Mukherjee Road, 5th Floor, 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.

To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holding should be obtained from Depository Participant and holding should be verified.

8. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order

Notice to the Shareholders (Contd.)

of names are requested to write to the Company's Registrar and Share Transfer Agents, Maheshwari Datamatics Private Limited, at their Corporate Office 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700 001, enclosing their share certificates to enable the Company to consolidate their holdings into single folio.

9. 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 Private Limited, at their Corporate Office 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700 001, who have not yet so updated:
 - a. E-mail id (of the first holder)
 - b. PAN
 - 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 (In case the member is a body corporate)
10. Members are requested to quote the Folio/Client ID & DP ID Nos. in all correspondences.
11. Electronic copy or web link of the Annual Report for the financial year 2016-17 and the Notice of the Eighteenth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form and route map is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes. Members of the Company who have registered their e-mail address are also entitled to receive such communication in physical form upon request. However, members who have not registered their email address, shall be furnished with physical copies of the aforesaid Notice of Eighteenth Annual General Meeting of the Company in the permitted mode.

Members who have received the Notice of Annual General Meeting, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the Annual General Meeting.

Members are also informed that the Notice of the Eighteenth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form shall also be available on the website of the Company viz. www.jaibalajigroup.com and on the website of the CDSL for their download.

In keeping view with Ministry of Corporate Affairs "Green Initiatives" measures and applicable provisions of

Companies Act, 2013 read with Rules there under, the Company requests members who have not registered their e-mail address so far, to register their e-mail address for receiving all communications including Annual Report, notices etc from the Company electronically.

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. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and The Register of Contracts and Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 shall be made available for inspection at the Annual General Meeting.
14. 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.
15. 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 PAN details to their Depository Participant. Members holding shares in physical mode can also submit their PAN details to the Company's Registrar and Share Transfer agent, Maheshwari Datamatics Private Limited at their Corporate Office 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700 001.
16. Securities and Exchange Board of India (SEBI) has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN Card to the Company for registration of transfer of securities.
17. Details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting forms integral part of the notice. Requisite declarations/ consent have been received from the Directors for his/her appointment/re-appointment.
18. 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 Protection Fund (IEPF). Further, once the unclaimed

Notice to the Shareholders (Contd.)

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 ₹)	Last Date for Claiming Un-Paid/ Unclaimed Dividend
31.03.2010	22.09.2010	46,976.40	26.10.2017
31.03.2011	21.09.2011	46,231.60	25.10.2018

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, including the statutory modification(s) or re-enactment(s) thereof, for the time being in force ("IEPF Rules, 2016"), equity shares of the Company in respect of which dividend amounts have not been claimed/encashed for the last seven consecutive years or more are required to be transferred by the Company to the Demat Account of the Investor Education and Protection Fund Authority ("IEPF").

The Shareholders may note that Unclaimed/Unpaid Dividend for the financial year 2008-09 has already been transferred by the Company to the IEPF within the stipulated time as prescribed under the applicable provisions of the Companies Act, 2013 and the dividend for the year 2009-10 and onwards is lying with the Company.

The Company has communicated individually to the concerned shareholders whose shares are liable to be transferred to the demat account of IEPF as per the aforesaid Rules for taking appropriate action. The list of the concerned shareholders whose shares are liable to be transferred to IEPF and the relevant information regarding them is available on the Company's website i.e., www.jaibalajigroup.com under Investor Relations section.

19. Section 72 of Companies Act, 2013 extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders holding share certificate in physical form and willing to avail this facility may make nomination in Form SH-13 as per Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 which may be sent on request. In case of demat holding, the shareholders should approach their respective Depository Participant for their nomination. 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'.

20. 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 Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is pleased to provide the facility to members to exercise their right to vote on the resolutions proposed to be passed at the Annual General Meeting as stated in the Notice by electronic means from a place other than venue of the meeting i.e. remote e-voting. The facility of casting the votes by the members using an electronic voting system from a place other than venue of Annual General Meeting (remote e-voting) will be provided by CDSL.

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 Monday, 11th September, 2017

End of e-voting: Up to 5:00 p.m. on Wednesday, 13th September, 2017

Members holding shares either in physical or dematerialized mode as on the cut-off date viz. , Thursday, 7th September, 2017 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. **Thursday, 7th September, 2017**, 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 not cast their vote by remote e-voting shall be able to exercise their right at the meeting. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- f) Members can opt for only one mode of voting, i.e. either by e-voting or voting at Annual General Meeting. In case members cast their vote through both the mode, e-voting shall prevail and vote cast at Annual General Meeting shall be invalid.
- g) The voting rights of the members shall be one vote per paid up equity share, registered in the name of

Notice to the Shareholders (Contd.)

the shareholders/beneficial owners as on the cut-off date being **Thursday, 7th September, 2017.**

- h) A person who is not a member as on cut-off date should treat this notice for the information purpose only.
- i) The Board of Directors has appointed Ms. Priti Todi, Partner of P.S. & 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 and voting at the AGM in a fair and transparent manner.
- j) The scrutinizer shall after the conclusion of meeting count the votes cast at the meeting, thereafter unblock the votes cast by remote 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 scrutinizer's report of total votes cast (e-voting & ballot) in favour or against it to the Chairman of the meeting or any person authorized by the Chairman. The Chairman of the meeting or

any person authorized by the Chairman shall counter-sign the same and shall declare the results of voting forthwith.

- k) The results of e-voting will be communicated to the Stock Exchanges where equity 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 of results by the Chairman or any person authorized by him in writing.

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

Place : Kolkata
Date : 7th August, 2017

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

Sd/-
Ajay Kumar Tantia
Company Secretary

Annexure to the Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 5

On the basis of the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on 7th August, 2017 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 2017-18, that may be required to be prepared and submitted by the Cost Auditors under applicable statute at a consolidated remuneration of ₹ 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 to be 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 2017-18.

The Board of Directors, therefore, recommend the Resolution

under item no. 5 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. 6

Shri Aditya Jajodia, Chairman & Managing Director of the company has a rich and varied experience in the Steel Industry and has been involved in the operations of the Company since incorporation. He is Commerce Graduate and has expertise in iron & steel industry. He is Director of the Company since incorporation i.e 1999. It would be in the interest of the Company to continue the employment of Shri Aditya Jajodia as Managing Director of the company. Keeping in view the aforesaid fact, Shri Aditya Jajodia (holding DIN: 00045114) has been re-appointed as the Managing Director of the company by the Board of Directors at its meeting held on 30th May, 2017 with effect from 22nd July, 2017 till 21st July, 2022 for a period of five years at proposed remuneration of ₹ 7,50,000 per month on the basis of recommendation of Nomination & Remuneration Committee and subject to approval of the shareholders at the forthcoming Annual General Meeting. However in view of the losses, Shri Aditya Jajodia has waived off his remuneration.

Annexure to the Notice (Contd.)

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

The statement of particulars as per Part B of Section II of Part II of Schedule V of the Companies Act, 2013 is as follows:

I. GENERAL INFORMATION					
1) Nature of Industry	Iron & Steel Industry				
2) Date or expected date of commencement of commercial production	9 th April, 2000				
3) In case of new Company, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable				
4) Financial performance based on given indicators	Particulars	Financial Year ended 31 st March, 2017 (₹ in lacs)	Financial Year ended 31 st March, 2016 (₹ in lacs)	Financial Year ended 31 st March, 2015 (₹ in lacs)	
	Total Income	158,469.63	122,845.81	151,246.07	
	Profit/ (Loss) before tax	(21,819.79)	(66,612.42)	(49,012.30)	
	Profit/ (Loss) after tax	(21,819.79)	(66,612.42)	(38,637.27)	
5) Foreign investments or collaborators	NIL				
II. INFORMATION ABOUT SHRI ADITYA JAJODIA					
1) Background details	Shri Aditya Jajodia, son of Late Rajendra Prasad Jajodia, is presently Chairman & Managing Director of the company. He is a commerce Graduate and has expertise in Iron & Steel Industry. He is a director of the Company since incorporation i.e from 1999. He is the spearhead of the entire future plans of the Jaibalaji group.				
2) Past Remuneration	NIL				
3) Recognition or awards	Shri Aditya Jajodia is well recognised among industry circle as a highly successful entrepreneur.				
4) Job profile and his suitability	Shri Aditya Jajodia has in-depth knowledge of iron & steel industry as whole. He as the Chairman & Managing Director manages the entire affairs of the Company and its projects including raw material purchase, production, planning, sales, working capital management, finance & general administration.				
5) Remuneration proposed	₹ 7,50,000 per month				
6) Comparative remuneration profile with respect to industry, size of the Company, profile of position and person	Shri Aditya Jajodia, is not drawing any remuneration from the Company.				
7) Pecuniary relationship directly or indirectly with the Company or relationship with the Managerial Personnel	Shri Aditya Jajodia holds 36,74,576 equity shares of the Company.				
III. OTHER INFORMATION					
1) Reasons of inadequate profits or loss	The loss is mainly attributable to the fall in demand in the steel product, high cost of raw material and cost of production, rising imports from other countries at cheaper rates and other economic factors				
2) Steps taken or to be taken for improvement	Continuous efforts are being taken by the Management to improve the profitability and enhance productivity, cost reduction and sales growth.				
3) Expected increase in productivity and profits in measurable terms	The management expects that with the continuous efforts the productivity and profits will grow at a realistic rate.				



Annexure to the Notice (Contd.)

EXTRACT PURSUANT TO SECTION 190 OF THE COMPANIES ACT, 2013

As required under Section 190 of the Companies Act, 2013, an abstract of the main terms and conditions of the re-appointment of Shri Aditya Jajodia, as the Managing Director of the Company and memorandum of concern or interest of the directors are given below:

Terms and Conditions of Re-appointment:

a) SALARY:

Rs. 7,50,000/- (Rupees seven lac fifty thousand only) per month. (Annual increment of amount not exceeding Rs.1,50,000/- per month, subject to the approval of the Board.)

b) PERQUISITES AND ALLOWANCES:

i) Housing

Fully furnished residential accommodation, owned leased or licensed by the Company OR, in lieu a house rent allowance @ 40% of the monthly salary.

ii) Education

Education expenses of dependent children not exceeding Rs. 50,000/- per month.

iii) Special Allowance

Special Allowance of Rs. 1,00,000/- per month.

iv) Medical Benefits

Reimbursement of actual medical expenses incurred in India/abroad and including hospitalization/ nursing home and surgical charges for himself and family. The company shall pay necessary premium for maintenance of policies for himself and family for medical benefits.

v) Personal accident insurance

For self and family as per rules of the Company.

vi) Leave travel concession

For self and family as per rules of the Company.

vii) Contribution to Provident Fund, Superannuation Fund and Annuity Fund

The Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund as per rules of the Company.

viii) Gratuity

Payable as per rules of the Company.

ix) Leave

Leave with full pay and allowances including encashment thereof as per rules of the Company.

x) Expenses for electricity, gas, water and other utilities

Expenses pertaining to gas, electricity, water and other utilities will be borne/reimbursed by the Company.

xi) Watchman/Gardener/Cleaner/ Servants' Salary

Watchman/ Gardener/Cleaner/ Servants' Salary will be borne/ reimbursed by the Company upto a maximum of Rs. 25,000/- per month.

xii) Club fees

Reimbursement of membership fees for a maximum of two clubs including admission and life membership fees. Perquisites shall be valued as per the Income Tax, 1961 wherever applicable and in absence of any such Rules, perquisites shall be evaluated at cost.

C) AMENITIES:

i) Conveyance Facilities

The Company shall provide a car with driver or such other suitable conveyance facilities as may be required by the Managing Director for discharge of his duties.

ii) Telephone and other communication facilities

The Company shall provide telephone and other communication facilities to the Managing Director for official purposes.

D) OTHER BENEFITS

Such other benefits, amenities and facilities as per the Company's rules.

E) REIMBURSEMENT OF EXPENSES

Reimbursement of all entertainment, travelling, hotel and other expenses including foreign travel expenses for self and family incurred by the Managing Director during the course of or in connection with the business of the Company.

F) OVERALL REMUNERATION

The aggregate of salary, commission and perquisites in any financial year shall not exceed the limits prescribed from time to time under section 2(78), 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the said Act as may be in force from time to time.

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

Except Shri Aditya Jajodia, his uncles Shri Sanjiv Jajodia and Shri Rajiv Jajodia and his cousin brother Shri Gaurav Jajodia, 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 : 7th August, 2017

By Order of the Board
For Jai Balaji Industries Limited

Sd/-
Ajay Kumar Tantia
Company Secretary

Annexure to the Notice (Contd.)

Annexure to the notice pursuant to Regulation 36(3) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015

Brief Profile of the Directors seeking appointment/re-appointment at the Eighteenth Annual General Meeting

Name of Director	Shri Sanjiv Jajodia	Shri Gourav Jajodia	Shri Aditya Jajodia
DIN	00036339	00028560	00045114
Date of Birth	6 th September, 1963	26 th September, 1980	7 th September, 1970
Date of Appointment as Director	31 st May, 2002	20 th September, 2013	1 st July, 1999
Qualification	B. Com (Hons.)	B. Com (Hons.)	B. Com (Hons.)
Expertise in Specific functional areas	Corporate Finance, Accounts, Taxation, Corporate Governance, Statutory Compliance, Planning, Systems & Procedures.	Wide experience in Steel Industry	Expertise in Iron & Steel Industry, accounts and finance, major decision making
Member of the Committees of the Board of Directors of the Company	Management (Finance) Committee- Member	Stakeholder Relationship Committee- Member	1) Audit Committee- Member 2) Management(Finance) Committee- Chairman 3) Stakeholders Relationship Committee - Member
Directorship held in any other listed entity	NIL	NIL	NIL
Membership in the Committees of the Board of Directors of other Listed Entity in which he is a Director	NIL	NIL	NIL
No. of Equity Shares held in the Company	26,49,433	1,19,666	36,74,576
Inter-se Relationships between Director	Shri Sanjiv Jajodia is the brother of Shri Rajiv Jajodia; Shri Aditya Jajodia and Shri Gourav Jajodia are his brother's Son.	Shri Gourav Jajodia is the Cousin Brother of Shri Aditya Jajodia and the Nephew of Shri Sanjiv Jajodia and Shri Rajiv Jajodia	Shri Aditya Jajodia is a nephew of Shri Rajiv Jajodia and Shri Sanjiv Jajodia and a Cousin Brother of Shri Gourav Jajodia.

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 PAN/ Sequence No. for e-voting.
- Log on to the e-voting website www.evotingindia.com
- Now click on "Shareholders" tab to cast your votes.
- Now Enter your User ID
For CDSL: 16 digits beneficiary ID,
For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
For Members holding shares in 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.



Annexure to the Notice (Contd.)

vii) 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> <ul style="list-style-type: none"> 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).

viii) After entering these details appropriately, click on "SUBMIT" tab.

ix) Members holding shares in Physical form will then reach directly to the Company selection screen.

x) 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.

Shareholders holding shares in demat form and have logged in for an earlier instance of e-voting and voted on www.evotingindia.com should use their existing login and password. Such shareholders who have already logged in earlier would be required to enter only the password after entering the user ID and characters displayed.

xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xii) Click on the EVSN for <Jai Balaji Industries Limited> to vote.

xiii) 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.

xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xv) 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.

xvi) Repeat the voting process for all the resolutions on which you intend to 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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

Annexure to the Notice (Contd.)

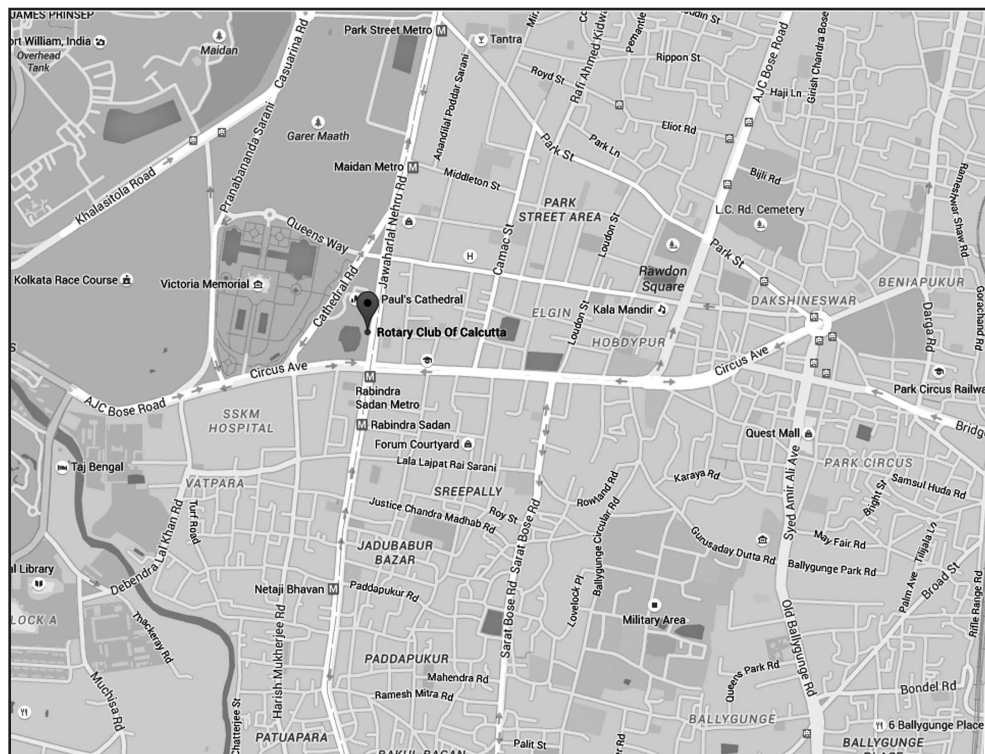
xxi) Note for Non-Individual Shareholders and Custodians:

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <https://www.evotingindia.com> 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 Sr. 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.com under help section or write an email to helpdesk.evoting@cdslindia.com Or can contact at CDSL helpdesk: 18002005533



Route Map of the AGM Venue



Rotary Sadan
(Shripati Singhanian Hall),
94/2 Chowringhee Road,
Kolkata – 700 020

Directors' Report

Dear Members

Your Directors are pleased to present the Eighteenth Annual Report of your Company together with the Standalone and Consolidated Audited Financial Statements for the year ended March 31, 2017.

FINANCIAL RESULTS

(₹ in lacs)

Particulars	Standalone		Consolidated	
	Financial Year ended 31 st March, 2017	Financial Year ended 31 st March, 2016	Financial Year ended 31 st March, 2017	Financial Year ended 31 st March, 2016
Income from Operations (Net of Excise Duty)	156,390.15	121,257.00	170,190.92	122,013.53
Other Income	2,079.48	1,588.81	2,114.53	1,612.31
Total Income from Operations	158,469.63	122,845.81	172,305.45	123,625.84
Expenses:				
Cost of materials consumed	135,208.73	105,505.78	149,680.13	106,841.33
Purchases of stock-in-trade	-	183.25	-	183.25
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(7,473.40)	(442.62)	(8,699.96)	(775.05)
Employee Benefits Expense	5,528.88	5,208.56	5,766.58	5,394.12
Finance Costs	4,106.66	41,377.18	4,260.48	42,467.95
Depreciation and Amortization Expenses	11,191.18	11,620.35	11,757.30	12,222.44
Other Expenses	31,727.37	26,005.73	33,333.44	26,272.17
Total Expenses	180,289.42	189,458.23	196,097.97	192,606.21
Profit/(Loss) before exceptional items and Tax	(21,819.79)	(66,612.42)	(23,792.52)	(68,980.37)
Less : Exceptional items	-	-	-	-
Profit/(Loss) before Tax	(21,819.79)	(66,612.42)	(23,792.52)	(68,980.37)
Less : Tax expense	-	-	-	-
Profit/(Loss) after Tax	(21,819.79)	(66,612.42)	(23,792.52)	(68,980.37)
Earnings per share (Nominal value per share Rs. 10/-)				
Basic and Diluted	(26.09)	(90.26)	(28.45)	(93.47)

FINANCIAL PERFORMANCE AND STATE OF COMPANY'S AFFAIRS

Over the last few years, the Steel sector has been adversely impacted by the global steel glut which resulted in predatory pricing and a surge in steel imports into the country. However, on account of timely intervention by the Government and industry through various trade related measures like anti-dumping and safeguards as well as other policy initiatives, the impact of the global glut were significantly mitigated. Your Company's continuous efforts for reduction of production cost and improvement in operational efficiency has resulted in increase in revenue from operations of the Company during the year.

(a) Standalone Results

The Total Revenue of the Company (comprising of sales and other income) for the financial year under review was ₹ 158,469.63 lacs as compared to ₹ 122,845.81 lacs during the previous financial year. Loss after Tax for the financial year was ₹ 21,819.79 lacs.

(b) Consolidated Results

The Consolidated total revenue of the Company (comprising of sales and other income) for the financial year under review was ₹ 172,305.45 lacs as compared to ₹ 123,625.84 lacs during the previous financial year. The Consolidated net loss for the financial year under review was ₹ 23,792.52 lacs.

Directors' Report (Contd.)

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

In view of the loss, your Directors regret their inability to declare any dividend for the financial year 2016-17.

The Company has been incurring losses due to unfavourable market conditions and other adverse industry scenario from past few years. The accumulated losses of the Company as at 31st March, 2017 stands at ₹ 185,042.00 lacs. The Company had made a reference to the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) in terms of the provision of Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). However in terms of notification dated 25.11.2016 issued by the Ministry of Finance, the SICA has been repealed w.e.f. 1st December, 2016. The financial statement for the year have been prepared by the management of the Company on a going concern basis as the company has continued its normal manufacturing during the current year.

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.

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.

INDUSTRY DEVELOPMENTS

Steel is at the core of a green economy. A healthy economy needs a healthy steel industry. According to World Steel Association, the steel industry is the second biggest industry in the world after oil and gas with an estimated global turnover of 900 billion USD.

India is currently the world's 3rd largest producer of crude steel against its 8th position in 2003 and is expected to become the 2nd largest producer of crude steel in the world soon. India's steel sector posted a robust 11% growth in production in 2016-17 at 101.2 MT even as domestic consumption remained anaemic mainly due to poor off-take from the end-use segments like construction, automobiles and white goods sectors.

During the year, India's steel sector was impacted by intense competitive pressure with a surge in domestic steel production and elevated level of steel imports at predatory pricing. The situation was further aggravated by the fact that the apparent finished steel consumption in the country grew by just 2.6% y-o-y for the same period. India's steel demand was expected to gather momentum in the second half of F.Y. 2016-17, driven

by the Government's measures to drive the economy and manage quantifiable progress on various policy reforms. However, the steel demand did not see the desirable upswing in the second half of the year, amid poor liquidity, following the Government's de-monetisation initiative. This led to a liquidity crunch and a contraction of the major consuming sectors such as real estate.

India is expected to become the world's second largest producer of crude steel in the next 10 years, moving up from the third position, as its capacity is projected to increase to about 300 MT by 2025. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

OPERATIONS

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 of the following:

Product	Annual Installed Capacity (M.T.)		Actual Production (M.T.)	
	2016-17	2015-16	2016-17	2015-16
Sponge Iron	345,000	345,000	197,546	235,967
Pig Iron	509,250	509,250	368,920	280,140
Steel Bars/Rods	260,000	260,000	97,818	55,348
Billet/MS Ingot	906,230	906,230	113,164	139,728
Ferro Alloys	106,618	106,618	30,774	18,698
Ductile Iron Pipe	240,000	240,000	113,159	59,208
Power	101.10 (MW)	101.10 (MW)	319.69 (MU)	323.44 (MU)
Sinter	608,000	608,000	540,100	413,725
Coke	350,000	350,000	295,510	240,955

SUBSIDIARIES AND JOINT VENTURE COMPANIES

Subsidiaries

As on the date of reporting, your Company has three wholly owned subsidiaries namely Nilachal Iron & Power Limited, Jai Balaji Steels (Purulia) Limited & 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. During the year under review, the Company has achieved total revenue of ₹ 13,835.81 lacs as against ₹ 790.02 lacs in the previous year. The net loss for the year 2016-17 stood at ₹ 1,972.53 lacs as against loss after tax of ₹ 2,322.85 lacs in the previous year.

Directors' Report (Contd.)

✓ 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 but has incurred miscellaneous expenditure of ₹ 14,710 during the year under review. The net loss for the year 2016-17 is ₹ 14,710.

✓ 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 but has incurred miscellaneous expenditure of ₹ 13,679 during the year under review. The net loss for the year 2016-17 is ₹ 13,679.

Joint Ventures

Your Company continues to have two joint venture (JV) companies namely, Andal East Coal Company Private Limited and 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 Bhushan Steel Limited and 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 JSW Steel Limited & 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.

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 Regulation 34(2)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

While consolidating the accounts of the Company, the principle of proportionate consolidation of assets and liabilities to the extent of Company's interest in its joint venture company Andal East Coal Company Pvt. Ltd. (AECCPL) could not been followed pursuant to para 8 of the Accounting Standard 27 - 'Financial Reporting of Interest in Joint Venture' which imposes restriction on consolidation in case the JV is under severe long term restriction to transfer funds to the venturer

and figure of its other joint venture company, Rohne Coal Company Pvt. Ltd. (RCCPL) also could not be consolidated, the reason being the Financial Statement of RCCPL were prepared as per Ind-AS which is not applicable on the Company.

Pursuant to Section 129(3) of the Companies Act, 2013 and rules made therein, a statement containing salient features of the financial statement of the subsidiaries and joint ventures of the Company is provided in Form AOC-1 attached as "Annexure-A" to the Board's Report and other details of the subsidiaries and joint ventures are also provided in the said Annexure.

As per the provisions of Section 136 of the Act, the standalone financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company viz., "www.jaibalajigroup.com". These documents are also available for inspection at the Registered Office of the Company during business hours.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Appointment and/or re-appointment

Your Company's Board is duly constituted which is in compliance with the requirements of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and provisions of the Articles of Association of the Company.

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

The Board of Directors of your Company at its meeting held on 2nd December, 2015, based on the recommendation of the Nomination and Remuneration Committee, had appointed Shri Ashim Kumar Mukherjee (DIN- 00047844) as Additional Director and the shareholders in their Annual General Meeting held on 20th September, 2016 has approved his appointment as Independent Director of the Company, not liable to retire by rotation, to hold office for a period of one term of 5 years with effect from 2nd December, 2015.

The Board of Directors of the Company at its meeting held on 30th May, 2017 has approved the re-appointment of Shri Aditya Jajodia (DIN: 00045114) as Managing Director of the Company in accordance with the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule - V of the Companies Act, 2013 and subject to approval of the members and such other authorities as may be required, for a further period of 5 (five) years commencing from 22nd day of July, 2017 and approved the terms and conditions of his re-appointment.

The brief resume and other details as required under the Regulation 36(3) of the SEBI (Listing Obligations and



Directors' Report (Contd.)

Disclosure Requirements) Regulations, 2015 of the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting are provided in the Notice of the Eighteenth Annual General Meeting of the Company which forms a part of the Annual Report.

Statement of declaration given by independent directors

The Company has received the necessary declaration from Shri Ashim Kumar Mukherjee, Shri Chandra Kant Bhartia, Shri Shailendra Kumar Tamotia, Smt. Seema Chowdhury, Smt. Swati Agarwal and Smt. Rakhi Jain, Independent Directors of the Company in accordance with Section 149(7) of the Companies Act, 2013, that he/she has met the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and rules made thereunder and the Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A Formal Letter setting out the terms and conditions of appointment has been issued to Shri Ashim Kumar Mukherjee, who has been appointed as an Independent Director during the year, as per the provisions of Companies Act, 2013. As per Regulation 46(2)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the same has been hosted on the Company's website and is available on the weblink "<http://www.jaibalajigroup.com/appointment-letter-ashim.pdf>"

Performance Evaluation of the Board, its Committees and Directors

Your Company understands the requirements of an effective Board Evaluation process and accordingly during the year under review, they have carried out performance evaluation of Board's own performance, the directors individually and the evaluation of the working of its Committees pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The manner in which evaluation has been carried out is explained in the Corporate Governance Report attached as Annexure to this report.

Familiarization programme for Independent Directors

In order to encourage active participation from the Independent Directors and also to enable them to understand the business environment of the Company, a Familiarization Programme for the Independent Directors had been adopted and implemented. The familiarization program was imparted to the Independent Directors to state their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters. The details of the familiarisation programmes are available at the website of the Company at "<http://www.jaibalajigroup.com/familiarization-programmes-imparted-to-independent-directors.html>".

MEETINGS OF THE BOARD HELD DURING THE YEAR

The Board of Directors met seven times during the financial year 2016-17 i.e. on 18th May, 2016; 30th May, 2016; 25th July, 2016; 12th August, 2016; 25th October, 2016; 10th November,

2016; 13th February, 2017. The maximum time gap between two consecutive Board Meetings did not exceed 120 days and the necessary quorum were present at all the meetings.

The number of Board meetings attended by each Director during the financial year 2016-17 has been provided in the Corporate Governance Report which forms part of the Annual 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 as a whole. All observations, recommendations and decisions of the Committees are placed before the Board for consideration and approval.

Audit Committee

The Board of Directors of your Company has a duly constituted Audit Committee in terms of the provisions of Section 177 of the Companies Act, 2013 read with the Rules framed thereunder and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Audit Committee currently comprises of Shri Chandra Kant Bhartia as Chairman of the Committee with other members being Shri Aditya Jajodia, Shri Shailendra Kumar Tamotia and Smt. Swati Agarwal.

Further details relating to the Audit Committee and other Committees of the Board are provided in the Corporate Governance Report, which forms part of this report.

NOMINATION AND REMUNERATION POLICY

The Board of Directors have adopted and approved a Nomination and Remuneration policy which includes 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 of the Companies Act, 2013. The said policy has been made available on the website of the Company "[www.jaibalajigroup.com](http://www.jaibalajigroup.com/nomination-remuneration-policy.pdf)" under the weblink "<http://www.jaibalajigroup.com/nomination-remuneration-policy.pdf>". The same is attached as "**Annexure - B**" and forms integral part of this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the requirements of Section 135 of Companies Act, 2013 and rules made there under, your Company has a Corporate Social Responsibility Committee, which comprises members, Shri Shailendra Kumar Tamotia (Independent Non-executive Director), Chairman of the Committee, Shri Rajiv Jajodia (Promoter Non-executive Director) and Shri Amit Kumar Majumdar (Executive Director). The terms of reference of the Corporate Social Responsibility Committee is provided in the Corporate Governance Report. The Corporate Social Responsibility

Directors' Report (Contd.)

Policy (CSR Policy) formulated under recommendation of Corporate Social Responsibility Committee is available under the web link "<http://www.jaibalajigroup.com/corporate-social-responsibility-policy.pdf>".

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 at 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 financial year 2016-17.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Companies Act, 2013 and rules made thereunder read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has in place a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct. The policy safeguards the whistle blowers to report concerns or grievances and also provides a direct access to the Chairman of the Audit Committee. The Vigil Mechanism is available on your Company's website viz., "www.jaibalajigroup.com" under the weblink "<http://www.jaibalajigroup.com/whistle-blower-policy.pdf>".

PREFERENTIAL ISSUE

The Company had issued and allotted 2,26,05,000 warrants on Preferential allotment basis to companies falling under promoter group & others carrying a right to convert each warrant into an Equity Share of Rs. 10/- each within a period of 18 months from the date of allotment i.e 22nd March, 2016. The warrant holders had paid 25% of the total consideration i.e. ₹ 2.50 per warrant amounting to ₹ 565.13 lacs as application money against the above warrants. During the year under review, the company has converted 85,00,000 warrants into Equity Shares by way of allotment of equivalent number of Equity Shares of ₹ 10/- each on receipt of balance 75% of the consideration i.e. ₹ 7.50 per warrant in respect of 85,00,000 warrants on different dates amounting to ₹ 637.50 Lacs. Details of conversion are tabled hereunder:

Sr. No.	Date of Conversion	No. of equity shares allotted on conversion of equivalent no. of warrants
1	18.05.2016	40,00,000
2	25.07.2016	16,50,000
3	25.10.2016	28,50,000

Out of total allotted 2,26,05,000 warrants, the company has converted 1,25,00,000 warrants into Equity Shares till 31st March, 2017. The Company's capital as at 31st March, 2017 stands at Rs. 86,28,14,860.

From the end of financial year 2016-17 till date 65,00,000 (Sixty Five Lacs) warrants were further converted into equity shares on receipt of application for conversion of convertible warrants into 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:

- In the preparation of annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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, 2017 and of the loss of the Company for the year ended on that date;
- 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;
- The annual accounts for the financial year ended 31st March, 2017, have been prepared on a going concern basis;
- Internal financial controls to be followed by the Company were laid down and that such internal financial controls were adequate and were operating effectively;
- 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

All related party transactions ("RPT") entered into during the financial year 2016-17 were on arm's length basis and also in the ordinary course of business. There have been no materially significant Related Party Transactions entered into by the Company during the year under review.

Prior omnibus approval is obtained for RPT's which are of a repetitive nature and entered in the ordinary course of business and are at arm's Length. All RPT's are placed before the Audit Committee for review on a quarterly basis.

The Policy on materiality of related party transactions and dealing with related party transactions are available on the Company's website at the link "http://www.jaibalajigroup.com/related-party-policy_jbg.pdf".

In the view of the above, the disclosure required under the Act in form AOC-2 in terms of section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is not applicable for the financial year 2016-17 to your Company.

Directors' Report (Contd.)

RISK MANAGEMENT

Your Company is exposed to inherent uncertainties owing to the sectors in which it operates and the Company has a framework in line with risk management process of identifying, prioritizing and mitigating risks which may impact attainment of short and long term business goals of the Company. Your Company has been periodically assessing the key risks areas which may affect the business goals and periodically revisits the relevance of the identified risks and progress of the mitigation plans undertaken. The risk management framework is interwoven with strategic planning, deployment and capital project process of the Company. The process aims to analyse the internal and external environment and manage economic, financial, market, operational, compliance and sustainability risks and capitalizes opportunities for business success.

The Board of Directors of your Company 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"

INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

Your Company has an Internal Control System, which is commensurate with the size, scale, scope and complexity of its operations. To maintain its objectivity and independence, an independent firm of Chartered accountants has been appointed as the Internal Auditors, who report to the Chairman of the Audit Committee of the Board. These control processes enable and ensure the orderly and efficient conduct of company's business, including safeguarding of assets, completeness of the accounting records and timely preparation & disclosure of financial statements.

Review and control mechanisms are built in to ensure that such control systems are adequate and operating effectively prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation & disclosure of financial statements. Robust and continuous internal monitoring mechanisms ensure timely identification of risks and issues. The management, Statutory and Internal Auditors undertake rigorous testing of the control environment of the 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 members of the Audit Committee of your Company 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', your Company has appointed M/s. Namita Kedia and Associates 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. 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

In terms of the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, M/s. S. K. Agrawal & Co., Chartered Accountants were appointed as Statutory Auditors of your Company for a term of five years at the 16th Annual General Meeting ('AGM') of the Company held on 21st September, 2015 till the conclusion of 21st Annual General Meeting subject to ratification of their appointment at every Annual General Meeting. The resolution for ratification of their appointment has been included in the Notice convening the 18th Annual General Meeting for obtaining approval of the Members of the Company.

The report of the Statutory Auditors on standalone and Consolidated Financial Statements for the year under review forms part of the Annual Report and contains a qualification that the Company has not provided for interest amounting to ₹ 39,544.56 lacs on various loans & credit facilities availed from banks & financial institution on the ground that same is being treated as Non Performing Assets by the lenders. Due to this, loss has been understated by ₹39,544.56 lacs and accordingly loss for the year ended 31st March, 2017 would've been ₹61,364.35 lacs instead of ₹21,819.79 lacs.

The Board is of the view that majority lenders have stopped charging interest on debts, since the dues from the Company have been categorised as Non Performing Asset. The Company is in active discussion/negotiation with its lenders to restructure its debts at a sustainable level including waiver of unpaid interest. In view of the above, pending finalization of the restructuring plan, the Company has stopped providing interest accrued and unpaid effective 1st April, 2016 in its books. The amount of such accrued and unpaid interest not provided for stands at ₹39,544.56 Lacs for the year ended 31st March, 2017 and accordingly the same has not been considered for compilation of results of the said year ended 31st March, 2017.

The Auditors in their report have stated three points in the para relating to "Emphasis of matter" of the Independent Auditors Report. The response of your director on them are as follows:

With respect to point 1 of the para Emphasis of Matter, the clarification of the same is provided in Note - 32 of the financial statement. With respect to point 2, the clarification of the

Directors' Report (Contd.)

same is provided in Note - 42(b) of the financial statement. With respect to point 3, the directors submits that the Management is taking corrective actions in the subsidiary and also steel industry is reviving, so no provision has been made.

Further, the Board also gives the following explanations, to the comments of the Auditors' in point vii, viii & xi of Annexure - A of Independent Auditors Report.

The Auditors in their Report in point vii & viii states about the delay in payment of statutory dues and others which according to the management was due to financial constraints being faced by the Company on account of continued cash losses incurred. Further, w.r.t. point xi, the payment of managerial remuneration amounting to Rs. 6.75 lacs made by the Company during the year ended 31st March, 2017, the Company has submitted the necessary applications with the appropriate authority to seek their approval and the management is hopeful to get the same.

Observations made by the Statutory Auditors in their report for the Financial year ended 31st March, 2017 read with the explanatory notes to accounts are self-explanatory and therefore, do not call for any further elucidation.

Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time and as recommended by the Audit Committee, the Board of Directors of the Company appointed M/s. Mondal & Associates, Proprietor Mr. Amiya Mondal being eligible and having sought appointment, as the Cost Auditor of your Company to conduct the audit of cost records of the Company for the financial year 2017-18 at a consolidated remuneration of ₹ 1,20,000/- which shall be subject to ratification by the Members at the ensuing Annual General Meeting of your Company. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed there under.

Your Company has filed the Cost Audit Report for the financial year 2015-16 with the Registrar of Companies, Ministry of Corporate Affairs in the XBRL mode during the year under review.

Internal Auditor

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time and as recommended by the Audit Committee, your Company has appointed M/s. Namita Kedia & Associates as the Internal Auditor of the Company for the financial year 2017-18 to conduct the internal audit of the functions and activities of the Companies. The internal audit report is tabled quarterly at the meeting of the Audit Committee for review and approval.

Secretarial Auditor and Audit

M/s. Sandip Kumar Kejriwal, Practising Company Secretary conducted the secretarial audit of your Company for the financial year 2016-17, as required under Section 204 of the Companies Act, 2013 and rules made there under. The

Secretarial Audit Report for the financial year ending 31st March, 2017 forms part of the Board's Report as "Annexure - C".

The Secretarial Auditors' Report to the shareholders for the year under review does not contain any qualification, reservation, adverse remark or disclaimer except for few remarks such as delay/default in payment of statutory dues, repayment of dues to banks and financial institutions which are due to the financial constraints being faced by the Company; not providing of interest on various loans & credit facilities from Banks & Financial Institutions which is on the ground that the same is being treated as Non Performing Assets by the lenders and delay in filing of e-form with the Ministry of Corporate Affairs which is due to inadvertency. The observations made in the Secretarial Auditors' 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, 2017 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, 2017. Subsequently, no default has been made in repayment of deposits or payment of interest thereon during the year.

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

There were 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

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, including the statutory modification(s) or re-enactment(s) thereof, for the time being in force ("IEPF Rules, 2016"), equity shares of the Company in respect of which dividend amounts have not been claimed/encashed for the



Directors' Report (Contd.)

last seven consecutive years or more are required to be transferred by the Company to the Demat Account of the Investor Education and Protection Fund Authority ("IEPF").

The Shareholders may not that Unclaimed/Unpaid Dividend for the financial year 2008-09 has already been transferred by the Company to the IEPF within the stipulated time as prescribed under the applicable provisions of the Companies Act, 2013 and the dividend for the year 2009-10 and onwards is lying with the Company.

The Company has communicated individually to the concerned shareholders whose shares are liable to be transferred to the demat account of IEPF as per the aforesaid Rules for taking appropriate action. The list of the concerned shareholders whose shares are liable to be transferred to IEPF and the relevant information regarding them is available on the Company's website i.e., www.jaibalajigroup.com under Investor Relations section.

During the year under review, your Company has transferred a sum of ₹39,832/- to the Investor Education & Protection Fund (IEPF) of the Central Government pursuant to Section 125 of the Companies Act, 2013.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

The Company is committed to observing good corporate governance practices. In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance along with Compliance Certificate and Management Discussion and Analysis are annexed to this report and forms integral part of this Report.

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

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

PARTICULARS OF EMPLOYEES AND OTHER RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details as required under section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed 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 AT WORKPLACE

The Company has a zero tolerance towards sexual harassment at the workplace and has adopted a Policy on "Prevention of Sexual Harassment of Women at Workplace" and matters connected therewith or incidental thereto covering all the aspects as contained under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention 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 the National Stock Exchange of India Limited (NSE), BSE Limited (BSE) and The Calcutta Stock Exchange Limited (CSE). Both NSE and BSE have nationwide trading terminals which enable the shareholders / investors to trade in the shares of your Company from any part of the country without any difficulty.

ACKNOWLEDGEMENT

Your Directors take this opportunity to appreciate their suppliers, vendors, investors, 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 wish hereby to place on record their appreciation of the efficient and loyal services rendered by each and every employee, worker, staff and executive of the Company.

On behalf of the Board of Directors

Aditya Jajodia

Chairman & Managing Director

(DIN : 00045114)

Place: Kolkata

Date: 7th August, 2017

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	1 st April, 2016 to 31 st March, 2017	1 st April, 2016 to 31 st March, 2017	1 st April, 2016 to 31 st March, 2017
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	(1,316.41)	(2.49)	(2.52)
7.	Total assets	20,605.34	2.59	2.56
8.	Total Liabilities (excluding Share Capital and Reserves and Surplus)	18,426.88	0.08	0.08
9.	Investments	26.86	–	–
10.	Turnover	15,475.57	–	–
11.	Profit/ (Loss) before taxation	(1,972.53)	(0.14)	(0.15)
12.	Provision for taxation	–	–	–
13.	Profit/ (Loss) after taxation	(1,972.53)	(0.14)	(0.15)
14.	Proposed Dividend	Nil	Nil	Nil
15.	% of shareholding	100.00	100.00	100.00

* The Companies have not yet 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	N.A.	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	23,63,914	–
	Amount of Investment	243.29	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	Pursuant to non-applicability of IND-AS on Jai Balaji Industries Limited	Pursuant to Accounting Standard 27
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	N.A.	N.A.
6.	Profit / (Loss) for the year		
	i. Considered in Consolidation	N.A.	N.A.
	ii. Not Considered in Consolidation	N.A.	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 : 30th May, 2017
Place : Kolkata

Ajay Kumar Tantia
Company Secretary

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

PURPOSE OF THE COMMITTEE

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identifying 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 of directors their appointment and removal.

- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent 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 to 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 Sections 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ;
- 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.

Form No. MR - 3

ANNEXURE - "C"

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2017

[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 (CIN: L27102WB1999PLC089755) (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 Year ended on 31st March, 2017 complied with statutory provisions listed hereunder and also that the company has proper board processes 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, 2017 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, 2015;
 - (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.
- (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) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulation, Guidelines, Standards, etc. mentioned above.

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.
- b) Adequate Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were duly sent on time 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:

- (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 appropriate authorities during the year, even some undisputed statutory dues are still unpaid.
- (b) The Company has not deposited also Income Tax, Sales Tax, Excise Duty, Custom Duty, Service Tax and Value Added Tax on account of disputes.
- (c) The Company has not provided for interest amounting to Rs.39,544.56 lacs on various loans & credit facilities availed from banks & financial institution on the ground that same is being treated as Non Performing Assets by the lenders. Due to this loss has been understated by Rs.39,544.56 lacs.
- (d) The Company has defaulted in the repayment of dues to banks and financial institutions during the year at different maturities. The amount doesn't include interest amounting to Rs. 39,544.56 lacs for the financial year 2016-17.
- (e) Cost Audit Report for the Financial Year 2015-16 contained some suggestions/observations.
- (f) The company is in delay in filing of two forms with the Ministry of Corporate Affairs.

I further report that during the Audit Period there were

following specific events/actions having a major bearing on Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines and standards, etc.:

- (a) During the financial year 2015-16: 2,26,05,000 warrants convertible into Equity Shares on a Preferential Basis issued to companies falling under Promoter Group and others. Out of which, the Company has converted 40,00,000 warrants on 30th March, 2016, 40,00,000 warrants on 18th May, 2016, 16,50,000 warrants on 25th July, 2016, 28,50,000 Warrants on 25th October, 2016.
- (b) According to the information and explanation given by the management, the Company is in process of obtaining approval of Central Government for waiver of remuneration paid over and above the limits prescribed under section 197, read with Schedule-V of the Act, to Amit Kumar Majumdar (Executive Director) and Late Shyam Bahadur Singh (erstwhile Executive Director).

Sandip Kumar Kejriwal
Practising Company Secretary
FCS No.: 5152
C P No.: 3821

Date: 7th August, 2017
Place: Kolkata

"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

Sandip Kumar Kejriwal
Practising Company Secretary
FCS No.: 5152
C P No.: 3821

Date: 7th August, 2017
Place: Kolkata

"Annexure - B"

List of other Acts / 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 and Regulation) Act, 1951
- Acts prescribed relating to Mining Activities
- Taxation Laws (subject to our main report)



Form No. MGT - 9

Annexure - "D"

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017

[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 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	Maheshwari Datamatics Private Limited 6, Mangoe Lane, 2 nd 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.	Pig Iron	24101	27.43
2.	Steel Bars / Rods	24103	16.77
3.	Ductile Iron Pipe	24106/ 24109	24.63
4.	Ferro Alloys	24104	10.54

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, 4 th Floor, Kolkata - 700017	U10300WB2009PTC138558	Joint Venture	32.79	2(6)
5.	Rohne Coal Company Private Limited Thapar House, 3 rd Floor, Eastern Side of Central Wing, Janpath Lane, New Delhi - 110 001	U10300DL2008PTC176675	Joint Venture	6.90	2(6)



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 - 2016]				No. of Shares held at the end of the year [As on 31 - March - 2017]				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	9,972,472	0	9,972,472	12.82	10,407,773	0	10,407,773	12.06	4.37
b) Central Govt.									
c) State Govt(s)									
d) Bodies Corp.	33,290,723	4,000,000	37,290,723	47.94	45,790,723	0	45,790,723	53.07	22.79
e) Banks/FI									
f) Any other									
Sub-total (A)(1)	43,263,195	4,000,000	47,263,195	60.76	56,198,496	0	56,198,496	65.13	18.91
(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	0.00
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	43,263,195	4,000,000	47,263,195	60.76	56,198,496	0	56,198,496	65.13	18.91
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	3,118,100	0	3,118,100	4.01	0	0	0	0.00	- 100.00
h) Foreign Venture Capital Funds									
i) Others (specify)									
Alternate Investment Funds									
Foreign Portfolio Investors	0	0	0	0.00	3,118,100	0	3,118,100	3.61	100.00
Provident Funds / Pension Funds									
Qualified Foreign Investor									
Sub-total(B)(1)	3,118,100	0	3,118,100	4.01	3,118,100	0	3,118,100	3.61	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	6,797,865	0	6,797,865	8.74	6,811,419	0	6,811,419	7.89	0.20
ii) Overseas	7,450,783	0	7,450,783	9.58	6,425,783	0	6,425,783	7.45	-13.76



Category of Shareholders	No. of Shares held at the beginning of the year [as on 01 - April - 2016]				No. of Shares held at the end of the year [as on 31 - March - 2017]				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3,810,221	6,236	3,816,457	4.91	3,586,512	6336	3,592,848	4.16	-5.86
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	8,728,251	0	8,728,251	11.22	9,663,267	0	9,663,267	11.20	10.71
c) Others (Specify)									
Non Resident Indians	405,241	0	405,241	0.52	357,054	0	357,054	0.41	-11.89
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	195,734	0	195,734	0.25	102,959	0	102,959	0.12	-47.40
Trusts									
Foreign Bodies-D R									
Foreign Portfolio Investors									
NBFCs registered with RBI	5,013	0	5,013	0.01	10,713	0	10,713	0.01	113.70
Employee Trusts									
Domestic Corporate Unclaimed Shares Account	847	0	847	0.00	847	0	847	0.00	0.00
Investor Education and Protection Fund Authority									
Sub-total (B)(2)	27,393,955	6,236	27,400,191	35.23	26,958,554	6336	26,964,890	31.25	-1.59
Total Public Shareholding (B) = (B)(1) + (B)(2)	30,512,055	6,236	30,518,291	39.24	30,076,654	6336	30,082,990	34.87	-1.43
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	73,775,250	4,006,236	77,781,486	100.00	86,275,150	6336	86,281,486	100.00	10.93



(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year as on 01.04.2016			Shareholding at the end of the year as on 31.03.2017			% change in Share holding
		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.	Jai Salasar Balaji Industries Pvt. Ltd.	12,615,157	16.22	19.97	12,615,157	14.62	19.97	0.00
2.	Enfield Suppliers Limited	11,221,233	14.43	100.00	11,221,233	13.01	100.00	0.00
3.	Hari Management Limited	7,044,000	9.06	100.00	7,044,000	8.17	100.00	0.00
4.	Shri Jaikapish Steel Pvt. Ltd.	2,000,000	2.57	0.00	6,250,000	7.24	0.00	212.50
5.	Shri Sankatmochan Steel Pvt. Ltd.	2,000,000	2.57	0.00	6,250,000	7.24	0.00	212.50
6.	Shri Aditya Jajodia	3,674,576	4.72	83.68	3,674,576	4.26	83.68	0.00
7.	Shri Sanjiv Jajodia	2,649,433	3.41	99.64	2,649,433	3.07	99.64	0.00
8.	K.D.Jajodia Steel Industries Pvt. Ltd.	2,410,333	3.10	99.99	2,410,333	2.79	99.99	0.00
9.	Shri Rajiv Jajodia	1,568,333	2.02	98.83	1,568,333	1.82	98.83	0.00
10.	Shri Aashish Jajodia	794,366	1.02	40.66	794,366	0.92	40.66	0.00
11.	Smt. Preeti Jajodia	0	0.00	0.00	435,301	0.51	0.00	100.00
12.	Smt. Sangeeta Jajodia	293,333	0.38	0.00	293,333	0.34	0.00	0.00
13.	Shri Devendra Prasad Jajodia	260,000	0.33	0.00	260,000	0.30	0.00	0.00
14.	Smt. Seema Jajodia	218,833	0.28	0.00	218,833	0.25	0.00	0.00
15.	Smt. Rina Jajodia	163,666	0.21	0.00	163,666	0.19	0.00	0.00
16.	Smt. Kanchan Jajodia	134,383	0.17	0.00	134,383	0.16	0.00	0.00
17.	Shri Gaurav Jajodia	119,666	0.15	0.00	119,666	0.14	0.00	0.00
18.	Smt. Shashi Devi Jajodia	95,883	0.12	0.00	95,883	0.11	0.00	0.00
	TOTAL	47,263,195	60.76	65.13	56,198,496	65.14	54.77	18.91

Note - 1 : During the financial year 2016-17, Smt. Preeti Jajodia has become Promoter Shareholder pursuant to purchase of shares from the market, while percentage of shareholding of Shri Jaikapish Steel Pvt. Ltd. and Shri Sankatmochan Steel Pvt. Ltd. have changed due to conversion of 85,00,000 warrants into 85,00,000 equity shares. The percentage of 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 85,00,000 warrants into 85,00,000 equity shares of the Company.

Note - 2 : Pursuant to the Scheme of Amalgamation, Shri Jaikapish Steel Private Limited (holding 62,50,000 equity shares) and Shri Sankatmochan Steel Private Limited (holding 62,50,000 equity shares) has been amalgamated with Jai Salasar Balaji Industries Private Limited with effect from 1st April, 2016 (Appointed Date) vide order of Hon'ble National Company Law Tribunal, Kolkata Bench dated 26th April, 2017.



(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 [As on 01.04.2016]		Change during the year			Cumulative Shareholding during the year [01.04.2016 to 31.03.2017]	
		No. of shares	% of total Shares of the company	Date	Reason	No. of Shares	No. of shares	% of total Shares of the company
1.	Jai Salasar Balaji Industries Pvt. Ltd.							
	At the beginning of the year	12,615,157	16.22					
				No change during the year				
	At the end of the year						12,615,157	14.62
2.	Enfield Suppliers Limited							
	At the beginning of the year	11,221,233	14.43					
				No change during the year				
	At the end of the year						11,221,233	13.01
3.	Hari Management Limited							
	At the beginning of the year	7,044,000	9.06					
				No change during the year				
	At the end of the year						7,044,000	8.16
4.	Shri Jaikapish Steel Pvt. Ltd.							
	At the beginning of the year	2,000,000	2.57					
				18.05.2016	Conversion of warrants into equity shares	2,500,000	4,500,000	5.50
				25.07.2016		1,000,000	5,500,000	6.59
				25.10.2016		750,000	6,250,000	7.24
	At the end of the year						6,250,000	7.24
5.	Shri Sankatmochan Steel Pvt. Ltd.							
	At the beginning of the year	2,000,000	2.57					
				18.05.2016	Conversion of warrants into equity shares	1,500,000	3,500,000	4.28
				25.07.2016		650,000	4,150,000	4.97
				25.10.2016		2,100,000	6,250,000	7.24
	At the end of the year						6,250,000	7.24
6.	Shri Aditya Jajodia							
	At the beginning of the year	3,674,576	4.72					
				No change during the year				
	At the end of the year						3,674,576	4.26
7.	Shri Sanjiv Jajodia							
	At the beginning of the year	2,649,433	3.41					
				No change during the year				
	At the end of the year						2,649,433	3.07
8.	K. D. Jajodia Steel Industries Pvt. Ltd.							
	At the beginning of the year	2,410,333	3.10					
				No change during the year				
	At the end of the year						2,410,333	2.79
9.	Shri Rajiv Jajodia							
	At the beginning of the year	1,568,333	2.02					
				No change during the year				
	At the end of the year						1,568,333	1.82
10.	Shri Aashish Jajodia							
	At the beginning of the year	794,366	1.02					
				No change during the year				
	At the end of the year						794,366	0.92

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

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the Year [As on 01.04.2016]		Change during the year			Cumulative Shareholding during the year [01.04.2016 to 31.03.2017]	
		No. of shares	% of total Shares of the company	Date	Reason	No. of Shares	No. of shares	% of total Shares of the company
11.	Smt. Preeti Jajodia							
	At the beginning of the year	0	0.00					
				17.06.2016	Market Purchase	100,000	100,000	0.12
				30.06.2016		201,000	301,000	0.37
				01.07.2016		99,501	400,501	0.99
				04.07.2016		49,800	450,301	0.55
				25.11.2016	Market Sale	-15,000	435,301	0.50
	At the end of the year						435,301	0.50
12.	Smt. Sangeeta Jajodia							
	At the beginning of the year	293,333	0.38					
				No change during the year				
	At the end of the year						293,333	0.34
13.	Shri Devendra Prasad Jajodia							
	At the beginning of the year	260,000	0.33					
				No change during the year				
	At the end of the year						260,000	0.30
14.	Smt. Seema Jajodia							
	At the beginning of the year	218,833	0.28					
				No change during the year				
	At the end of the year						218,833	0.25
15.	Smt. Rina Jajodia							
	At the beginning of the year	163,666	0.21					
				No change during the year				
	At the end of the year						163,666	0.19
16.	Smt. Kanchan Jajodia							
	At the beginning of the year	134,383	0.17					
				No change during the year				
	At the end of the year						134,383	0.16
17.	Shri Gaurav Jajodia							
	At the beginning of the year	119,666	0.15					
				No change during the year				
	At the end of the year						119,666	0.14
18.	Smt. Shashi Devi Jajodia							
	At the beginning of the year	95,883	0.12					
				No change during the year				
	At the end of the year						95,883	0.11

Note : Pursuant to the Scheme of Amalgamation, Shri Jaikapish Steel Private Limited (holding 62,50,000 equity shares) and Shri Sankatmochan Steel Private Limited (holding 62,50,000 equity shares) has been amalgamated with Jai Salasar Balaji Industries Private Limited with effect from 1st April, 2016 (Appointed Date) vide order of Hon'ble National Company Law Tribunal, Kolkata Bench dated 26th April, 2017.

(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 [As on 01.04.2016]		Change during the year			Cumulative Shareholding during the year [01.04.2016 to 31.03.2017]	
		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	5.00					
				No change during the year				
	At the end of the year						3,886,734	4.51
2.	GMO Emerging Markets Fund							
	At the beginning of the year	2,987,560	3.84					
				27.01.2017	Purchase of Shares	34,900	3,022,460	3.50
	At the end of the year						3,022,460	3.50
3.	Shri Suraj Khandelwal							
	At the beginning of the year	2,927,387	3.76					
				No change during the year				
	At the end of the year						2,927,387	3.39
4.	CVCIGP II Employee Rosehill Ltd.							
	At the beginning of the year	2,176,813	2.80					
				No change during the year				
	At the end of the year						2,176,813	2.52
5.	Smt. Kusum Lata Khandelwal							
	At the beginning of the year	1,265,933	1.63					
				No change during the year				
	At the end of the year						1,265,933	1.47
6.	Jhunjhunwala Glass Limited							
	At the beginning of the year	1,225,192	1.58					
				08.04.2016	Sale of Shares	-15,000	1,210,192	1.56
				06.01.2017		-5,500	1,204,692	1.40
				13.01.2017		-42,500	1,162,192	1.35
	At the end of the year						1,162,192	1.35
7.	Crest Logistics And Engineers Private Limited							
	At the beginning of the year	1,105,000	1.42					
				No change during the year				
	At the end of the year						1,105,000	1.28
8.	S. M. Niryat Private Limited *							
	At the beginning of the year	0	0.00					
				02.12.2016	Purchase of Shares	974,548	974,548	1.13
	At the end of the year						974,548	1.13
9.	Chartered Finance And Leasing Limited*							
	At the beginning of the year	0	0.00					
				16.12.2016	Purchase of Shares	474,575	474,575	0.55
				23.12.2016		125,000	599,575	0.69
				31.03.2017		200,000	799,575	0.93
	At the end of the year						799,575	0.93

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

(Contd.)

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the Year [As on 01.04.2016]		Change during the year			Cumulative Shareholding during the year [01.04.2016 to 31.03.2017]	
		No. of shares	% of total Shares of the company	Date	Reason	No. of Shares	No. of shares	% of total Shares of the company
10.	Smt. Yamini Khandelwal*							
	At the beginning of the year	274,137	0.35					
				16.12.2016	Sale of Shares	524,650	798,787	0.93
	At the end of the year						798,787	0.93
11.	Hudson Equity Holdings Ltd #							
	At the beginning of the year	1,387,236	1.78					
				07.10.2016	Sale of Shares	-25,000	1,362,236	1.63
				25.11.2016		-1,000,000	362,236	0.42
	At the end of the year						362,236	0.42
12.	A E Securities & Investments Pvt Ltd #							
	At the beginning of the year	800,000	1.03					
				09.12.2016		-275,000	525,000	0.61
				16.12.2016	Sale of Shares	-325,000	200,000	0.23
				24.03.2017		-200,000	0	0.00
	At the end of the year						0	0.00
13.	Shri Ramnath Jhunjhunwala #							
	At the beginning of the year	750,000	0.96					
				No change during the year				
	At the end of the year						750,000	0.87

* Not in the list of Top 10 shareholders as on 01/04/2016 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2017.

Ceased to be in the list of Top 10 shareholders as on 31/03/2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2016.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the Year [As on 01.04.2016]		Change during the year			Cumulative Shareholding during the year [01.04.2016 to 31.03.2017]	
		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	4.72					
				Nil movement during the year				
	At the End of the year						3,674,576	4.26
2.	Shri Sanjiv Jajodia (Whole-time Director & KMP, being CFO)							
	At the beginning of the year	2,649,433	3.41					
				Nil movement during the year				
	At the End of the year						2,649,433	3.07
3.	Shri Rajiv Jajodia (Non-Executive Promoter Director)							
	At the beginning of the year	1,568,333	2.02					
				Nil movement during the year				
	At the End of the year						1,568,333	1.82



(v) Shareholding of Directors and Key Managerial Personnel:

(Contd.)

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the Year [As on 01.04.2016]		Change during the year			Cumulative Shareholding during the year [01.04.2016 to 31.03.2017]	
		No. of shares	% of total shares of the Company	Date	Reason	No. of shares	No. of shares	% of total shares of the company
4.	Shri Gourav Jajodia (Non-Executive Promoter Director)							
	At the beginning of the year	119,666	0.15					
				Nil movement during the year				
	At the End of the year						119,666	0.14
5.	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
6.	Shri Amit Kumar Majumdar (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
7.	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
8.	Smt. Seema Chowdhury (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. Swati Agarwal (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.	Smt. Rakhi Jain (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
11.	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
12.	Shri Ashim Kumar Mukherjee (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
13.	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

(₹ in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	331,917.43	9,551.94	-	341,469.37
ii) Interest due but not paid	18,936.62	252.34	-	19,188.96
iii) Interest accrued but not due		-	-	0
Total (i+ii+iii)	350,854.05	9,804.27	-	360,658.32
Change in Indebtedness during the financial year				
1. Addition	10,512.13	83.98	-	10,596.11
2. Reduction	-	-	-	
Net Change	10,512.13	83.98	-	10,596.11
Indebtedness at the end of the financial year				
i) Principal Amount	343,071.80	9,536.94	-	352,608.73
ii) Interest due but not paid	18,294.38	351.32	-	18,645.70
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	361,366.18	9,888.25	-	371,254.43

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/WT/Manager			Total Amount
		Shri Aditya Jajodia (Chairman & Managing Director)	Shri Sanjiv Jajodia (Whole-time Director)	Shri Amit Kumar Majumdar (Executive Director)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	675,000	675,000
	(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)	-	-	675,000	675,000
	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 :								
	Particulars of Remuneration	Name of Directors						Total Amount
		Shri Shailendra Kumar Tamotia	Smt. Rakhi Jain	Smt. Seema Chowdhury	Smt. Swati Agarwal	Shri Ashim Kumar Mukherjee	Shri Chandra Kant Bhartia	
1.	Fee for attending board/committee meetings	20,000	20,000	20,000	15,000	20,000	15,000	1,10,000
2.	Commission	—	—	—	—	—	—	—
3.	Others, please specify	—	—	—	—	—	—	
	Total (1)	20,000	20,000	20,000	15,000	20,000	15,000	1,10,000
II. Other Non-Executive/Nominee Directors								
			Shri Rajiv Jajodia		Shri Gourav Jajodia		Shri Manas Kr. Nag (Nominee of SBI)	Total
1.	Fee for attending board/committee meetings		20,000		20,000		15,000	55,000
2.	Commission		—		—		—	—
3.	Others, please specify		—		—		—	—
	Total (2)		20,000		20,000		15,000	55,000
	Total (B) = (1+2)							1,65,000
	Total Managerial Remuneration (A+B)							8,40,000
	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/WTD

(₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
		Shri Ajay Kr. Tantia (Company Secretary)
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,233,889
	(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 (C)	2,233,889



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					

Place: Kolkata

Date: 7th August, 2017

On behalf of the Board of Directors

Aditya Jajodia

Chairman & Managing Director

(DIN : 00045114)



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, 2017

A. Conservation of energy:

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

1. Implemented various measures as per energy audit report
2. Added capacitors Filter Bank to maintain power factor as 0.99 for enhanced power (24MVA).
3. Optimization of 24MVA Contracted Demand DVC power.
4. Use of LED Lighting in place of Conventional Light.
5. Introduced drives in various area as per energy audit report.

Impact of the steps taken for conservation of energy:

1. Load factor increased up to 70% on contract demand of 24 MVA and expecting up to 80% in next year.
2. Energy saving by using LED light is up to 50%.
3. Drives will save up to 25% power in the replacement units.
4. Other measures save up to 20% power.

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 expenditure incurred for energy audit, purchase of capacitor banks, LED lights, Delta Star controller for conveyor belts, timers for lighting, OH tank water level controller etc.

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 has not taken place, and the reasons thereof : Not Applicable

iv. Expenditure 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	2016-17	2015-16
Inflows	2,378.25	37.38
Outgo	2,087.58	1,458.02

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, 2017

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

Name	Ratio of remuneration of each Director / KMP to median remuneration of employees
Shri Aditya Jajodia	0
Shri Sanjiv Jajodia	0
Shri Amit Kumar Majumdar	5.39 times

Note: The independent and non-executive directors of the Company are paid sitting fees. Thus the amount paid to them is not considered for the above purpose.

- 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 any Director, Chief Financial Officer, Chairman & Managing Director in the financial year 2016-17. The remuneration of the Company Secretary has been increased by 6.37% in the financial year under review.

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

Median remuneration of employees in the financial year has been increased by 12%.

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

There were 2433 employees on the rolls of the Company as on 31st March, 2017.

- v) **Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and exceptional circumstances for increase in the managerial remuneration if any:**

Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year was 11.11% whereas average increase in the managerial remuneration was 2.12%. The salary increase is based on compensation philosophy of the organisation which takes into account internal as well as external factors.

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

- vi) **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 the system of rules, practices and processes by which a company is directed and controlled. Corporate governance essentially involves balancing the interests of a company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community. Since corporate governance also provides the framework for attaining a company's objectives, it encompasses practically every sphere of management, from action plans and (internal controls) to performance measurement and corporate disclosure.

The Company believes in good corporate governance and continuously endeavours to improve and focus on it by increasing transparency and accountability to its shareholders in particular and other stakeholders in particular. The Company undertakes to behave responsibly towards its stakeholders, business partners, employees, society and the environment.

In accordance with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 read with disclosure requirements relating to the Corporate Governance Report contained in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements), 2015, the details of compliance by the Company with the norms on Corporate Governance are as under:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on corporate governance is founded upon and structured on principles and practices that predicate dealings with stakeholders based on fairness,

transparency and ethical behavior. The Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders.

We, at Jai Balaji always strive to provide a structure that works for the benefit of everyone concerned, by ensuring that the Company adheres to ethical standards, laws and accept best practices. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance as well as the leadership and governance of the Company.

2. BOARD OF DIRECTORS

The Board of Directors of the Company is duly constituted under the Chairmanship of Shri Aditya Jajodia, a Promoter Executive Director. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates that where the chairperson of the board is not a regular non-executive director, at least half of the board shall comprise of independent directors.

■ Composition and Category of Directors

As on 31st March, 2017, the Board consists of 12 directors, comprising of:

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

The detailed composition of the Board as on 31st March, 2017 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 Amit Kumar Majumdar	Executive Director
Shri Manas Kumar Nag	Nominee Director (Representative of State Bank of India)
Shri Shailendra Kumar Tamotia	Non-Executive Independent Director
Shri Ashim Kumar Mukherjee	Non-Executive Independent Director
Shri Chandra Kant Bhartia	Non-Executive Independent Director
Smt. Seema Chowdhury	Non-Executive Independent Woman Director
Smt. Swati Agarwal	Non-Executive Independent Woman Director
Smt. Rakhi Jain	Non-Executive Independent Woman Director

Report of the Directors on Corporate Governance (Contd.)

Shri Ashim Kumar Mukherjee (DIN: 00047844) was appointed as an additional director (Category : Non-Executive Independent) of the Company w.e.f. 2nd December, 2015 approved by requisite majority vide resolution passed by circulation as per Section 175 of the Companies Act, 2013 and his appointment was subsequently regularised as Director of the Company at the Annual General Meeting held on 20th September, 2016.

The term of 5 years of Shri Aditya Jajodia (DIN: 00045114) as Managing Director of the Company expired on 22nd July, 2017. The Board considered the re-appointment of Shri Aditya Jajodia as the Managing Director of the Company for a further period of 5 (five) years with effect from 22nd July, 2017 till 21st July, 2022 at its meeting held on 30th May, 2017 subject to the approval of the shareholders of the Company in the ensuing Annual General Meeting of the Company.

All the Independent Directors of the Company do not participate in the day-to-day functioning of the Company and do not engage in any business dealing or other relationships with the group (other than in situations permitted by the applicable regulations) in order to act in the best interest of the stakeholders with independent decisions.

Appointment Letter of the present Independent Directors setting out their terms and conditions, roles, functions, duties and responsibility of appointment as per the provisions of Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been hosted on the Company's Website under the weblink "<http://www.jaibalajigroup.com/directors-appointment-reappointment-resignation.html>" in adherence to Regulation 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 of each director at Board Meetings and last Annual General Meeting

The notice along with the agenda for each meeting along

with explanatory notes were communicated to the Board of Directors, Committee Members and Shareholders in advance as per the provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards (SS1 & SS2) issued by the Institute of Company Secretaries of India.

During the financial year 2016-17, 7 (Seven) meetings of the Board were held viz., 18th May, 2016; 30th May, 2016; 25th July, 2016; 12th August, 2016; 25th October, 2016; 10th November, 2016 and 13th February, 2017. The maximum time gap between two consecutive board meetings did not exceeded one hundred and twenty days and the necessary quorum were present at all the meetings.

The attendance of each Director at the Board meetings held during the financial year 2016-17 and at the last Annual General Meeting held on 20th September, 2016 are as follows:

Name of Directors	No. of Board Meeting Attended	Attendance at the last AGM
Shri Aditya Jajodia	7	Yes
Shri Sanjiv Jajodia	7	Yes
Shri Rajiv Jajodia	7	Yes
Shri Gourav Jajodia	7	Yes
Shri Amit Kumar Majumdar	4	Yes
Shri Manas Kumar Nag	6	No
Shri Shailendra Kumar Tamotia	7	No
Shri Chandra Kant Bhartia	6	Yes
Smt. Seema Chowdhury	7	Yes
Smt. Swati Agarwal	6	Yes
Smt. Rakhi Jain	7	Yes
Shri Ashim Kumar Mukherjee	7	Yes

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

Report of the Directors on Corporate Governance (Contd.)

■ Particulars of 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, 2017 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	8	6	—	—
Shri Sanjiv Jajodia	7	1	1	1
Shri Rajiv Jajodia	6	6	1	1
Shri Gourav Jajodia	2	—	—	—
Shri Amit Kumar Majumdar	3	1	1	—
Shri Manas Kumar Nag	1	—	—	—
Shri Shailendra Kumar Tamotia	—	—	—	—
Shri Chandra Kant Bhartia	2	2	2	—
Smt. Seema Chowdhury	—	—	—	—
Smt. Swati Agarwal	1	—	2	2
Smt. Rakhi Jain	1	—	—	—
Shri Ashim Kumar Mukherjee	1	—	1	—

*It does not includes directorship in foreign companies, companies registered under Section 8 of the Companies Act, 2013 and private limited companies and includes alternate directorships in public limited companies (excluding Jai Balaji Industries Limited).

**Directorship of any private limited companies (including alternate directorship), foreign companies and companies under section 8 of the Companies Act, 2013 have been considered.

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

None of the Independent Directors of the Company serves in more than seven listed entities and none of the whole-time directors of the Company serves as an independent director in more than three listed entities. Further, none of the directors serve as a member in more than ten committees or act as a chairperson of more than five committees across all the listed entities in which they serve as a director pursuant to Regulation 25 and 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Directors informed the Company whenever there is change in directorship or committee membership in any other company in which he is director or committee member. The Board duly took note of the declaration received from the Director in the Board Meetings.

The facts and figures as stated above are based on the declarations received from the directors for the financial year ended 31st March, 2017.

■ Performance Evaluation of Board

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10), 19(4) and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements), 2015, a Board Evaluation Policy has been framed and approved by the Nomination and Remuneration Committee (NRC) and by the Board.

The Board carried out performance evaluation of its own performance as well as the evaluation of the working of the Committees of the Board. The performance evaluation of independent directors was done by the board of directors excluding the ones whose evaluation was to be carried out. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

The Directors expressed their satisfaction with the evaluation process.

■ Separate Meeting of Independent Director

During the year 2016-17, as per requirement of Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of

Report of the Directors on Corporate Governance (Contd.)

Independent Directors was held on 13th February, 2017 without the presence of non-independent directors and member of the management. The meeting was conducted by Independent Directors to:

- ❖ Evaluate the performance of Non-Independent Directors and the Board of Directors as a whole.
- ❖ Evaluate the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- ❖ Evaluate the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

■ Familiarisation Programme for Independent Directors

In Compliance with Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has conducted familiarisation cum induction programme for the independent directors on 13th February, 2017.

The induction programme included one-to-one interactive sessions with the Managing Director. They were familiarized with the Company's business and operations. Apart from the induction programme, the Company also update the Independent Directors at the Board/Committee meetings to familiarise the Directors with the Company's strategy, their rights and responsibilities, business performance, operations, finance, risk management framework, human resources and other related matters.

The details on the Company's Familiarisation Programme for Independent Directors can be accessed at "<http://www.jaibalajigroup.com/familiarization-programmes-imparted-to-independent-directors.html>".

3. Board Committees

The Board Committees play a vital role in improving Board effectiveness in areas where more focused and extensive discussions are required. Some of the Board functions are performed through specially constituted Board Committees comprising of Executive and Non-Executive / Independent Directors. Board Committee's ensures focussed discussion and expedient resolution of diverse matters. As on 31st March, 2017, the Company had following committees - Audit Committee, Nomination & Remuneration Committee (formally Remuneration Committee), Stakeholders' Relationship committee (formally Share Transfer Cum Investors' Grievance Committee), Corporate Social Responsibility Committee, Management (Finance) Committee and Internal Complaints Committee.

The minutes of all Committee meetings were placed before the Board and noted by the Directors at the Board Meetings. The role, composition and terms of reference

of all committees including the number of meetings held during the financial year ended 31st March, 2017 and the related attendance are as follows:

■ Audit Committee

The Company has constituted an Audit Committee in compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 which is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process.

Terms of Reference:

The brief description of the terms of reference of the Audit Committee in line with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), 2015 are as follows:

- ❖ 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 reference to:
 - a) matters required to be included in the directors' responsibility statement to be included in the Board's Report in terms of Clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b) changes if any, in accounting policies and practices and reasons for the same
 - c) major accounting entries involving estimates based on the exercise of judgement by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transaction;
 - g) modified opinion(s) in the draft audit report;
- ❖ 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

Report of the Directors on Corporate Governance (Contd.)

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;
- ❖ 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 whistle blower mechanism;
- ❖ Approval of appointment of chief financial officer (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.

In addition, the Audit Committee also mandatorily reviews the following:

- ❖ Management discussion and analysis of financial condition and results of operation;

- ❖ Statement of significant related party transactions (as defined by the audit committee), submitted by the management;
- ❖ Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- ❖ Internal Audit Reports relating to internal control weaknesses; and
- ❖ The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

■ Statement of deviations:

- a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32(I)
- b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Audit Committee have authority to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

■ Composition of the Committee

As on 31st March, 2017, the committee consists of 4 Members, comprising:

Name of the members	Category
Shri Chandra Kant Bhartia (Chairman)	Non-Executive Independent Director
Shri Aditya Jajodia	Promoter Executive Director
Shri Shailendra Kumar Tamotia	Non-Executive Independent Director
Ms. Swati Agarwal	Non-Executive Independent Director

Shri Ajay Kumar Tantia, Company Secretary acts as the Secretary to the committee. All the members of the Committee are financially literate and have knowledge on accounting or financial management.

The Composition of the Committee is hosted on the website of the Company under the weblink "<http://www.jaibalajigroup.com/composition-of-various-committees.pdf>".

■ Attendance of the Members at the meetings during the year

During the financial year 2016-17, the Committee met 4 times i.e. on 30th May, 2016; 12th August, 2016; 10th November, 2016 and 13th February, 2017 and not more than one hundred and

Report of the Directors on Corporate Governance (Contd.)

twenty days elapse between two meetings. The necessary quorum was present at all the meetings with at least two independent directors.

Particulars of attendance of each member of the Committee is stated herein below:

Name of the members	No. of meetings attended
Shri Chandra Kant Bhartia	3
Shri Aditya Jajodia	4
Shri Shailendra Kumar Tamotia	4
Ms. Swati Agarwal	3

Shri Sanjiv Jajodia, Chief Financial Officer of the Company was invited at the meetings of the Committee and he attended all the meetings. Further, Shri Ajay Kumar Tania, the Company Secretary and the representatives of the Statutory Auditors and Internal Auditors attend the Audit Committee meetings. The representatives of the Cost Auditor attend the Audit Committee meeting when the Cost Audit Report is tabled for discussion.

Shri Chandra Kant Bhartia, Chairman of the Audit Committee was present at the Seventeenth Annual General Meeting of the Company held on 20th September, 2016.

■ Nomination & Remuneration Committee (formerly Remuneration Committee)

● Terms of reference of the committee

The Company has a Nomination and Remuneration Committee constituted pursuant to the provisions of Regulations 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements), 2015 and Section 178 of the Act.

Terms of Reference:

The terms of reference of the Committee include the following:

- ❖ Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- ❖ Formulation of criteria for evaluation of performance of independent directors and Board of directors;
- ❖ Devising a policy on diversity of board of directors;
- ❖ Identifying 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 of directors their appointment and removal.
- ❖ Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent director.

- ❖ To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- ❖ Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- ❖ To ensure that Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

■ Composition of the Committee

The Committee comprised of three non-executive directors of the Company as members as on 31st March, 2017:

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

■ Attendance of the Members at the meetings

During the year under review, the member of the committee met 3 (three) times viz 30th May, 2016; 12th August, 2016 and 13th February, 2017. The necessary quorum was present at all the meetings.

Number of meetings attended by each of the member of the Committee is detailed hereunder:

Name of the Members	No. of meetings attended
Shri Chandra Kant Bhartia (Chairman)	2
Shri Shailendra Kumar Tamotia	3
Shri Rajiv Jajodia	3

Shri Chandra Kant Bhartia, Chairman of the committee was present at the last Annual General Meeting to answer the queries of the shareholders.

■ Remuneration Policy

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy on remuneration of Directors and Senior Management Employees. The Company's remuneration policy is directed towards rewarding performance based on periodic review of the achievements. The remuneration policy has been disclosed in the Annual Report as "Annexure-B" to the Directors Reports.

■ Criteria of making payments:

Overall remuneration paid to the Board, Key Managerial

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Personnel's and other senior management employees are reasonable and sufficient to attract, retain and motivate them aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives)s. The remuneration package of the Executive Directors is determined by the Nomination and Remuneration Committee in accordance with the Remuneration policy of the Company. The recommendations of the Committee are considered and approved by the Board, subject to the approval of the members of the Company.

■ Executive Directors

Shri Aditya Jajodia, Managing Director and Shri Sanjiv Jajodia, Whole-time Director of the Company are promoter executive Directors. The terms and conditions of their appointment are as per the resolutions passed by the Board and Shareholders of the Company. The tenure of the office of Shri Sanjiv Jajodia is for a period of 5 years w.e.f. 1st May, 2013.

The term of employment of Shri Aditya Jajodia as the Managing Director of the Company came to an end on 22nd July, 2017. The Board re-appointment Shri Aditya Jajodia as the Managing Director of the Company for a further period of 5(five) years with effect from 22nd July, 2017 till 21st July, 2022 as per the terms and conditions that are mentioned in the agreement which was entered between the Company and Shri Aditya Jajodia. The re-appointment is subject to the consent of the Shareholders of the Company in the ensuing Annual General Meeting.

The agreement entered into with Shri Amit Kumar Majumdar states the tenure of his office of 3 years till 13th August, 2018. The detailed synopsis of remuneration of Executive Directors for the financial year 2016-17 are as follows :

(₹)

Name of the Directors	Fixed Salary		Total
	Salary	Benefits/ Allowances, etc. (fixed component)	
Shri Aditya Jajodia	NIL	NIL	NIL
Shri Sanjiv Jajodia	NIL	NIL	NIL
Shri Amit Kumar Majumdar	2,70,000	4,05,000	6,75,000
Total	2,70,000	4,05,000	6,75,000

In view of the ongoing losses being incurred by the Company, the Managing Director and Whole - time Director had volunteered for waiving off their remuneration.

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.

■ Non-Executive Directors:

Non- Executive Directors are not entitled to any remuneration apart from the sitting fees for attending meetings of the Board. 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 Company pays sitting fee to its non-executive Directors as permissible under the Companies Act, 2013.

The details of sitting fees (including TDS) paid to the Non - Executive Directors for the financial year 2016-17 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 Chandra Kant Bhartia	15,000
Smt. Seema Chowdhury	20,000
Smt. Swati Agarwal	15,000
Smt. Rakhi Jain	20,000
State Bank of India, Represented by Shri Manas Kumar Nag	15,000
Shri Ashim Kumar Mukherjee	20,000
Total	1,65,000

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, 2017 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, 2017.

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

The Board of Directors of the Company has constituted a Stakeholders Relationship Committee of the Board in terms of the requirements of Section 178 of the Companies Act, 2013 and Rules framed thereunder read with Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Stakeholders'

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Relationship Committee ensures quick redressal of the complaints of shareholders, debenture holders and other security holders.

Terms of Reference

- ❖ 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.

■ Composition of the Committee

The Committee comprised of 3(Three) members as on 31st March, 2017, out of which the Chairman of the Committee is a non-executive director of the Company. Details of members are stated hereunder:

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

Compliance Officer

Shri Ajay Kumar Tantia, Company Secretary is the Compliance Officer of the Company. The Company Secretary acts as the Secretary to the Committee and he attended all Stakeholders Relationship Committee Meetings held during the year.

■ Attendance of the Members at the meetings

The Committee met four times during the financial year ended 30th May, 2016; 12th August, 2016; 10th November, 2016 and 13th February, 2017.

Number of meetings attended by each of the member of the Committee is detailed hereunder:

Name of the Members	No. of meetings attended
Shri Shailendra Kumar Tamotia	4
Shri Aditya Jajodia	4
Shri Gourav Jajodia	4

■ The details of investor complaints received, pending or solved during the year

Number of shareholders complaints pending as on 1 st April, 2016	:	NIL
Number of shareholders complaints received during the year ended 31 st March, 2017	:	NIL
Number of shareholders complaints not solved to the satisfaction of the shareholders	:	NIL
Number of shareholders complaints pending as on 31 st March, 2017	:	NIL

It is confirmed that there was no request for registration of share transfers/ transmission lying pending as on 31st March, 2017 and that all request for issue of new certificates, sub-division or consolidation of shareholding, etc, received up to 31st March, 2017 have been processed. The Company has an efficient system in place to record and process all requests for dematerialization and re-materialization of shares in the Company through National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL).

Status of Investor Complaints were also placed before the Board and was filed with the Stock Exchanges wherein the equity shares of the Company are listed pursuant to Regulation 13 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

■ Management (Finance) Committee

This Committee periodically reviews the finance function associated with operations of the Company. It spreads the burden of financial management, thereby also potentially improving the quality and enables more democratic control of the organisation's finances. There were no change in the terms of reference of the Committee during the financial year 2016-17.

● Composition of the Committee and attendance at the meetings

Name of the Members	Category	No. of Meetings Attended
Shri Aditya Jajodia (Chairman)	Promoter Executive Director	1
Shri Sanjiv Jajodia	Promoter Executive Director	1
Shri Rajiv Jajodia	Promoter Non-Executive Director	1

During the year under review, the members of the committee met 1 (One) time vide meeting held on 10th May, 2016. The

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necessary quorum was present at the meeting as all the members have attended the meeting. Shri Ajay Kumar Tania, Company Secretary of the Company also attended the meeting of the Committee.

■ Corporate Social Responsibility Committee

The Company has constituted a Corporate Social Responsibility Committee pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014.

■ 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 of the companies Act, 2013;
- ❖ 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 "http://www.jaibalajigroup.com/corporate-social-responsibility-policy.pdf".

During the financial year under review a meeting of the members of the Committee was held on 13th February, 2017.

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

Name of the Members	Category	No. of meetings attended
Shri Shailendra Kumar Tamotia (Chairman)	Independent Non-Executive Director	1
Shri Amit Kumar Majumdar	Executive Director	1
Shri Rajiv Jajodia	Promoter Non-Executive Director	1

■ Internal Complaints Committee

In pursuance of the Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder, the Board of directors of the Company formulated the Internal Complaints Committee. Further, a policy on prevention of sexual harassment of women at the workplace was duly approved and adopted by the Company and is available on the website of the Company under the weblink "http://www.jaibalajigroup.com/safety-of-women.pdf". The basic procedure followed in the Committee is complying with the natural justice and fair play to the aggrieved person and providing protection to women at workplace.

The Committee comprised of 4(Four) members as on 31st March, 2017, out of which the Chairman of the Committee is the Presiding Officer. Details of members and their attendance at the meeting held are stated hereunder:

Name of the Members	Category	No. of meetings attended
Smt. Ruma Basu	Presiding Officer	1
Smt. Priti Todi	Outside member	1
Shri Ajay Kumar Tania	Member	1
Shri Raj Kumar Sharma	Member	1

During the year under review, the Committee was re-constituted by the Board of Directors at their meeting held on 13th February, 2017 wherein Ms. Abha Basu, the Presiding Officer of the Committee tendered her resignation from the membership of the Committee and Ms. Ruma Basu was inducted as a member of the Committee and designated as Presiding Officer of the Committee.

During the financial year under review a meeting of the members of the Committee was held on 13th February, 2017 for noting the re-constitution of the Committee and details of the complaints received/resolved by the Committee during the year and all the members attended the meeting.

In line with the requirements of Section 21 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder, further details of Complaints received/resolved by the Committee during the year is stated 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

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As per Section 4(3) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Presiding Officer and every member of the Internal Committee shall hold office for such period, not exceeding three years, from the date of their nomination. The term of office of three years of Smt. Priti Todi, Outside Member of the Committee and Shri Ajay Kumar Tantia, Member of the

Committee has expired. The Board of Directors at their meeting held on 30th May, 2017 has re-constituted the Committee and inducted Smt. Swati Bajaj as Outside Member in place of Smt. Priti Todi and Shri Vijay Bagri as member in place of Shri Ajay Kumar Tantia and meeting of the Internal Compliant Committee was held on the same day i.e. 30th May, 2017 to take note of the re-constitution of the Committee.

4. General Body Meetings

■ Annual General Meeting

The date, day, location, and time wherein the last three Annual General Meetings were held are as follows:

Financial Year	Day	Date	Time	Location	Whether any special resolution passed
2015-16	Monday	20.09.2016	11:00 A.M.	Rotary Sadan (Shripati Singhanian Hall) 94/2, Chowringhee Road, Kolkata - 700 020	No
2014-15	Monday	21.09.2015	10:30 A.M.	Rotary Sadan (Shripati Singhanian Hall) 94/2, Chowringhee Road, Kolkata - 700 020	Yes
2013-14	Saturday	27.09.2014	11:00 A.M.	Rotary Sadan (Shripati Singhanian Hall) 94/2, Chowringhee Road, Kolkata - 700 020	Yes

Special Resolutions passed in the previous three AGMs

The following Special Resolutions were passed in the last three Annual General Meetings:

● 2015-16

No Special resolution has been passed in the AGM held on 20th September, 2016

● 2014 - 15

- ❖ Approval for conversion of loan into zero coupon, unsecured, unlisted, non-convertible debentures.
- ❖ Approval u/s 186 for making investment in the securities of any body corporate.
- ❖ Appointment of Shri Amit Kumar Majumdar (DIN: 00194123) as an Executive Director of the Company for 3 years, who has attained the age of 70 years at a consolidated remuneration not exceeding Rs. 75,000 per month on such terms and conditions as set out in the agreement entered into between the Company and Shri Amit Kumar Majumdar.

● 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 immovable/movable 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

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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.

Postal Ballot

During the year, the following Special resolutions were passed by the Members by requisite majority by means of postal ballot and e-voting.:

Date of passing the resolution	Purpose	Votes in favour of the resolution		Votes against the resolution	
		No. of votes	% of total votes polled	No. of votes	% of total votes polled
21 st March, 2017	Waiver of recovery of excess remuneration paid to Late. Shyam Bahadur Singh (DIN:01982407), erstwhile Executive Director of the Company	6,54,37,038	99.9946	3,530	0.0054
	Waiver of recovery of excess remuneration paid to Shri Amit Kumar Majumdar (DIN: 00194123), Executive Director of the Company	6,54,37,038	99.9946	3,530	0.0054

Person conducting the Postal Ballot Exercise

The Board authorised Shri Aditya Jajodia, Chairman and Managing Director and Shri Ajay Kumar Tantia, Company Secretary of the Company to manage the whole Postal Ballot Exercise. The Board had appointed Ms. Priti Todi (ACS No.14611), Practising Company Secretary, partner of PS & Associates as the scrutinizer to receive and scrutinize the postal ballot forms/e-votes received from the members and for conducting the Postal Ballot exercise in a fair and transparent manner.

Procedure of Postal Ballot

Pursuant to Section 108 and 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Management and Administration Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 below is detailed procedure of postal ballot:

- Matters passed through postal ballot were approved by the Board at their meeting and subsequently Shri Aditya Jajodia, Managing Director, Shri Sanjiv Jajodia, Whole-time director and Shri Ajay Kumar Tantia, Company Secretary of the Company were singly and severally authorised to sign and issue the postal ballot notice, explanatory statement and postal ballot form. The Postal Ballot notice dated 13th February, 2017 containing draft resolution together with the explanatory statement, postal ballot form and self-addressed envelopes were dispatched

to the members whose names appeared in the register of members as on the cut-off date.

- The Board fixed the record date for reckoning voting rights. Only those members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by Postal ballot or e-voting,
- The Company appointed Ms. Priti Todi (Membership No.: 14611), Partner of M/s. P. S. & Associates, Practicing Company Secretaries as the scrutiniser to conduct the postal ballot voting process in a fair and transparent manner,
- In terms of Section 108 of the Companies Act, 2013, the Company also offered e-voting facility to its eligible shareholders, which enables them to cast votes electronically,
- The details of completion of dispatch along with the other relevant information were published into the newspaper and was also updated on the Company's website.
- The Scrutiniser submitted a consolidated report and the results were then announced by the Company Secretary and is also available on the website of the Company viz. "www.jaibaljigroup.com", besides being communicated to the Stock Exchanges and Depository. Based on the scrutiniser's report, the Chairman declared the result of

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the postal ballot on the date, time and venue as specified in the notice, with details of voting.

- Subsequently the results were intimated to the stock exchanges and displayed on the Company's notice board at its registered office and its corporate office as well.

There is no immediate proposal for passing of any resolution through Postal Ballot and none of the businesses proposed to be transacted at the ensuing Annual General Meeting is necessitated to be passed through Postal Ballot.

• Extra-ordinary General Meeting

No special resolution was passed through Extra-Ordinary General Meeting during the last three years under review.

Disclosures

• Related Party Disclosures

There were no materially significant transactions with the related parties, during the year, which were in conflict with the interests of the Company and that require an approval of the Company in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The transactions entered into by the Company with the related parties were defined under the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All Related Party Transactions were placed before the Audit Committee for their approval. Prior Omnibus approval have been taken by the Audit 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 on 30th May, 2016. Statements of Related Party Transactions were tabled before the Audit Committee on quarterly basis.

Further, the transactions entered into by the Company were on arms length pricing basis and in the ordinary course of business with no intention to defraud the creditors and shareholders. The related party transactions were entered into based on various business emergencies such as legal requirements, liquidity, long-term strategy and capital resources, etc.

The Accounting Standards (AS-18) issued by the Institute of Chartered Accountants of India, have been followed while preparation of the financial statements. A comprehensive list of all related party transactions entered into by the Company forms a part of Note No. 40 to the financial statements in the Annual Report.

The Board of Directors of the Company has adopted a Related Party Transaction Policy in place, pursuant to the requirements of Section 188 of the Companies Act, 2013

and Rules framed thereunder and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy is available on the website of the company viz. "[www.jaibalajigroup.com](http://www.jaibalajigroup.com/related-party-policy_jbg.pdf)" under the weblink "http://www.jaibalajigroup.com/related-party-policy_jbg.pdf".

• Capital Market Disclosures

There have been no instances of non-compliances by the Company on any matter related to capital markets, during the last three years and thus no penalty and/or strictures are imposed on the Company by any Stock Exchanges or SEBI or any other statutory authority during last 3 years.

• Vigil Mechanism/Whistle blower policy

As per requirements of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a Vigil Mechanism/ Whistle Blower Policy for directors and employees to enable directors and employees to report unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimisation of Director(s)/ Employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases.

The Company hereby affirms that no Director/ employee have been denied access to the Chairman and that no complaints were received during the year. The Whistle Blower Policy has been disclosed on the Company's website under the web link "<http://www.jaibalajigroup.com/whistle-blower-policy.pdf>".

• Disclosure of Accounting Treatment

The Company has followed the specified rules as laid down in the Accounting Standards prescribed by The Institute of Chartered Accountants of India, in preparation of its financial statements. The financial statements of the Company have been audited by M/s. S.K. Agrawal & Co. Chartered Accountants, Statutory Auditor of the Company.

• Code of Conduct

The Company has in place a comprehensive Code of Conduct for all the Board Members (incorporating, inter-alia, duties of Independent Directors) and Senior Management Personnel of the Company. The Code aims at ensuring consistent standards of conduct and ethical business practices across the Company. The Company has received confirmations from all concerned regarding their adherence to the said Code.

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The Code has been hosted on the Company's website "www.jaibalajigroup.com" under the web link "http://www.jaibalajigroup.com/code-of-conduct-for-bm-senior-mangmt-new.pdf".

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Chairman & Managing Director of the Company confirmed compliance with the Code by all members of the Board and the Senior Management personnel and forms part of this Annual Report.

● Insider Trading

In order to regulate trading in securities of the Company by the Directors and designated employees, your Company has adopted a Code of Conduct for trading in listed or proposed to be listed securities of the Company. Insider Trading Code prevents misuse of unpublished price sensitive information and it also provides for periodical disclosures and obtaining pre-clearance for trading in securities of your Company by the Directors, Designated Employees and Connected Persons of your Company.

The Company follows highest standards of transparency and fairness in dealing with all stakeholders and ensures that no insider shall use his or her position with or without the knowledge of the Company to gain personal benefit or to provide benefit to any third party. The policy adopted on this by the Company is available on the website of the Company viz "www.jaibalajigroup.com" under the weblink "http://www.jaibalajigroup.com/code-of-fair-disclosure-code-of-conduct-for-prevention-of-insider-trading.pdf".

● Management Discussion and Analysis Report

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed report on Management Discussion and Analysis forms a part of Directors Report.

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

The Company has issued & allotted 2,26,05,000 warrants on Preferential allotment basis to companies falling under the promoter group & others carrying a right to convert each warrant into an Equity Share of Rs.10/- each within a period of 18 months from the date of allotment i.e. 22nd March, 2016. The warrant holders have paid 25% of the total consideration i.e. Rs. 2.50 per warrant amounting to Rs.565.13 lakhs as application money against the above warrants.

Out of total 2,26,05,000 warrants, the Company has converted 40,00,000 warrants on 30th March, 2016 into Equity shares by way of allotment of equivalent number

of Equity Shares of Rs.10/- each on receipt of balance 75% of the consideration i.e. Rs. 7.50 per warrant amounting to Rs. 300 Lakhs.

In the financial year 2016-17, the company has converted 85,00,000 warrants into Equity Shares by way of allotment of equivalent number of Equity Shares of Rs. 10/- each on receipt of balance 75% of the consideration i.e. Rs. 7.50 per warrant in respect of 85,00,000 warrants on different dates amounting to Rs. 637.50 Lacs.

From the end of financial year 2016-17 till date, the Company has converted 65,00,000 by way of allotment of equivalent number of Equity Shares of Rs.10/- each on receipt of balance 75% of the consideration i.e. Rs. 7.50 per warrant amounting to Rs. 487.50 Lacs.

● Subsidiary Companies

The Company has three wholly owned subsidiaries viz:

- Nilachal Iron & Power Limited;
- Jai Balaji Steels (Purulia) Limited; and
- Jai Balaji Energy (Purulia) Limited.

Nilachal Iron & Power Limited is a unlisted material Indian Subsidiary of the Company. Smt. Rakhi Jain (Category: Non-Executive Independent Director), being the Independent Director of Jai Balaji Industries Limited was appointed as a director of its material non-listed Indian Subsidiary viz. Nilachal Iron & Power Limited which caters to the requirement of Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, pursuant to this regulation and applicable provisions of the Companies Act, 2013, the followings are duly complied with:

- The Audit Committee reviews the financial statements and in particular, the investments made by the unlisted subsidiary.
- Copy of the Minutes of the Board Meetings of the unlisted subsidiaries are annexed as part of detailed agenda and are placed at the meeting of the Board of Directors of the Company.
- A Statement containing significant transactions and arrangements entered into by the unlisted subsidiary, if any, is placed before the Company's Board.

The Board of directors of the Company has formulated a policy for determining material subsidiaries which is in line with the requirement of Regulation 16(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is hosted on the website of the Company under the weblink "http://www.jaibalajigroup.com/policy-on-determining-material-subsiadiaries".

● CEO and CFO Certification

Shri Aditya Jajodia, Chairman and Managing Director and Shri Sanjiv Jajodia, Whole-time Director and Chief

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Financial Officer of the Company gave annual certification on financial reporting and internal control System to the Board in terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as per the format specified in Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The annual certificate given by the Chairman and Managing Director and the Chief Financial Officer is published in this Report.

Shri Aditya Jajodia, Chairman and Managing Director and Shri Sanjiv Jajodia, Whole-time Director and Chief Financial Officer of the Company has also given quarterly certificate on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

● Risk Management

The Company's risk management framework identifies and evaluates business risks and opportunities. The Company recognises that these risks need to be managed and mitigated to protect its shareholders and other stakeholders interest, to achieve its business objectives and enable sustainable growth. The risk framework is aimed at effectively mitigating the Company's various business and operational risks, through strategic actions. Risk management is embedded in our critical business activities, functions and processes. The risks are reviewed for the change in the nature and extent of the major risks identified since the last assessment. It also provides control measures for risks and future action plans. The Company has devised a policy on Risk Management which is hosted on the Company's Website viz "[www.jaibalajigroup.com](http://www.jaibalajigroup.com/risk-management-policy.pdf)" under the weblink "<http://www.jaibalajigroup.com/risk-management-policy.pdf>".

● Reconciliation of Share Capital Audit

The Company has engaged Shri Sandip Kumar Kejriwal, a Practising Company Secretary to carry out the share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report 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 with NSDL and CDSL.

● Compliance with Mandatory Requirements

The Company has complied with the mandatory requirements as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent these apply and extend to the Company.

● Adoption of Non-Mandatory Requirements or Discretionary Requirements

❖ The Board

Shri Aditya Jajodia, Chairman and Managing Director of the Company is an Executive Chairperson. In view of inadequate profits, he has waived off his remuneration.

❖ Shareholder rights

The Quarterly, half-yearly and annual financial results of the Company as reviewed by the Audit Committee and then approved by the Board of Directors and all the significant events of the Company were submitted to the Stock Exchanges within the prescribed time and updated on the website of the Company viz. "www.jaibalajigroup.com" under the weblink "http://www.jaibalajigroup.com/investor_relations.html". These informations are not sent to each shareholders personally.

❖ Modified opinion(s) in audit report

The report of the Statutory Auditors on standalone and Consolidated Financial Statements for the year under review forms part of the Annual Report and contains a qualification, the details of which are mentioned in the Directors report.

❖ Reporting of internal Auditor

The Internal Auditor directly report to the Audit Committee.

❖ Other Compliances

- The Board of Directors quarterly reviews the compliances and laws as applicable to the Company. They also have in place plans for orderly succession for appointment to the Board of Directors and Senior Management.

❖ Submission of Corporate Governance Report

The Corporate Governance Report pursuant to Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for each quarter for the financial year 2016-17 was duly submitted to the Stock Exchanges within the stipulated time period.

5. Means of Communication

● Quarterly Financial Results

Prior intimation of Board Meetings in which Unaudited/ Audited Financial Results of the Company was considered, approved and were intimated to the Stock Exchanges and also disseminated on the website of the Company at "www.jaibalajigroup.com". The aforesaid Financial Results are immediately intimated to the Stock Exchanges, after the same is approved at

Report of the Directors on Corporate Governance (Contd.)

the Board Meeting. In terms of Regulation 10 of the Listing Regulations, the Company complies with the online filing requirements on electronic platforms of BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) viz. BSE Corporate Listing Centre and NSE Electronic Application Processing System (NEAPS), respectively. Also, the same are simultaneously intimated to The Calcutta Stock Exchange Limited (CSE).

- **Newspapers wherein results are normally published**

Intimation of Board Meetings and General Meetings, financial results and other publications of the Company are published in "The Financial Express", (English Newspaper) and "Ek Din" and "Aaj Kal" (Vernacular Newspaper) as per Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions.

- **Website**

Pursuant to Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company's website "www.jaibalajigroup.com" contains a separate dedicated section 'Investor

Relations' which is a comprehensive reference containing the up-to-date financial results, annual reports, shareholding patterns, Company's policies, material disclosures, official news releases, presentations made to institutional investors or to the analysts, if any and other general information about the Company.

SEBI Complaints Redress System (SCORES):

SCORES is a web-based complaint redress system where the investor grievances received are handled. The pertinent features include: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Contact information of the designated official responsible for assisting and handling Investor Complaints is detailed hereunder :

The Company Secretary
Jai Balaji Industries Limited
5, Bentinck Street, Kolkata - 700 001
Phone No.: (91)(33) 22489808
E-mail: jaibalaji@jaibalajigroup.com

6. General Shareholder Information

Annual General Meeting

Day, date & time

: Thursday, 14th September, 2017 at 11:00 a.m.

Venue

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

**Financial calendar (tentative schedule)
for the year 2016 - 17**

1st April, 2017 to 31st March, 2018
: The probable dates for the submission of
the Financial Results for the financial year 2017-18 :

1 st Quarter Results	On or before 14 th Sept, 2017
2 nd Quarter Results	On or before 14 th Dec, 2017
3 rd Quarter Results	On or before 14 th Feb, 2018
Annual Results	On or before 30 th May, 2018

Date of book closure

: The Register of Members and Share Transfer Book shall remain closed from Friday, 8th September, 2017 to Thursday 14th September, 2017 (both days inclusive)

Date of Dividend payment

: N.A.



Report of the Directors on Corporate Governance (Contd.)

Listing of equity shares on stock exchanges	: The Equity shares of the Company are currently 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 Stock Code - JAIBALAJI BSE Limited 25, Phiroze Jeejeebhoy, Dalal Street Mumbai - 400 001 Stock Code - 532976 The Calcutta Stock Exchange Limited 7, Lyons Range, Kolkata - 700 001 Stock Code - 10020253 Listing fees has been paid to the respective Stock Exchanges for the year 2017 - 18
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Depositories	: National 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 Annual Custodial Fees pertaining to year 2017-18 have been duly paid.
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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

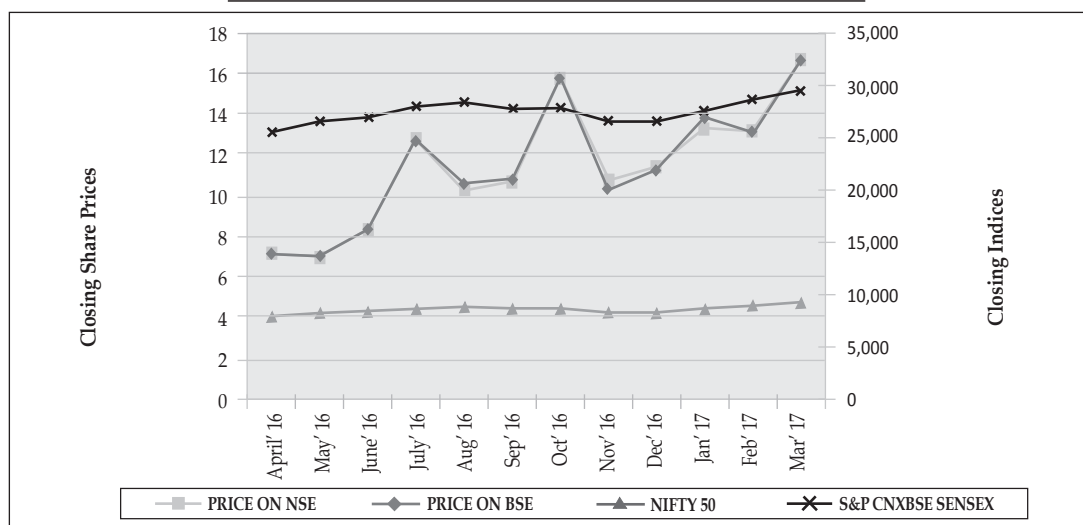
Market Price Data

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 2016-17 were as under:

Month	Share Price (NSE)		Share Price (BSE)	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April '16	9.75	6.65	9.79	6.99
May '16	7.40	6.35	7.37	6.20
June '16	9.05	6.35	9.00	6.45
July '16	12.85	8.10	12.73	8.00
August '16	15.45	9.50	15.38	9.56
September '16	13.85	9.70	13.73	9.75
October '16	15.85	9.65	15.84	10.51
November '16	16.55	9.75	16.40	9.88
December '16	12.90	10.15	13.00	10.30
January '17	15.50	11.20	15.10	11.55
February '17	15.25	12.50	15.00	12.50
March '17	18.30	12.75	18.24	13.00

Report of the Directors on Corporate Governance (Contd.)

Performance in Comparison to Broad - based indices



Registrar to an issue and Share Transfer Agent : Maheshwari Datamatics Pvt. Ltd.

Corporate Office : 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700 001

Phone No.: 91 33 2243 5029

E-mail: mdpldc@yahoo.com

Share transfer system

99.99% of the equity shares of the Company are in dematerialised form. Transfer of shares held in electronic mode are processed by the depositories. Requests for Transfer/ Transmission of shares held in physical form can be lodged with the Company's Registrar and Share Transfer agents of the Company for share transfers, splits, issue of duplicate share certificates, rematerialisation and dematerialisation etc. Share transfers are processed and share certificates duly endorsed are delivered within a period of fifteen days from the date of receipt of such requests subject to the documents being valid and complete in all respects. The summary of investor complaints, demat/remat/corporate action and transfer/transmission of shares are placed before the Stakeholders' Relationship Committee of the Company periodically.

The Company obtains from a Company Secretary in practice, a half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 and files the same with the stock exchanges. Also, pursuant to Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, certification is issued by a Company Secretary in practice regarding timely dematerialisation of the shares of the Company.

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2017

1	Category	No. of Shareholders	No. of shares held	As a % age of A+B+C
A	Promoter and Promoter Group Holding			
	Indian	18	5,61,98,496	65.13
	Foreign	0	NIL	NIL
	Total Promoter Shareholding (A)	18	5,61,98,496	65.13
B	Public Holding			
	Institutions	3	31,18,100	3.62
	Non-Institutions	9,187	2,69,64,890	31.25
	Total Public Shareholding (B)	9,190	3,00,82,990	34.87
C	Shares held by Custodian & against which Depository receipts have been issued (C)	NIL	NIL	NIL
	Grand Total (A+B+C)	9,208	8,62,81,486	100.00

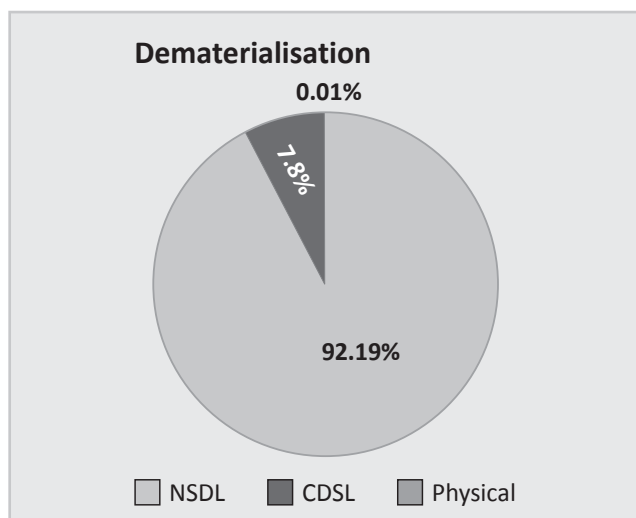
Report of the Directors on Corporate Governance (Contd.)

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2017

Range of ordinary shares held	No. of Shareholders	Percentage (%) to total shareholders	No. of Shares	Percentage (%) to share capital
Up to 500	7,534	81.82	9,05,011	1.05
501 to 1000	680	7.38	5,63,591	0.65
1001 to 2000	398	4.32	6,28,866	0.73
2001 to 3000	160	1.74	4,09,286	0.47
3001 to 4000	73	0.79	2,57,296	0.30
4001 to 5000	56	0.61	2,64,460	0.31
5001 to 10000	134	1.46	9,82,579	1.14
10001 and above	173	1.88	8,22,70,397	95.35
Total	9,208	100.00	8,62,81,486	100.00

DEMATERIALIZATION OF SHARES AND LIQUIDITY AS ON 31ST MARCH, 2017

The Shares of the Company are tradable in dematerialized form through both the Depository Systems in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Requests for



dematerialization of shares can be sent directly to the Registrar and Share Transfer Agent at M/s. Maheshwari Datamatics Private Limited, 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700 001. As at 31st March, 2017 a total of 8,62,75,150 equity shares of the Company, representing 99.99% of the Company's share capital were held in dematerialised form of which 7,95,49,996 representing 92.20% of the total paid-up equity share capital were held with NSDL and 67,25,154 representing 7.79 % of the total paid-up equity share capital with CDSL.

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

The Company has not issued any GDRs/ ADRs and hence no amount is outstanding as at the year end and also was not involved in commodity price risk or foreign exchange risk and hedging activities. The Board of Directors of the Company, had during the financial year i.e. 2015-16 allotted 2,26,05,000 warrants convertible into equity shares on a preferential basis to companies falling under promoter group and others at an issue price of ₹10/- each. Each warrant was convertible into one fully paid-up Equity Share of ₹10/-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.

Out of the above, the company has converted 1,25,00,000 warrants into Equity Shares till 31st March, 2017 by way of allotment of equivalent number of Equity Shares of ₹ 10/- each on receipt of balance 75% of the consideration i.e. ₹ 7.50 per warrant in respect of 1,25,00,000 warrants on different dates amounting to ₹ 937.50 Lacs. After the said conversions the paid up capital of the Company was ₹86,28,14,860 consisting of 8,62,81,486 equity shares of ₹10 each. The balance number of warrants as on 31st March, 2017 was 1,01,05,000.

After the end of financial year 2016-17 till date the Company has converted 65,00,000 warrants into Equity Shares by way of allotment of equivalent number of Equity Shares of ₹10/- each on receipt of balance 75% of the consideration i.e. ₹7.50 per warrant in respect of 65,00,000 warrants on different dates amounting to ₹487.50 Lacs. After the said conversions the balance number of warrants is 36,05,000.

After the conversion of remaining warrants, if exercised, the paid up equity share capital of the Company will be ₹96,38,64,860/- consisting of 9,63,86,486 equity shares of ₹ 10 each.

DETAILS OF UNCLAIMED SHARES

Pursuant to Regulation 39(4) read with Schedule VI of the

Report of the Directors on Corporate Governance (Contd.)

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has 847 unclaimed shares of 10 shareholders in a Demat Account titled 'Jai Balaji Industries Limited – Unclaimed Shares Demat Suspense Account' opened by the Company 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 1st April, 2016	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, 2017	10	847

PLEDGE OF EQUITY SHARES

As per declarations received, the under mentioned Promoters/Promoter Group of the Company have pledged the equity shares of the Company held by them.

Sl. No.	Name of Promoter/ Promoter Group	No. of Equity Shares Pledged as on 31.03.2017	% to total holding of respective promoter in the company	% to total paid up equity share capital of the company
1	Shri Aditya Jajodia	3,075,000	83.68%	3.56%
2	Shri Sanjiv Jajodia	2,640,000	99.64%	3.06%
3	Shri Rajiv Jajodia	1,550,000	98.83%	1.80%
4	Shri Aashish Jajodia	323,000	40.66%	0.37%
5	M/s. Enfield Suppliers Limited	11,221,233	100%	13.02%
6	M/s. Hari Management Limited	7,044,000	100%	8.16%
7	M/s. Jai Salasar Balaji Industries Private Limited	2,519,000	19.97%	2.92%
8	M/s. K. D. Jajodia Steels Industries Private Limited	2,410,000	99.99%	2.79%
	Total	30,782,233	—	35.68%

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, including the statutory modification(s) or re-enactment(s) thereof, for the time being in force ("IEPF Rules, 2016"), equity shares of the Company in respect of which dividend amounts have not been claimed/encashed for the last seven consecutive years or more are required to be transferred by the Company to the Demat Account of the Investor Education and Protection Fund Authority ("IEPF").

The Shareholders may note that Unclaimed/Unpaid Dividend for the financial year 2008-09 has already been transferred by the Company to the IEPF within the stipulated time as prescribed under the applicable provisions of the Companies Act, 2013 and the dividend for the year 2009-10 and onwards is lying with the Company.

The Company has communicated individually to the concerned shareholders whose shares are liable to be transferred to the demat account of IEPF as per the aforesaid Rules for taking appropriate action. The list of the concerned shareholders whose shares are liable to be transferred to IEPF and the relevant information regarding them is available on the Company's website i.e. "www.jaibalajigroup.com" under Investor Relations section.

During the year under review, your Company has transferred a sum of ₹39,832/- to the Investor Education & Protection Fund (IEPF) of the Central Government pursuant to Section 125 of the Companies Act, 2013.



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

Pursuant to the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding compliance of conditions of corporate governance, a certificate duly certified by Shri Sandip Kumar Kejriwal, Practising Company Secretary is annexed with this report which forms a part of Annual Report of the Company.

For and on behalf of the Board

Place : Kolkata

Date : 7th August, 2017

Aditya Jajodia
Chairman & Managing Director
 DIN: 00045114

Sanjiv Jajodia
*Whole-time Director &
 Chief Financial Officer*
 DIN: 00036339



Report of the Directors on Corporate Governance (Contd.)

DECLARATION

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2017.

The said Code of Conduct is hosted on the website of the Company viz. "www.jaibalajigroup.com."

Place : Kolkata

Date : 7th August, 2017

Aditya Jajodia

Chairman & Managing Director

Compliance Certificate on Corporate Governance

To,
The Board of Directors,
Jai Balaji Industries Limited,

We have reviewed the compliance of conditions of Corporate Governance by Jai Balaji Industries Limited ('the Company') for the year ended 31st March, 2017 as stipulated under Regulations 17 to 27, 46(2) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from 1st April 2016 to 31st March, 2017.

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 the above mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable during the year under report.

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

Place : Kolkata

Date : 7th August, 2017

Sandip Kumar Kejriwal

Membership No. : FCS 5152

Certificate of Practice No. 3821

Report of the Directors on Corporate Governance (Contd.)

CEO AND CFO CERTIFICATION
[Pursuant to Regulation 17(8) of SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

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, 2017 and that 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 contain statements that might be misleading;
 - ii. the aforesaid statements together 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 such 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 : 30th May, 2017

Aditya Jajodia
Chairman & Managing Director
DIN : 00045114

Sanjiv Jajodia
Chief Financial Officer
DIN : 00036339

Management Discussion and Analysis

OVERVIEW OF THE COMPANY

Jai Balaji Industries Limited is the flagship company of Jai Balaji Group and the core business of the Company is manufacturing 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.

INDUSTRY STRUCTURE & DEVELOPMENT

Global Economy

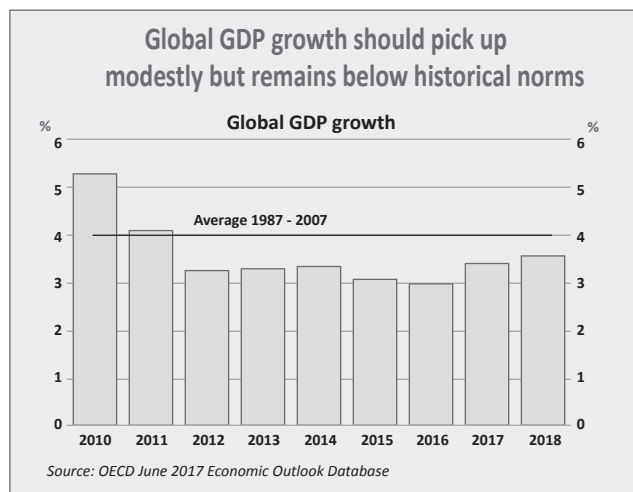
The global economy remained trapped in a prolonged period of slow economic growth and dwindling international trade growth. Economic growth in recent years has fallen short of expectations in both advanced and emerging market economies. As the world economy moves further away from the global financial crisis, the factors affecting global economic performance are becoming more complex. They reflect a combination of global forces – demographic trends, a persistent decline in productivity growth, adjustment to lower commodity prices and shocks driven by domestic and regional factors.

According to International Monetary Fund (IMF), economic activity gained some momentum in the second half of 2016, especially in advanced economies. Growth picked up in the United States as firms grew more confidence about future demand, and inventories started contributing positively to growth. Activity surprised on the upside in Japan thanks to strong net exports, as well as in euro area countries, such as Germany and Spain, as a result of strong domestic demand. Economic performance across emerging market and developing economies has remained mixed.

However, the global economic growth, at 3.1% on a y-o-y basis, fell short of expectations in year 2016 as deceleration in key emerging markets and developing economies overshadowed the modest recovery in major developed countries. Their deceleration was accompanied by a modest increase in commodity prices, subdued global trade, financial market volatility and weakening capital flows.

Year	Actual (%)		Projection (%)	
	2015	2016	2017	2018
World Output	3.2	3.1	3.4	3.6
Advanced Economies	2.1	1.6	1.9	2.0
Emerging Market and Developing Economies	4.1	4.1	4.5	4.8

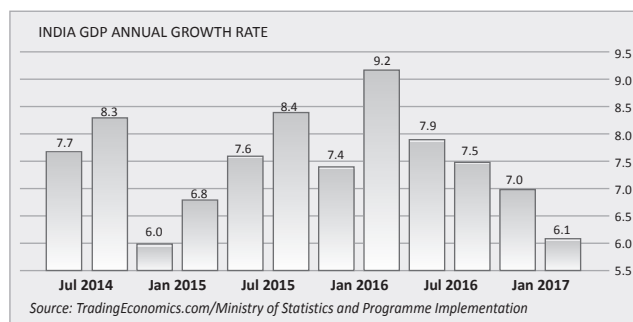
Source: IMF's World Economic Outlook.



However, the World Bank forecasts that global growth will strengthen in 2017-18 amid a pickup in manufacturing and trade, rising confidence, favorable global financing conditions, and stabilizing commodity prices.

Indian Economy

In the financial year 2016-17 the Indian economy grew at an estimated 7.1%, as per government estimates reported by the Ministry of Statistics & Programme Implementation, slowing from a growth rate of 7.9% reported for FY 2015-16.



The demonetisation announced in Q3 resulted in a temporary blip in the economic growth. The IMF mentioned that the cash shortage and slowed private consumption would only be a temporary disruption and the otherwise healthy economy will return gradually. The manufacturing sector grew at a healthy 7.7% in FY 2016-17, though subdued from the 10.6% levels seen in Financial Year 2015-16. The farm sector's growth significantly accelerated to 4.4% this financial year from 0.8% last year. The growth pick-up was seen from Q2 onwards, buoyed by a normal monsoon and encouraging sowing data. The mining and quarrying sector, which saw a de-growth in Q1 & Q2 before recovering to 7.5% growth in Q3 FY 2016-17, is expected to end at a full year growth of 1.3% for FY 2016-17 as compared to 12.3% for FY 2015-16.

Management Discussion and Analysis (contd.)

For FY 2017-18, growth is estimated to pick up to 7.4% levels. There is an expectation of stable to slightly positive inflationary pressures due to pick-up in economy as well as impact of seventh pay commission. It is widely expected that GST implementation in FY 2017-18 would auger well for economic growth. Economists estimate potential long term GDP growth impact at 2-4 percentage points attributable to GST.

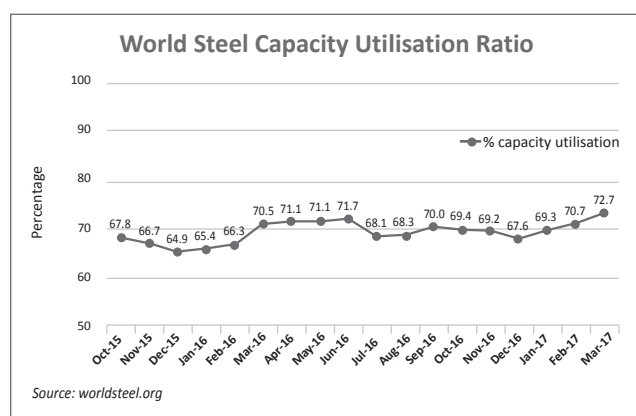
There is a gradual revival being seen in the construction sector. Road laying is picking up pace and so is other construction activity. Coal mining has aggressive mid and long term prospects, given the electricity generation targets set by the central government. While investments are still subdued due to excess capacity across sectors, it is expected that a prolonged period of controlled inflation, a stable government policy and steadily improving per-capita income would improve consumption and lead to a more sustained growth in the range of 7.0-8.5%.

STEEL INDUSTRY

World Steel Industry

Steel is at the core of a green economy. A healthy economy needs a healthy steel industry. According to World Steel Association, the steel industry is the second biggest industry in the world after oil and gas with an estimated global turnover of 900 billion USD.

The crude steel capacity utilization ratio of the 67 countries, reporting to World Steel Association, in March 2017 was 72.7%. This is 2.2 percentage points higher than March 2016. Compared to February 2017, it is 2.0 percentage points higher.



The global steel consumption grew by just 1% on a y-o-y basis to 1.52 billion tones in year 2016. Although the figure declined in first quarter of year 2016, it started improving from 2nd quarter of 2016 and accelerated during forth quarter of 2016. This happened mainly due to an improving apparent consumption in China where the Government's mini stimulus measures drove buoyancy in infrastructure investment and

the housing market. The apparent consumption in China appeared in the green than the largely expected negative 4%.

The global crude steel production grew marginally at 0.8% y-o-y to 1.63 billion tones in the year 2016. China, India, Turkey and Ukraine were the only four countries among the top 10 steel-producing nations to witness growth in steel production in the year 2016. Crude steel production decreased in Europe, America and Africa.

However, the global crude steel output grew strongly at 3.3% y-o-y, in second half of the year with increase in all major steel producing regions except South America, despite the fact that the global steel industry continues to face headwinds of overcapacity and weak demand. The production growth in China further accelerated, to 3% y-o-y in the second half of the year.

Looking ahead, global steel industry is likely to remain positive but with lower growth.

Indian Steel Industry

India is currently the world's 3rd largest producer of crude steel against its 8th position in 2003 and is expected to become the 2nd largest producer of crude steel in the world soon. India's steel sector posted a robust 11% growth in production in 2016-17 at 101.2 MT even as domestic consumption remained anaemic mainly due to poor off-take from the end-use segments like construction, automobiles and white goods sectors.

During the year, India's steel sector was impacted by intense competitive pressure with a surge in domestic steel production and elevated level of steel imports at predatory pricing. The situation was further aggravated by the fact that the apparent finished steel consumption in the country grew by just 2.6% y-o-y for the same period. India's steel demand was expected to gather momentum in the second half of F.Y. 2016-17, driven by the Government's measures to drive the economy and manage quantifiable progress on various policy reforms. However, the steel demand did not see the desirable upswing in the second half of the year, amid poor liquidity, following the Government's de-monetisation initiative. This led to a liquidity crunch and a contraction of the major consuming sectors such as real estate.

According to the report of Joint Plant Committee (JPC), exports of total finished steel rose 102.1 percent in Financial Year 2016-17 to 8.244 MT as against 4 MT in last financial year and dependence on import eased to 7.4 MT as compared to 11.7 MT in the preceding financial year.

Data on production for sale of pig iron, sponge iron and total

Management Discussion and Analysis (contd.)

finished steel (alloy/stainless + non-alloy) are given below for last five years and April-Jan. 2016-17:

Indian steel industry : Production for Sale (in million tonnes)

Category	2011-12	2012-13	2013-14	2014-15	2015-16	April-Jan. 2016-17*
Pig Iron	5.37	6.87	7.95	9.69	9.23	7.85
Sponge Iron	19.63	14.33	18.20	20.38	14.53	12.39
Total Finished Steel (alloy stainless + non alloy)	75.70	81.68	87.67	92.16	90.98	83.01

Source: Joint Plant Committee; *prov.

India is expected to become the world's second largest producer of crude steel in the next 10 years, moving up from the third position, as its capacity is projected to increase to about 300 MT by 2025. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

OPPORTUNITIES, THREATS, RISKS AND CONCERN

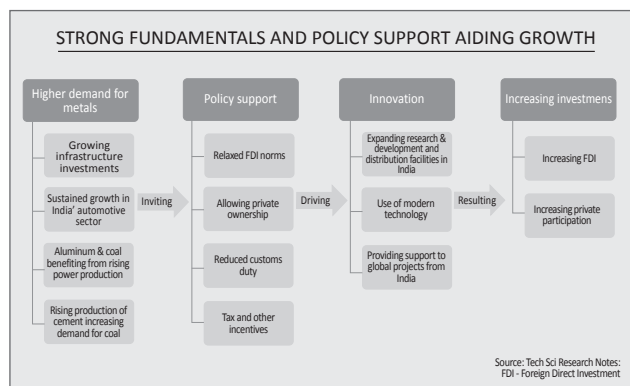
Opportunities

Steel is crucial to the development of any modern economy and is considered to be the backbone of human civilization. The level of per capita consumption of steel is treated as an important index of the level of socio-economic development and living standards of the people in any country. All major industrial economies are characterized by the existence of a strong steel industry and the growth of many of these economies has been largely shaped by the strength of their steel industries in their initial stages of development.

India's economic growth is contingent upon the growth of the Indian steel industry. Consumption of steel is taken to be an indicator of economic development. While steel continues to have a stronghold in traditional sectors such as construction, housing and ground transportation, special steels are increasingly being used in engineering industries such as power generation, petrochemicals and fertilizers. India occupies a central position on the global steel map, with the establishment of new state-of-the-art steel mills, acquisition of global scale capacities by players, continuous modernization and up gradation of older plants, improving energy efficiency and backward integration into global raw material sources.

The Government of India announced demonetization of high denomination bank notes of Rs. 1000 and Rs. 500, with effect from November 8, 2016, in order to eliminate black money

and the growing menace of fake Indian currency notes, thereby creating opportunities for improvement in economic growth. A recent report released by CRISIL, the global analytical firm suggests that various government initiatives such as the National Steel Policy (NSP) 2017 will help the country to sustain 6% steady growth in steel demand over the next five years.



Steel industry derives its demand from other important sectors like infrastructure, aviation, engineering, construction, automobile, pipes and tubes etc. With the Indian economy poised for its next wave of growth under the reforms being unleashed in the last one year, there lies tremendous opportunity for the Indian steel industry to prosper and grow exponentially.

Threats, risks and concern

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



Management Discussion and Analysis (contd.)

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 Indian Steel Industry is to take the utmost advantage.

OUTLOOK

After a lackluster outturn in 2016, economic activity is projected to pick up pace in 2017 and 2018, especially in emerging market and developing economies. According to the World Steel Association, India will contribute 5.1 million tonnes out of the forecasted growth of around 20 million tonnes in global steel demand during the year 2017.

The automotive sector has been the top performer among key steel using sectors thanks to the consumption driven recovery in the developed economies, low oil prices and the government stimuli programmes supporting automobile purchases in several countries. However, this may now be approaching a peak. The construction, building and infrastructure sector, which accounts for 50% of global steel use, has been showing a divided picture between the developing and developed economies. This sector has been a major driver for steel demand in the developing countries driven by urbanisation, but activity in the developed economies since the 2008 financial crisis has been more subdued. This appears to be about to change with a recovery in construction activities apparent in the EU through the improving economic conditions and the potential renewal initiatives for infrastructure in the US.

In the current financial year 2017-18, the domestic steel production is expected to remain higher and is likely to rise by 8- 10%. This will be backed by an increase in infrastructure allocation by the government in the Union Budget 2017-18 which is expected to drive the pace of construction and infrastructure in the country. Apart from this, the National Steel Policy 2017 released by the government also aims to increase steel production. Various initiatives undertaken by the government are likely to increase domestic steel

consumption and thereby production. Some of the initiatives are mentioned below:

- Pradhan Mantri Awas Yojna
- Make in India campaign
- Encouraging the use of Made in India steel for various projects
- Spending in areas of railways, roads and urban development

India is expected to become the world's second largest producer of crude steel in the next 10 years, moving up from the third position, as its capacity is projected to increase to about 300 MT by 2025. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

PRODUCT WISE PERFORMANCE ANALYSIS

Jai Balaji is an integrated steel manufacturer with five units in three mineral-rich states of eastern India; the Company's cumulative product wise installed capacities and actual production for the year 2016-17 comprise of the following:

Product	Unit	Installed capacity	Production
Sponge iron	MT	345,000	197,546
Pig iron	MT	509,250	368,920
Steel -Bars/Rods	MT	260,000	97,818
Billet /MS Ingot	MT	906,230	113,164
Ferro Alloys	MT	106,618	30,774
Ductile Iron Pipe	MT	240,000	113,159
Power		101.10 (MW/Hr)	319.69 (MU)
Sinter	MT	6,08,000	540,100
Coke	MT	3,50,000	295,510

FINANCIAL PERFORMANCE

Over the last few years, the Steel sector has been adversely impacted by the global steel glut which resulted in predatory pricing and a surge in steel imports into the country. However, on account of timely intervention by the Government and industry through various trade related measures like anti-dumping and safeguards as well as other policy initiatives, the impact of the global glut were significantly mitigated. Your Company's continuous efforts for reduction of production cost and improvement in operational efficiency has resulted in increase in revenue from operations of the Company during the year which was to the tune of



Management Discussion and Analysis (contd.)

Rs. 156,390.15 lacs over previous years Rs. 121,257.00 lacs. The total revenue of the Company (comprising of sales and other income) for the financial year under review was Rs.158,469.63 lacs as compared to Rs.122,845.81 lacs during the previous financial year. Loss after Tax for the financial year 2016-17 was Rs. 21,819.79 lacs as compared to Rs. 66,612.42 lacs in the previous financial year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal Control is a part of the day to day management and administration of your Company and is designed to ensure that the significant financial, managerial and operating information that is relevant, accurate and reliable is provided on time.

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. The Internal Audit functions also 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 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 RESOURCE

The Company is dedicated to have an optimum level of human resource and believes in the concept of right talent at the right job since it considers human capital to be the most valuable asset of your Company. We nurture our human resource and provide them a growth oriented and challenging work environment thereby achieving our organisational goals. Your Company acknowledges the tremendous contribution of all its employees towards its growth in leading, thinking,

working, motivating. Human Resources development practices in your company are guided by the principles of consistency and fairness in order to ensure a productive and innovative work place.

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, color, 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 is proud to have a talented pool of around 2433 employees as on 31st March, 2017, 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.

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. Important 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 laws and other statutes and other incidental factor.

On behalf of the Board of Director

Place : Kolkata
Date : 7th August, 2017

Aditya Jajodia
Chairman & Managing Director
DIN : 00045114

INDEPENDENT AUDITOR'S 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 2017, the Statement of Profit and Loss and 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. 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.

Basis for Qualified Opinion

Referring to Note – 31 of the financial statement, company has not provided for interest amounting to ₹ 39,544.56 lacs on various loans & credit facilities availed from banks & financial institution on the ground that same is being treated as Non Performing Assets by the lenders. Due to this loss has been understated by ₹ 39,544.56 lacs and accordingly loss for the year ended 31st March, 2017 would've been ₹ 61,364.35 lacs instead of ₹ 21,819.79 lacs.

Opinion

Except for the possible effects of the matters described in "Basis for Qualified 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, 2017, and its losses and its cashflows for the year ended on that date.

Emphasis of Matter

We want to draw attention of the users of the financial statements on following matters:

1. As explained in Note – 32, company has been incurring losses and its net worth is completely eroded, also its current liability exceeds current assets by ₹ 1,05,316.65 lacs. However the financial statements of the company have been prepared on a going concern basis and accordingly Deferred Tax Assets amounting to ₹ 29,085.14 lacs created up to 31st March 2015 has been carried forward.
2. As explained in Note – 42(b) of the financial statement, regarding deallocation of coal blocks by Hon'ble Supreme court vide its order dated 24th September 2014. Pending finalisation of the compensation receivable for the cancelled mines, no adjustment in the book values of investment in mining assets has been made.
3. Investment made in one of its subsidiary viz. Nilachal Iron & Power Limited (100% Subsidiary), appearing as investment at historical cost, however net worth of the same as per latest audited financial statement is much lower than the book value. As per information given to

us, management is taking corrective actions in the said subsidiary and also steel industry is reviving, so no provision against the same has been made.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2016 ("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', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- II. As required by Section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. in our opinion, proper books of accounts 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, 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B';
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its Financial Position in its financial statements - Refer Note No. 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, which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. the company has provided requisite disclosure in its standalone financial statement as to holding as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer note - 49 of the financial statement.

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

(J. K. CHOUDHURY)
Partner

Place : Kolkata
Dated : May 30, 2017

Membership No: 009367

Annexure - A to the Independent 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 2017. 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.
- (c) According to information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventories have been physically verified during the year by the management at regular intervals. In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on physical verification.
- iii. According to information and explanation given to us and on the basis of our examination of the records of the Company, the Company has granted unsecured loans to

one company covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly we report that:-

- (a) The terms and conditions of such loans are not prejudicial to the company's interest.
- (b) The above loans are re-payable on demand.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities made.
- v. The Company has not accepted any deposits from the public. Accordingly, paragraph 3(v) of the Order is not applicable.
- 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 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, 2017 for a period of more than six months from the date they became payable:-

Name of statute	Nature of dues	Amount Outstanding (Rs. in lacs)	Period to which amount relates	Payment up to 29 th May, 2017 (Rs. in lacs)
Income Tax Act, 1961	TDS	535.00	April '13 to September '16	4.56
Finance Act, 1994	Service Tax	372.54	March '14 to September '16	Nil
The Central Excise Act, 1944	Excise Duty	2615.03	May '15 to September '16	224.00
Provident Fund Act, 1952	Provident Fund	539.37	February '15 to September '16	7.34
Employee State Insurance Act, 1948	ESI	4.68	April '16 to September '16	0.52
Professional Tax Act	Professional Tax	0.18	October '15 to September '16	Nil
Finance Act, 1994	Swachh Bharat Cess	4.07	November '15 to September '16	Nil
Finance Act, 1994	Krishi Kalyan Cess	0.95	June '16 to September '16	Nil
Central Sales Tax Act	Central Sales Tax	30.79	April '16 to September '16	Nil
Chhatisgarh Value Added Tax Act, 2003	Value Added Tax	16.23	April '16 to September '16	Nil
Punjab Value Added Tax Act	Value Added Tax	53.74	July '13 to February '14	Nil

(b) According to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, duty of custom, service tax and value added tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount under dispute not yet deposited (Rs.in lacs)	Financial year to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty	26,760.03	2007-08 to 2016-17	CESTAT, Commissioner (Appeals)
Finance Act, 1994	Service Tax	863.24	2010-11 to 2016-17	CESTAT, Commissioner (Appeals)
Custom Act, 1962	Custom Duty	482.65	2016-17	CESTAT, Commissioner (Appeals)
The West Bengal Sales Tax Act, 1994	Sales Tax	3.59	2004-05	West Bengal Appellate & Revisional Board
The Central Sales Tax Act, 1956	Central Sales Tax	539.16	2006-07 to 2011-12	West Bengal Appellate & Revisional Board
The West Bengal Value Added Tax Act, 2003	Value Added Tax	1,474.88	2005-06 to 2011-12	West Bengal Appellate & Revisional Board
The Uttar Pradesh Value Added Tax Act, 2007	Value Added Tax	2.35	2014-15, 2015-16	Joint Commissioner (Appeals)
The Odisha Value Added Tax Act 2004	Value Added Tax	234.47	2012-13, 2013-14	Joint Commissioner (Appeals)
The Odisha Entry Tax Act, 1999	Entry Tax	68.78	2012-13, 2013-14	Joint Commissioner (Appeals)
The Income Tax Act, 1961	Income Tax	6.85	A.Y. - 2009-10	DCIT/CIT(A)



viii. 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 institution during the year at different maturities as given below:-

(₹ in lacs)

Banks	Default of Principal		Default of Interest	
	Less than 1 year	More than 1 year	Less than 1 year*	More than 1 year
Allahabad Bank	3,751.42	1,742.16	Nil	2,063.99
Bank of India	1,190.49	2,113.68	Nil	2,982.71
Canara Bank	161.32	209.28	Nil	211.29
Corporation Bank	219.04	389.01	Nil	517.92
Federal Bank	47.26	10.05	Nil	3.46
Indian Overseas Bank	1,489.48	621.16	Nil	785.27
IDBI Bank	108.43	46.12	Nil	29.25
Oriental Bank of Commerce	1,146.59	265.84	Nil	328.67
Punjab National Bank	297.76	137.94	Nil	66.20
State Bank of India	2,172.68	488.62	Nil	701.30
State Bank of Bikaner & Jaipur#	35.76	Nil	14.99	Nil
State Bank of Hyderabad#	2,346.31	44.42	Nil	1.32
State Bank of Mysore#	242.47	198.20	Nil	235.74
State Bank of Patiala#	291.85	59.21	Nil	74.58
UCO Bank	6,370.95	2,649.76	Nil	2,331.40
United Bank of India	2,707.75	1,135.42	Nil	1,062.42
Union Bank	342.58	513.18	Nil	470.89
Vijaya Bank	816.90	1,413.43	Nil	2,077.51
Total	23,739.05	12,037.48	14.99	13,943.92

Financial Institution	Default of Principal		Default of Interest	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
WBIDFC	678.82	466.99	Nil	589.28
IFCI	Nil	2,171.59	Nil	1,563.57
Total	678.82	2,638.58	Nil	2,152.85

*above figures doesn't include interest amounting to ₹39,544.56 lacs for the financial year 2016-17, as interest has not been provided in the books as mentioned in Note – 31.

all these banks were merged with State Bank of India w.e.f. 1st April, 2017, accordingly all dues outstanding in favour of these banks shall now be treated as outstanding in favour of State Bank Of India effecting from that date.



- ix. To the best of our knowledge and belief and according to the information and explanations given to us, during the year the Company did not avail any term loan facility from bank or financial institution. Also Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. *According to the information and explanation given by the management, the company is in process of obtaining approval of central government for waiver of remuneration paid over and above the limits prescribed under section 197, read with Schedule - V of the act, to executive director, amounting to Rs. 6.75 lacs, for the financial year 2016-17.*
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has made private placement of shares during the year under review and the requirements of section 42 of the Act have been complied with.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For, **S. K. AGRAWAL & CO.**
Chartered Accountants
Firm's Registration No: 306033E

(J. K. CHOUDHURY)

Partner

Membership No: 009367

Place : Kolkata

Dated : May 30, 2017

Annexure - B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of M/s Jai Balaji Industries Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued

by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over

Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation

of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(J. K. CHOUDHURY)
Partner

Place : Kolkata
Dated : May 30, 2017

Membership No: 009367



Balance Sheet as at March 31, 2017

	Notes	As at March 31, 2017	As at March 31, 2016
(₹ in lacs)			
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	3	8,627.76	7,777.76
Reserves and Surplus	4	(113,891.00)	(92,071.21)
Money Received against share warrants		252.63	465.13
		<u>(105,010.61)</u>	<u>(83,828.32)</u>
Non Current Liabilities			
Long Term Borrowings	5	207,873.00	224,769.27
		<u>207,873.00</u>	<u>224,769.27</u>
Current Liabilities			
Short Term Borrowings	6	79,979.23	76,242.88
Trade Payables	7	56,430.26	77,459.38
Other Current Liabilities	7	117,094.46	85,055.59
Short Term Provisions	8	942.12	806.08
		<u>254,446.07</u>	<u>239,563.93</u>
TOTAL		<u>357,308.46</u>	<u>380,504.88</u>
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	9	148,665.86	158,834.97
Capital Work in Progress and Pre-Operative Expenditure Pending Allocation	10	12,085.20	11,518.37
Non Current Investments	11	8,138.59	8,136.79
Deferred Tax Assets (Net)	12	29,085.14	29,085.14
Long Term Loans and Advances	13	10,134.87	11,137.90
Other Non Current Assets	14	69.38	450.76
		<u>208,179.04</u>	<u>219,163.93</u>
Current Assets			
Inventories	15	42,011.86	48,116.57
Trade Receivables	16	64,714.36	73,088.60
Cash and Bank Balances	17	986.85	1,481.99
Short Term Loans and Advances	13	30,448.45	29,167.84
Other Current Assets	18	10,967.90	9,485.95
		<u>149,129.42</u>	<u>161,340.95</u>
TOTAL		<u>357,308.46</u>	<u>380,504.88</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 : 30th May, 2017

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



Statement of Profit and Loss for the year ended March 31, 2017

(₹ in lacs)

	Notes	Current year ended March 31, 2017	Previous year ended March 31, 2016
INCOME			
Revenue from Operations (Gross)	19	169,050.74	132,940.70
Less: Excise Duty	19	12,660.59	11,683.70
Revenue from Operations (Net)		156,390.15	121,257.00
Other Income	20	2,079.48	1,588.81
Total Revenue (I)		158,469.63	122,845.81
EXPENSES			
Cost of Materials Consumed	21	135,208.73	105,505.78
Purchase of Stock in Trade	21	–	183.25
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	(7,473.40)	(442.62)
Employee Benefits Expense	23	5,528.88	5,208.56
Finance Costs	24	4,106.66	41,377.18
Depreciation and Amortisation Expense	9	11,191.18	11,620.35
Other Expenses	25	31,727.37	26,005.73
Total Expenses (II)		180,289.42	189,458.23
Profit / (Loss) before exceptional items and Tax (I-II)		(21,819.79)	(66,612.42)
Exceptional Item		–	–
Profit / (Loss) before Tax (I-II)		(21,819.79)	(66,612.42)
Tax Expenses:			
Provision (Write Back) relating to earlier years		–	–
Deferred tax charge/(credit)		–	–
Total tax expense / (credit)		–	–
Profit/(Loss) for the period		(21,819.79)	(66,612.42)
Earnings per Equity Share: (Nominal Value per Share ₹ 10)			
Basic & Diluted	39	(26.09)	(90.26)
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 : 30th May, 2017

For and on behalf of the Board of Directors

Aditya Jajodia
Chairman & Managing
Director
DIN : 00045114

Sanjiv Jajodia
Wholtime 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, 2017

	(₹ in lacs)	
	Current year ended March 31, 2017	Previous year ended March 31, 2016
A: Cash Flow From Operating Activities		
Net Profit / (Loss) Before Taxes	(21,819.79)	(66,612.42)
Adjustments For :		
Depreciation / Amortisation (Net)	11,191.18	11,620.35
Loss on Sale of Fixed Assets	2.64	0.04
Irrecoverable Debts and Advances Written off	168.49	5.73
Liabilities no longer required written back	(179.76)	(21.26)
Interest on Term Loans and Others	3,734.45	39,695.01
Provision for doubtful debts/(written back)	2,479.95	495.51
Dividend from long term Non Trade Investments	(1.35)	(1.35)
Prior Period Expenditure (Net)	331.95	270.57
(Profit) / Loss on Foreign Exchange Fluctuations (Net)	(5.34)	191.62
Interest Income	(1,764.99)	(1,550.89)
Operating Profit / (Loss) Before Working Capital Changes	(5,862.57)	(15,907.09)
Movements in Working Capital :		
Decrease / (Increase) in Trade Receivables	10,145.07	3,924.51
Increase in Loans and Advances and Other Current / Non Current Assets	(5,121.62)	(346.63)
Decrease / (Increase) in Advances to Subsidiary Company	(64.46)	(147.92)
Decrease / (Increase) in Inventories	6,104.70	1,576.62
Decrease in Trade Payables, Other Liabilities and Provisions	(15,553.55)	(6,386.15)
Cash generated (used in) Operating Activities	(10,352.43)	(17,286.66)
Direct Taxes paid (Net of refunds)	(42.55)	106.54
Net Cash generated (used in) Operating Activities	(10,394.98)	(17,180.12)
B: Cash Flow From Investing Activities		
Purchase of Fixed Assets	126.66	(1,532.98)
Proceeds from Sale of Fixed Assets	111.34	77.27
Purchase of Investments in Joint Venture Companies	–	(6.18)
Purchase of Investments in Government Securities	(1.70)	(1.50)
Purchase of Investments in Mutual Fund	(0.10)	–
Application money paid in Joint Venture Companies	–	(3.59)
Proceeds from maturity of fixed deposits	491.96	359.86
Dividend from long term Investments (other than Trade)	1.35	1.35
Interest received	1,792.90	1,518.26
Net Cash generated from Investing Activities	2,522.41	412.49



Cash Flow Statement for the year ended March 31, 2017 (Contd.)

	(₹ in lacs)	
	Current year ended March 31, 2017	Previous year ended March 31, 2016
C: Cash Flow From Financing Activities		
Money Received against share warrants	637.50	865.13
Proceeds from long / short term Borrowings	12,003.12	58,426.23
Repayment of long / short term Borrowings	(703.00)	(15,010.97)
Interest Paid	(4,277.70)	(28,602.73)
Dividend Paid	(0.40)	(0.54)
Net Cash generated from Financing Activities	7,659.52	15,677.12
Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)	(213.05)	(1,090.51)
Cash and Cash Equivalents as at the beginning of the year	427.96	1,518.47
Cash and Cash Equivalents as at the end of the year	214.91	427.96
Components of cash and cash equivalents		
Cash on hand	12.42	92.46
Cheques in hand	81.79	121.46
Balance with Scheduled Banks on:		
Current Account	60.77	199.20
Fixed Deposit Account	896.91	1,343.38
Unclaimed Dividend Account *	0.93	1.17
Unclaimed Fractional Share Balance*	–	0.16
Cash & Bank Balance as per Note 17	1,052.82	1,757.83
Less : Fixed deposits not considered as cash equivalents	837.91	1,329.87
Cash and Cash Equivalents in Cash Flow Statement:	214.91	427.96

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

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

Aditya Jajodia
Chairman & Managing
Director
DIN : 00045114

Sanjiv Jajodia
Wholtime Director & Chief
Financial Officer
DIN : 00036339

Rajiv Jajodia
Director
DIN : 00045192

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

Ajay Kumar Tantia
Company Secretary

Place : Kolkata
Date : 30th May, 2017

Notes to financial statements for the year ended March 31, 2017

1. General Information

Jai Balaji Industries Limited (the Company) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 (Amendment Act, 2013). Its shares are listed on three stock exchanges in India (Bombay Stock Exchange, National Stock Exchange and Calcutta Stock Exchange). 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 notified by the Companies (Accounting Standards) Rules, 2006, to the extent applicable (as amended) and the relevant provisions of the Companies Act, 2013. 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 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

Notes to financial statements for the year ended March 31, 2017 (Contd.)

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 promoter's contribution are credited to capital reserve and treated as a part of shareholder's 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 shareholder's 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

Notes to financial statements for the year ended March 31, 2017 (Contd.)

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 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

Notes to financial statements for the year ended March 31, 2017 (Contd.)

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 notified 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

Note 3 : Share Capital

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
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		
86,281,486 (77,781,486) Equity Shares of ₹ 10/- each	8,628.15	7,778.15
Less: Calls unpaid (Due from other than directors or officers)	0.39	0.39
Total	<u>8,627.76</u>	<u>7,777.76</u>

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

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	(₹ in lacs)	No. of Shares	(₹ in lacs)
Equity Shares of ₹ 10/- each				
At the beginning of the period	77,781,486	7,777.76	73,781,486	7,377.76
Issued during the period	8,500,000	850.00	4,000,000	400.00
At the end of the period	<u>86,281,486</u>	<u>8,627.76</u>	<u>77,781,486</u>	<u>7,777.76</u>



Notes to financial statements for the year ended March 31, 2017 (Contd.)

(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 allotted to companies falling under the promoter group pursuant to conversion of warrants issued on preferential basis are under lock-in as follows:

Date of Allotment	No of Equity Shares	Lock in till
30.03.2016	40,00,000	29 th June, 2019
18.05.2016	40,00,000	17 th August, 2019
25.07.2016	16,50,000	24 th November, 2019
25.10.2016	28,50,000	24 th February, 2020

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

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Enfield Suppliers Ltd.	11,221,233	13.01	11,221,233	14.43
Hari Management Ltd.	7,044,000	8.16	7,044,000	9.06
Shri Jaikapish Steel (P) Limited*	—	—	2,000,000	2.57
Shri Sankatmochan Steel (P) Limited*	—	—	2,000,000	2.57
CVCIGP II Client Rosehill Limited	3,886,734	4.50	3,886,734	5.00
Jai Salasar Balaji Industries (P) Ltd*	25,115,157	29.11	12,615,157	16.22
	<u>47,267,124</u>	<u>54.78</u>	<u>38,767,124</u>	<u>49.85</u>

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

*Pursuant to the Scheme of Amalgamation, Shri Jaikapish Steel Private Limited (holding 62,50,000 equity shares) and Shri Sankatmochan Steel Private Limited (holding 62,50,000 equity shares) has been amalgamated with Jai Salasar Balaji Industries Private Limited with effect from 1st April, 2016 (Appointed Date) vide order of Hon'ble National Company Law Tribunal, Kolkata Bench dated 26th April, 2017.

(e) Money received against share warrants:

The Company had issued and allotted 2,26,05,000 warrants on Preferential allotment basis to companies falling under promoter group & others carrying a right to convert each warrant into an Equity Share of ₹ 10/- each within a period of 18 months from the date of allotment i.e 22nd March, 2016. The warrant holders had paid 25% of the total consideration i.e. ₹ 2.50 per warrant amounting to ₹ 565.13 lacs as application money against the above warrants.

During the year, the company has converted 85,00,000 warrants into Equity Shares by way of allotment of equivalent number of Equity Shares of ₹ 10/- each on receipt of balance 75% of the consideration i.e. ₹ 7.50 per warrant in respect of 85,00,000 warrants on different dates amounting to ₹ 637.50 Lacs.

Out of total allotted 2,26,05,000 warrants, the company has converted 1,25,00,000 warrants into Equity Shares till 31st March, 2017.

Notes to financial statements for the year ended March 31, 2017 (Contd.)
Note 4 : Reserves & Surplus
(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
Capital Reserve		
As per last financial statements	6,408.50	6,408.50
Amalgamation Reserve		
As per last financial statements	4,400.00	4,400.00
Securities Premium Account		
As per last financial statements	50,017.50	50,017.50
Add : For the period	—	—
	50,017.50	50,017.50
General Reserve		
As per last financial statements	10,325.00	10,325.00
	10,325.00	10,325.00
Surplus/(Deficit) in Statement of Profit and Loss		
As per last financial statements	(163,222.21)	(96,609.79)
Add: Profit/(Loss) for the period	(21,819.79)	(66,612.42)
Surplus/ (Deficit) in Statement of Profit and Loss	(185,042.00)	(163,222.21)
Total :	(113,891.00)	(92,071.21)

Note 5 : Long Term Borrowings
(₹ in lacs)

	Non Current Portion		Current Portion	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
(Secured, unless otherwise stated)				
Term Loans :				
Rupee Loan from banks	181,452.66	212,208.80	60,560.81	36,940.36
Rupee Loan from Financial Institutions	2,344.70	3,023.54	4,195.70	3,516.86
Rupee Loan ARC (Refer Note 28)	14,538.70	—	—	—
Rupee Loan from Bodies Corporate(Unsecured)	797.25	797.25	—	—
Unsecured Loan:				
Debentures	8,739.69	8,739.69	—	—
87,39,685 Zero Coupon Non Convertible Debentures of ₹ 100 each (Refer Note 29)				
Total:	207,873.00	224,769.27	64,756.51	40,457.23
Amount disclosed under the head "Other Current Liabilities" (Refer Note 7)	—	—	(64,756.51)	(40,457.23)
Total:	207,873.00	224,769.27	—	—

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 :

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

Notes to financial statements for the year ended March 31, 2017 (Contd.)

b) Rupee Term Loan from banks and financial institution carry interest as follows:

- (i) term loan and working capital term loan aggregating ₹ 132,065.98 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 ₹ 16,936.17 lacs at base rate of lead banker (UCO Bank).
- (iii) Viability Gap Term Loan (VGTL) aggregating to ₹ 97,380.14 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	30 structured quarterly installments starting from April 2017	
Installments Due	Number	(₹ in lacs)
(i) Overdue	–	37,582.66
(ii) Within 1 year	4	25,002.27
(iii) One year to three year	8	61,442.67
(iv) Three year to five year	8	60,430.48
(v) More than five year	10	61,924.21
	<u>30</u>	<u>246,382.29</u>

- 2) Rupee Term Loan from a Financial Institution aggregating ₹ 2,171.58 lacs carry interest in the range of 14.50% - 15% p.a. and is for repayment. The loan is secured by 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) The Company has issued 87,39,685 Zero Coupon Unsecured Unlisted Non Convertible Debentures at a price of ₹ 100 each. The Debentures shall be redeemable at par within three months from the expiry of twelve years from the date of allotment i.e 14th November, 2015
- 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		
- Less than 1 year	23,739.05	14.99
- More than 1 year	12,037.48	13,943.92
Total Banks	<u>35,776.53</u>	<u>13,958.91</u>
In respect of Financial Institutions		
- Less than 1 year	678.82	–
- More than 1 year	2,638.58	2,152.85
Total FIs	<u>3,317.40</u>	<u>2,152.85</u>

Note 6 : Short Term Borrowings

	As at March 31, 2017	As at March 31, 2016
Loan Repayable on Demand		
- Cash Credit from Banks	79,979.23	76,227.88
From Bodies Corporate (Unsecured)	–	15.00
Total :	<u>79,979.23</u>	<u>76,242.88</u>

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 :

- (i) Personal Guarantees of Promoter Directors of the Company.
- (ii) Pledge of equity shares of the Company held by the promoters

Notes to financial statements for the year ended March 31, 2017 (Contd.)

Note 7 : Trade Payables and other Current Liabilities

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
Trade Payables		
- Raw materials & Others [including acceptances of ₹ Nil (₹11,394.92 lacs)]	56,430.26	77,459.38
	<u>56,430.26</u>	<u>77,459.38</u>
Current Maturities of Long Term Borrowings (Refer Note 5)	64,756.51	40,457.23
Capital Creditors	2,749.15	2,280.68
Interest Accrued and due on Borrowings	18,645.70	19,188.95
Advance from Customer	7,737.71	5,593.43
Temporary Book Overdraft	252.98	249.30
Investor Education and Protection Fund will be credited by the following amounts (as and when due)		
- Unclaimed Dividend	0.93	1.17
- Unclaimed Fractional Share Liabilities	-	0.16
Others		
- Statutory Dues Payable	9,868.22	7,698.17
- Excise Duty payable on Closing Stock	1,507.82	684.36
- Interest Others	10,242.45	7,838.02
- Security Deposit	11.60	1.60
- Due to Employees	1,207.65	951.25
- Other Miscellaneous	113.74	111.27
	<u>117,094.46</u>	<u>85,055.59</u>
Total:	<u>173,524.72</u>	<u>162,514.97</u>

Note 8 : Short Term Provisions

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits :		
Gratuity (Refer Note 35)	801.34	692.68
Leave Salary	140.78	113.40
Total :	<u>942.12</u>	<u>806.08</u>

Note 9 : Tangible Assets

(₹ in lacs)

Description	Gross Block				Depreciation / Amortisation					Net Block	
	As at March 31, 2016	Additions	Deductions	As at March 31, 2017	Up to March 31, 2016	Depreciation in respect of assets whose useful life is over	For the period	Deductions	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Freehold Land	4,175.66	-	-	4,175.66	-	-	-	-	-	4,175.66	4,175.66
Leasehold Land	707.57	-	-	707.57	155.50	-	9.53	-	165.03	542.54	552.07
Factory Buildings	40,456.48	90.31	-	40,546.79	8,278.50	-	1,196.24	-	9,474.74	31,072.05	32,177.98
Railway Siding	4,354.18	-	-	4,354.18	1,804.33	-	319.86	-	2,124.19	2,229.99	2,549.85
Plant and Machinery	174,108.45	913.72	1,472.42	173,549.75	65,653.56	-	6,961.80	1,359.13	71,256.23	102,293.52	108,454.89
Electrical Installations	24,401.58	76.54	13.90	24,464.22	13,680.62	-	2,638.70	13.21	16,306.11	8,158.11	10,720.96
Furniture, Fixtures	112.64	3.87	-	116.51	81.30	-	8.48	-	89.78	26.73	31.34
Office Equipments	972.88	51.61	-	1,024.49	847.63	-	44.53	-	892.16	132.33	125.25
Vehicles	190.82	-	-	190.82	143.85	-	12.04	-	155.89	34.93	46.97
Total	249,480.26	1,136.05	1,486.32	249,129.99	90,645.29	-	11,191.18	1,372.34	100,464.13	148,665.86	158,834.97
Previous Year's Total	249,095.24	507.57	122.55	249,480.26	79,070.18	-	11,620.35	45.24	90,645.29	158,834.97	-



Notes to financial statements for the year ended March 31, 2017 (Contd.)

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

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
A Capital Work-in-Progress		
Buildings*	1,298.77	1,218.07
Road	27.97	—
Railway Siding	359.01	359.01
Plant and Machinery*	1,699.29	397.22
Electrical Installations	449.75	379.17
Land	5,274.77	5,274.77
Sub Total	9,109.56	7,628.24
Less : Transferred to Fixed Assets	941.43	14.32
Total A :	8,168.13	7,613.92
B Pre-operative Expenditure Pending Allocation		
Opening Balance	3,904.45	3,890.78
Additions		
Salaries, Wages and Bonus	—	0.18
Rates and Taxes	0.06	0.02
Travelling and Conveyance	2.65	3.50
Legal and Professional Charges	0.37	0.50
Miscellaneous Expenses	9.54	9.47
	12.62	13.67
Less : Transferred to Fixed Assets	—	—
Total B :	3,917.07	3,904.45
Grand Total (A+B)	12,085.20	11,518.37

*Plant & Machinery includes DIP Mould of ₹ 76.46 Lacs (₹ 325.00 Lacs) and AOD Plant of ₹ 47.52 Lacs lying in transit.
Building includes Building material of ₹ 3.06 Lacs lying in transit.

Note 11 : Non Current Investments

(₹ in lacs)

	Number of shares	Face Value Per Share	As at March 31, 2017	As at March 31, 2016
(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	2,363,914	10	236.39	236.39
			8,097.54	8,097.54


Notes to financial statements for the year ended March 31, 2017 (Contd.)
Note 11 : Non Current Investments (Contd.)
(₹ in lacs)

	Number of shares	Face Value Per Share	As at March 31, 2017	As at March 31, 2016
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			7.32	5.62
(Deposited with Third Parties)			40.95	39.25
Investment in Mutual Fund-Quoted				
4.498 Units Reliance Money Manager Fund-Growth Plan- Growth Option			0.10	—
			0.10	—
			8,138.59	8,136.79
Aggregate Value of Investments				
- Quoted			0.10	—
- Unquoted			8,239.38	8,237.68
Aggregate provision for diminution in the value of Investments			100.89	100.89
Market Price/NAV-Quoted			0.10	—

Note 12 : Deferred Tax Assets / (Liabilities) (Net)
(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
Deferred Tax Asset		
Unabsorbed Depreciation and carry forward Business Losses	66,524.37	65,318.24
Expenses Allowed On Payment Basis / Other Timing Differences	1,718.00	891.84
Sub Total (A)	68,242.36	66,210.08
Deferred Tax Liability		
Timing Difference on Depreciable assets	20,209.43	20,220.48
Sub Total (B)	20,209.43	20,220.48
Deferred Tax Assets / (Liabilities) (Net) (A-B)	48,032.93	45,989.60
Less: Deferred Tax Assets not recognised (refer note below)	(18,947.79)	(16,904.46)
Total	29,085.14	29,085.14

As the company has made substantial losses for the past years as well as for this year, no Deferred Tax Assets for the year has been accounted for. However the figure upto 31.03.2015 has been carried forward because the management is taking corrective action to improve the working so as to enable them to realise the above figure.



Notes to financial statements for the year ended March 31, 2017 (Contd.)

Note 13 : Loans and Advances

(₹ in lacs)

	Non Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
(Unsecured, Considered Good)				
Capital Advances	4,117.39	5,478.46	—	—
Security Deposit	1,307.77	949.73	863.68	531.12
[Net of Provision for Doubtful Advances ₹ Nil (₹ Nil)]				
Loans and advances to Related parties				
Loans to Body Corporate (Receivable on demand)*	—	—	7,000.00	7,000.00
Advances to a Subsidiary Company*	—	—	446.10	381.64
Advances to a Body Corporate *	—	—	3,326.99	2,723.75
Share Application Money to Joint Venture Company	—	—	193.30	193.30
	—	—	10,966.39	10,298.69
Advances recoverable in cash or kind				
Advances recoverable in cash or in kind or for value to be received	—	—	16,579.56	16,036.09
[Net of Provision for Doubtful Advances ₹ 764.38 lacs (₹ 764.38 lacs)]				
Other Loans and advances				
Balance with Excise and other Government Authorities	—	—	1,683.20	2,052.97
Advance income tax	—	—	157.77	111.15
[Net of Provision ₹ Nil (₹ Nil)]				
Sales Tax and Other Refunds Receivable	—	—	197.85	137.82
Mat Credit Entitlement	4,709.71	4,709.71	—	—
	4,709.71	4,709.71	2,038.82	2,301.94
Total :	10,134.87	11,137.90	30,448.45	29,167.84

*(Refer Note 34)

Note 14 : Other Non Current Assets

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
Non Current bank balances (Refer Note 17)	65.97	275.84
Interest Receivable on Deposits	3.41	174.92
Total :	69.38	450.76

Note 15 : Inventories

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
Raw Materials	20,089.94	35,322.63
[Including in transit ₹ 4,374.23 lacs (₹ 5,899.40 lacs)]		
Stores and Spares	4,662.98	3,831.86
[Including in transit ₹ 277.94 lacs (₹ 158.01 lacs)]		
Work - in - Process	771.45	527.98
Finished Goods	15,921.67	7,577.17
[Including in transit ₹ 570.84 lacs (₹ Nil)]		
By Products and Scrap	565.82	856.93
Total :	42,011.86	48,116.57



Notes to financial statements for the year ended March 31, 2017 (Contd.)

Note 16 : Trade Receivables

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
Outstanding for a period exceeding six month from the date they are due for payment		
Unsecured, considered good	43,894.99	23,972.86
Unsecured, considered doubtful	3,968.80	1,488.85
	47,863.79	25,461.71
Less: Provision for Doubtful Debts	3,968.80	1,488.85
	(A) 43,894.99	23,972.86
Other Debts		
Unsecured, considered good	(B) 20,819.37	49,115.74
Total :	(A+B) 64,714.36	73,088.60

Note 17 : Cash and Bank Balances

(₹ in lacs)

	Non Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Cash and Cash equivalents				
Balance with Banks :-				
On Current Accounts	-	-	60.77	199.20
Deposits With Original Maturity of Less Than 3 Months	-	-	59.00	13.51
Cash on hand	-	-	12.42	92.46
Cheques in hand	-	-	81.79	121.46
Unclaimed Dividend Account	-	-	0.93	1.17
	-	-	214.91	427.96
Other Bank Balances				
Deposits with original maturity for more than 12 Months*	65.97	275.84	-	-
Deposits with original maturity for more than 3 Months but less than 12 months*	-	-	771.94	1,054.03
	65.97	275.84	771.94	1,054.03
Amount disclosed under the head "Other Non Current Assets" (Refer Note 14)	(65.97)	(275.84)	-	-
Total :	-	-	986.85	1,481.99

* including ₹ 837.91 lacs (₹ 1329.87 lacs) pledged with banks and as margin money against borrowings/ other facilities

Note 18 : Other Current Assets

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
Interest Receivable on Loans, Advances and Deposits	150.01	10.48
Subsidies and Incentives Receivable	10,817.89	9,475.47
Total :	10,967.90	9,485.95



Notes to financial statements for the year ended March 31, 2017 (Contd.)

Note 19 : Revenue from Operations			(₹ in lacs)
	Current year ended March 31, 2017	Previous year ended March 31, 2016	
Sales of products			
Finished Goods	157,167.92	125,278.27	
By Products and Scraps	6,133.52	3,906.66	
Raw Materials	3,595.80	2,020.61	
Other Operating Revenue			
Conversion Charges	—	11.01	
Subsidy on Sales Tax/Value Added Tax	2,079.90	1,723.20	
Export Incentives	73.60	0.95	
Revenue from Operations (Gross)	169,050.74	132,940.70	
Less: Excise Duty	12,660.59	11,683.70	
Revenue from Operations (Net)	156,390.15	121,257.00	

Sale of finished goods comprise* :			(₹ in lacs)
	Current year ended March 31, 2017	Previous year ended March 31, 2016	
Sponge Iron	14,748.75	20,164.47	
Pig Iron	46,368.11	35,475.75	
Steel Bars/Rods	28,342.84	16,552.64	
Billet/MS Ingots	8,247.32	20,399.58	
Ferro Alloys	17,820.76	8,104.65	
Ductile Iron Pipe	41,640.15	23,744.04	
Coke/Coal	—	837.14	
Total:	157,167.92	125,278.27	

*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, 2017	Previous year ended March 31, 2016	
Interest on :			
(a) Fixed Deposits with Banks	115.01	128.53	
[Gross, Tax deducted at source ₹ 9.91 lacs (₹ 13.66 lacs)]			
(b) Loans and Advances	1,645.91	1,422.36	
[Gross, Tax deducted at source ₹ 22.35 lacs (₹ 42.46 lacs)]			
(c) Refund from Income Tax Department	4.07	—	
[Gross, Tax deducted at source ₹ Nil (₹ Nil)]			
Dividend from long term Investments (other than trade)	1.35	1.35	
Insurance Claims	123.08	2.89	
Liabilities no longer required written back	179.76	21.26	
Gain on Foreign Exchange Fluctuations (Net)	5.34	—	
Miscellaneous Income	4.96	12.42	
Total :	2,079.48	1,588.81	



Notes to financial statements for the year ended March 31, 2017 (Contd.)

Note 21 : Cost of Materials Consumed

(₹ in lacs)

	Current year ended March 31, 2017	Previous year ended March 31, 2016
Opening Stock	35,322.63	37,859.96
Purchases	119,976.04	102,968.45
	155,298.67	140,828.41
Less: Closing Stock	20,089.94	35,322.63
Raw Materials Consumed	135,208.73	105,505.78
Consumption of Raw Material :		(₹ in lacs)

	Current year ended March 31, 2017	Previous year ended March 31, 2016
Iron Ore/Pellets/Sinter	30,947.01	31,822.31
Manganese Ore	3,781.46	3,451.07
Sponge Iron	936.25	4,358.15
Billet/Ingot	5,756.08	143.27
Coke/Coal	80,512.88	55,604.74
Magnesium Metal	526.07	346.92
Pig Iron	1,195.70	2,820.86
Steel Scrap & Wastes	410.47	2,410.98
Ferro Alloys	7,623.92	1,351.55
Quartzite, Limestone and Dolomite	3,518.89	3,195.93
	135,208.73	105,505.78

Purchase of Stock in Trade

(₹ in lacs)

	Current year ended March 31, 2017	Previous year ended March 31, 2016
Coke	—	160.53
DI Fittings	—	22.72
	—	183.25

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

(₹ in lacs)

	Current year ended March 31, 2017	Previous year ended March 31, 2016
Opening Stocks :		
Work-in-Process	527.98	3,018.51
Finished Goods	7,577.17	4,320.08
By Products and Scrap	856.93	1,004.16
	8,962.08	8,342.75
Less:		
Closing Stocks :		
Work-in-Process	771.45	527.98
Finished Goods	15,921.67	7,577.17
By Products and Scrap	565.82	856.93
	17,258.94	8,962.08
	(8,296.86)	(619.33)
(Increase)/Decrease in excise duty and cess on stocks	823.46	176.71
Total :	(7,473.40)	(442.62)



Notes to financial statements for the year ended March 31, 2017 (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, 2017	Previous year ended March 31, 2016
Opening Stock :		
Sponge Iron	793.27	116.76
Pig Iron	1,686.30	2,542.77
Steel Bars/Rods	321.92	67.41
Billet/MS Ingots	160.88	132.77
Ferro Alloys	160.23	288.46
Ductile Iron Pipe	1,634.57	614.93
Coke	2,820.00	556.99
Total :	7,577.17	4,320.08
Closing Stock :		
Sponge Iron	1,178.41	793.27
Pig Iron	1,126.46	1,686.30
Steel Bars/Rods	214.99	321.92
Billet/MS Ingot	19.49	160.88
Ferro Alloys	904.87	160.23
Ductile Iron Pipe	4,234.26	1,634.57
Coke	8,243.19	2,820.00
Total :	15,921.67	7,577.17

Note 23 : Employee Benefits Expense

	(₹ in lacs)	
	Current year ended March 31, 2017	Previous year ended March 31, 2016
Salaries, Wages, Bonus & Other Benefits	4,995.54	4,538.03
Contribution to Provident Fund & other fund	331.74	454.03
Staff Welfare Expenses	194.85	207.48
Directors remuneration	6.75	9.02
Total :	5,528.88	5,208.56

Note 24 : Finance Costs

	(₹ in lacs)	
	Current year ended March 31, 2017	Previous year ended March 31, 2016
Interest Expenses		
On Term loans	202.01	27,732.62
On Others	3,532.44	11,962.39
Finance charges	372.21	1,682.17
Total :	4,106.66	41,377.18


Notes to financial statements for the year ended March 31, 2017 (Contd.)
Note 25 : Other Expenses
(₹ in lacs)

	Current year ended March 31, 2017	Previous year ended March 31, 2016
Consumption of Stores and Spares	11,224.16	7,398.00
Labour Charges	4,839.13	4,876.53
Power and Fuel	5,554.42	6,078.27
Repairs and Maintenance:		
- Plant and Machinery	243.01	508.05
- Buildings	72.37	81.79
- Others	529.66	344.41
Water Charges	353.00	407.22
Equipment Hire Charges	2,589.49	2,017.78
Shifting Expenses	45.63	235.61
Freight and Transportation	938.60	1,088.00
Rent and Hire	26.15	40.57
Rates and Taxes	463.76	178.19
Insurance	159.37	129.37
Advertisement	56.84	60.59
Brokerage and Commission (Other than Sole Selling Agents)	174.64	86.66
Travelling and Conveyance	377.63	331.68
Telephone and Postage	66.05	71.74
Legal and Professional Charges (Refer Note 41)	321.19	284.58
Directors' Fees	1.65	2.90
Provision for Doubtful Debts and Advances	2,479.95	495.51
Irrecoverable Debts and Advances Written off	168.49	5.73
Less: Adjusted against Provisions	— 168.49	— 5.73
Loss on Foreign Exchange Fluctuations (Net)	—	191.62
Charity and Donations	12.46	9.29
Security and Service Charges	461.43	496.79
Loss on Sale of Fixed Assets	2.64	0.04
Miscellaneous Expenses	233.70	314.24
Prior period expenses (Net)	331.95	270.57
Total :	31,727.37	26,005.73

Notes to financial statements for the year ended March 31, 2017 (Contd.)

26. Contingent liabilities not provided for:

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
a) Claims against the Company not acknowledged as debts		
i) Excise and Service Tax Demands under dispute/appeal	27,623.27	25,131.24
ii) Custom Demand on differential duty on imported Coke	482.65	-
iii) Sales Tax /VAT Tax matters under dispute / appeal	2,323.23	2,432.85
iv) Income Tax matters under dispute / appeal	6.85	6.85
b) Letters of Credit, Bills discounted and Bank Guarantees outstanding	1,262.08	11,050.00
c) Custom Duty on Import of Equipment and spare parts under EPCG Scheme	1,242.00	4,198.00
d) Guarantees and Counter guarantees given by the Company for loans obtained by Subsidiary / other companies	3,415.00	3,415.00
27 Estimated amount of contracts remaining to be executed on Capital Account and not provided for	279.29	43.00

28 During the year under review, Axis Bank Limited & State Bank of Travancore have assigned their debt to Edelweiss Asset Reconstruction Company Limited & J.M. Financial Assets Reconstruction Co. Private Limited respectively. However, in the absence of any agreement being entered into with them by the company the dues owed by the company to the aforesaid banks have been carried forward in the books of accounts as Long Term Debts in favour of the said ARCs.

29 The Company has issued 87,39,685 Zero Coupon Unsecured Unlisted Non Convertible Debentures at a price of ₹ 100 each. The Debentures shall be redeemable at par within three months from the expiry of twelve years from the date of allotment i.e 14th November, 2015

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 majority of lenders have stopped charging interest on debts, since the dues from the Company have been categorised as Non Performing Asset. The Company is in active discussion/negotiation with its lenders to restructure its debts at a sustainable level including waiver of unpaid interest. In view of the above, pending finalization of the restructuring plan, the Company has stopped providing interest accrued and unpaid effective from 1st April 2016 in its books. The amount of such accrued and unpaid interest not provided for stands at ₹ 39,544.56 Lacs for the year ended 31 March 2017 and accordingly the same has not been considered for compilation of results of the said year ended 31 March 2017. The Statutory Auditors have qualified their Audit Report in respect of this matter.

32 The Company has been incurring losses due to unfavourable market conditions and other adverse industry scenario from past few years. The accumulated losses of the Company as at 31st March, 2017 stands at ₹185,042.00 lacs. The Company had made a reference to the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) in terms of the provision of Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). However in terms of notification dated 25.11.2016 issued by the Ministry of Finance, the SICA has been repealed w.e.f. 1st December, 2016. The financial statement for the year have been prepared by the management of the Company on a going concern basis as the company has continued its normal manufacturing during the current year and has not written off Deferred tax Assets amounting to ₹ 29,085.14 lacs provided upto 31st March, 2015.

33 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 ₹ 2,079.90 lacs (₹ 1,723.20 lacs):

(₹ in lacs)

Sl. No.	Particulars	Account to which credited	Current year ended March 31, 2017	Previous year ended March 31, 2016
a)	Industrial Promotion Assistance	Subsidy on Sales Tax / Value Added Tax under Sales & Service	2,079.90	1,723.20

Notes to financial statements for the year ended March 31, 2017 (Contd.)

34 Loans and Advances includes the following balances

(₹ in lacs)

Name of the Company	As at March 31, 2017	Maximum Amount due at any time during year ended March 31, 2017	As at March 31, 2016	Maximum Amount due at any time during year ended March 31, 2016
In terms of Regulation 34(3) of the SEBI (LODR) Regulations, 2015				
Jai Balaji Jyoti Steels Ltd.	10,326.99	10,326.99	9,723.75	9,723.75
Subsidiary Company				
Nilachal Iron and Power Limited	446.10	446.10	381.64	393.45

35 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, 2017	Previous year ended March 31, 2016
Current service cost	156.17	124.62
Interest cost on benefit obligation	72.85	56.10
Expected return on plan assets	(20.66)	(23.40)
Net actuarial loss/(gain) recognised in the year	(99.71)	76.21
Past Service cost	—	—
Total Expenses	108.65	233.52

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

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Present value of Defined Benefits Obligation	1020.33	949.73
Fair value of plan assets	218.99	257.05
	801.34	692.68
Less: Unrecognised past service cost	—	—
Total Expenses	801.34	692.68

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

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Present Value of Defined Benefit Obligation at the beginning of the year	949.73	746.75
Current Service Cost	156.17	124.62
Interest Cost	72.85	56.10
Benefits Paid	(55.05)	(55.11)
Actuarial Loss/(Gain)	(103.38)	77.38
Plan Amendments	—	—
Present Value of Defined Benefits Obligation at the year end	1,020.32	949.73

Notes to financial statements for the year ended March 31, 2017 (Contd.)
IV. Change in the Fair Value of Plan Assets during the year ended are as follows: (₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Fair Value of Plan Assets at the beginning of the year	257.05	287.59
Expected Return	20.66	23.40
Contribution by Employer	--	--
Benefits paid	(55.05)	(55.11)
Actuarial Gains/(Losses)	(3.67)	1.16
Fair Value of Plan Assets at the year end	218.99	257.05

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, 2017	As at March 31, 2016
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, 2017	Previous year ended March 31, 2016
Discount Rate	7.20%	7.90%
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, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Defined benefit obligation	(1020.33)	(949.73)	(746.75)	(707.27)	(858.87)
Plan Assets	218.99	257.05	287.59	356.40	330.23
Funded Status	(801.34)	(692.68)	(459.16)	(350.87)	(528.64)
Experience Gain/(Loss)					
Adjustments on plan liabilities	188.65	(89.43)	131.70	233.73	(13.21)
Experience Gain/(Loss)					
Adjustments on plan assets	(3.67)	1.16	(2.52)	(0.80)	0.86
Experience Gain/(Loss) due to change on assumptions	(85.27)	12.05	(123.73)	101.25	(44.73)

(₹ in lacs)

Particulars	Current year ended March 31, 2017	Previous year ended March 31, 2016
Contribution to Provident Fund and other Funds	493.61	634.36

Notes to financial statements for the year ended March 31, 2017 (Contd.)

Note:

- i) The Company expects to contribute ₹ 801.34 lacs (₹ 692.68 lacs) to Gratuity Fund in 2017-18.
 - 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.
36. 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, 2017	Previous year ended March 31, 2016
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.	—	—

37. Excise duty on increase/decrease in stock represents differential excise duty on opening and closing stock of Finished Goods.

38. Unhedged Foreign Currency Exposures outstanding at the year end are as follows :

Particulars	Foreign Currency (FC)	As at March 31, 2017		As at March 31, 2016	
		in FC	₹ in lacs	in FC	₹ in lacs
Receivables					
(a) Trade Receivables	US\$	1,342,556	870.49	–	–
(b) Advances	US\$	77,177	48.37	60,347	38.12
	Euro	–	–	74,050	55.61
Total			918.86		93.73
Payables					
(a) Trade Payables	US\$	382,478	246.47	641,005	425.20
	Euro	68,712	47.58	21,840	16.40
	GBP	15,540	12.57	–	–
(b) Advances	US\$	–	–	–	–
	Euro	–	–	–	–
Total			306.62		441.60



Notes to financial statements for the year ended March 31, 2017 (Contd.)

39. Basic and diluted earnings per share :

Sl No.	Particulars		Current year ended March 31, 2017	Previous year ended March 31, 2016
A	Profit/(Loss) after Tax	₹ in lacs	(21,819.79)	(66,612.42)
B	Number of shares at the beginning of the year	Nos.	77,781,486	73,781,486
C	Total equity shares outstanding at the end of the year	Nos.	86,281,486	77,781,486
D	Weighted average number of equity shares outstanding at the end of the year	Nos.	83,630,253	73,803,344
E	Nominal Value of each Share	₹	10.00	10.00
F	Basic Earning per Share	₹	(26.09)	(90.26)
G	Diluted Earning per Share	₹	(26.09)	(90.26)

40. 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, Wholetime Director and Chief Financial Officer Mr. Ajay Kumar Tantia, Company Secretary
Relatives of Key Management Personnel	Mr. Rajiv Jajodia, Brother of Wholetime Director Mr. Gourav Jajodia, Nephew of Wholetime Director
Enterprises owned or significantly influenced by key management personnel or their relatives	Chandi Steel Industries Limited (CSIL) Jai Balaji Jyoti Steels Limited (JBSL) Jai Salasar Balaji Industries Private Limited (JSBIPL) Balaji Ispat Udyog (BIU) Enfield Suppliers Limited (ESL) Shri Sankatmochan Steel Private Limited (SSPL) Shri Jaikapish Steel Private Limited (JSPL) Hari Management Limited (HML) Jajodia Estate Private Limited (JEPL)

Notes to financial statements for the year ended March 31, 2017 (Contd.)

b. Related Party Transactions:

Relationship	Party	Sales	Purchases	Rent paid	Interest Received	Interest Paid	Director fee	Gross Salary & Perquisites	Share Application Advance	Non Convertible Debentures (Unsecured)	Investment in Equity/Preference Shares	Money Received against Share Warrants	Allotment of Equity Shares Warrants	Loan Taken	Balance Receivable	Balance Payable	Guarantees Obtained	Corporate Guarantee Given
(₹ in lacs)																		
Subsidiaries	NPL	-	-	-	-	-	-	-	-	-	-	-	-	-	446.10	-	-	2,515.00
		-	(9.99)	-	-	-	-	-	-	-	-	-	-	-	(381.64)	-	-	(2,515.00)
Joint Venture	RCCL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	(9.36)	-	(6.18)	-	-	-	-	-	-	-
	AECCL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Key Management Personnel	Aditya Jajodia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	384,357.00	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(384,357.00)	-
	Sanjiv Jajodia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	384,357.00	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(384,357.00)	-
	Ajay Kumar Tanti	-	-	-	-	-	-	22.34	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	(2013)	-	-	-	-	-	-	-	-	-	-
Relatives of Key Management Personnel	Rajiv Jajodia	-	-	-	-	-	0.20	-	-	-	-	-	-	-	-	-	384,357.00	-
		-	-	-	-	-	(0.35)	-	-	-	-	-	-	-	-	-	(384,357.00)	-
	Gaurav Jajodia	-	-	-	-	-	0.20	-	-	-	-	-	-	-	-	-	384,357.00	-
		-	-	-	-	-	(0.35)	-	-	-	-	-	-	-	-	-	(384,357.00)	-
Enterprises owned or significantly influenced by key management personnel or their relatives	CSIL	3554	38.46	-	223.45	-	-	-	-	-	-	-	-	-	1,549.98	-	-	900.00
		(7.11)	(146.28)	-	(249.48)	-	-	-	-	-	-	-	-	-	1,613.78	-	-	(900.00)
	JBSL	71.03	740.82	-	1,276.11	-	-	-	-	-	-	-	-	-	10,327.00	-	-	-
		(160.20)	(3,540.70)	-	(1,165.80)	-	-	-	-	-	-	-	-	-	(9,723.75)	-	-	-
	JSHPL	568.37	87.59	-	-	-	-	-	-	-	-	-	-	-	1,366.76	-	-	-
		(459.71)	(363.89)	-	-	-	-	-	-	-	-	-	-	-	(925.85)	-	-	-
	JSP	-	-	-	-	-	-	-	-	-	-	318.75	425.00	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	(306.25)	(200.00)	-	-	-	-	-
	SSPL	-	-	-	-	-	-	-	-	-	-	318.75	425.00	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	(306.25)	(200.00)	-	-	-	-	-
	BIU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.13	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	JEPL	-	-	0.79	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	(0.79)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	EEL	-	-	-	-	74.24	-	-	-	-	-	-	-	-	-	719.82	-	-
		-	-	-	-	(67.28)	-	-	-	-	-	-	-	-	-	(645.57)	-	-
	HML	-	-	-	-	44.22	-	-	-	-	-	-	-	-	-	428.75	-	-
		-	-	-	-	(40.07)	-	-	-	-	-	-	-	-	-	(384.53)	-	-
Total		674.94	886.87	0.79	1,499.56	118.46	0.40	22.34	-	-	-	637.50	850.00	-	13,689.84	1,148.70	384,357.00	3,415.00
		(627.02)	(4,060.86)	(0.79)	(1,415.28)	(107.35)	(0.70)	(2013)	(9.36)	(8,739.69)	(6.18)	(612.50)	(400.00)	(380.00)	(12,645.02)	(1,030.10)	(384,357.00)	(3,415.00)



Notes to financial statements for the year ended March 31, 2017 (Contd.)

41. Auditors Remuneration (included in Legal and Professional Charges)

(₹ in lacs)

Payment to Auditor	Current year ended March 31, 2017		Previous year ended March 31, 2016	
As auditor :				
Audit fee	3.50		3.50	
Limited Review	7.50		7.50	
Tax Audit	0.75		0.75	
Out-of-pocket expenses	—	11.75	—	11.75
In other manner for Certification		0.43		0.34
Total		12.18		12.09

Out of above amount, paid to other auditor amounts to ₹ 0.75 lacs (₹ 0.75 lacs)

42. (a) Interest in Joint Venture

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.	
	2016-17	2015-16	2016-17	2015-16
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	
	2016-17**	2015-16
Current Assets	-	225.18
Non Current Assets	-	307.45
Current Liabilities	-	389.54
Non Current Liabilities	-	-
Revenue	-	-
Other Expenses	-	40.34
Profit/(Loss) before tax	-	(40.34)
Contingent liabilities capital expenditure commitments and of the joint venture		

* 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. 'Financial Reporting' of interest in joint venture which imposes restriction on consolidation in case the joint venture is under severe long term restriction to transfer funds to the venturer.

**Figure of the Joint venture company, Rohne Coal Company Pvt Ltd(RCCPL) not given due to Financial Statement of RCCPL were prepared as per Ind-AS which is not applicable on the Company.

(b) The Hon'ble Supreme Court vide its Order dated 24th September, 2014 has cancelled number of coal blocks allotted to various companies. These include two coal blocks under development viz. Andal East in West Bengal and Rohne in Jharkhand allocated to the Company jointly with other parties and one operational coal block namely Ardhamgram coal block in West Bengal. Pending finalisation of the compensation receivable for the cancelled mines, no adjustments in the book value of Investments made in mining assets has been made.

Notes to financial statements for the year ended March 31, 2017 (Contd.)

43. 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, 2017	As at March 31, 2016
Total Number of Equity shares held by the promoter group	56,198,496	47,263,195
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	54.77%	65.13%
Percentage of total shares pledged to total outstanding shares of the Company	35.68%	39.58%

44. 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	66,180.74 (46,013.44)	48.95 (43.61)	1,090.01 (776.90)	9.71 (10.50)
Indigenous	69,027.99 (59,492.34)	51.05 (56.39)	10,134.15 (6,621.10)	90.29 (89.50)
Total	135,208.73 (105,505.78)	100.00 (100.00)	11,224.16 (7,398.00)	100.00 (100.00)

45. Value of Imports (calculated on CIF basis) (₹ in lacs)

Particulars	Current year ended March 31, 2017	Previous year ended March 31, 2016
Raw Materials*	44,100.84	27,992.90
Components & Spare Parts	957.78	648.74
Capital Goods	728.69	615.82
Total	45,787.31	29,257.46

*Including high sea purchase of ₹ 43,734.98 lacs (₹ 27,799.93 lacs)

46. Expenditure in Foreign Currency (on accrual basis) (₹ in lacs)

Particulars	Current year ended March 31, 2017	Previous year ended March 31, 2016
Professional Consultation Fees	—	0.49
Interest	—	—
Others	35.25	—
Total	35.25	0.49

47. Earnings in Foreign Currency (on accrual basis) (₹ in lacs)

Particulars	Current year ended March 31, 2017	Previous year ended March 31, 2016
Exports at FOB Value	2,378.25	37.38

Notes to financial statements for the year ended March 31, 2017 (Contd.)

49. Amount remitted in foreign currency on account of dividends:

	Current year ended March 31, 2017	Previous year ended March 31, 2016
i) Financial Year to which the dividend relates	2015-16	2014-15
ii) No. of non-resident shareholders	99	117
iii) No. of Shares held	9,900,937	10,974,124
iv) Amount remitted as dividend (₹ in lacs)*	Nil	Nil

*No dividend was declared for the financial year 2015-16 and 2014-15

49. Disclosure on Specified Bank Notes (SBNs)

During the year, the company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes(SBN) held and transacted during the period from Nov 8, 2016 to Dec 30, 2016, the denomination wise SBN and other notes as per the notification is given below:

Particulars	*SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on November 8, 2016	-	2,096,415.82	2,096,415.82
Add: Withdrawn from Banks	-	200,000.00	200,000.00
Add: Permitted Receipts	-	23,341.00	23,341.00
Less: Permitted Payments	-	1,326,094.00	1,326,094.00
Less: Amount Deposited in Banks	-	-	-
Closing Cash in Hand as on December 30, 2016	-	993,662.82	993,662.82

* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning as provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E) dated November 8, 2016.

50 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

Aditya Jajodia
Chairman & Managing
Director
DIN : 00045114

Sanjiv Jajodia
Wholetime Director & Chief
Financial Officer
DIN : 00036339

Rajiv Jajodia
Director
DIN : 00045192

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

Ajay Kumar Tantia
Company Secretary

Place : Kolkata
Date : 30th May, 2017

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 2017, 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 (hereinafter referred to as "the Consolidated Financial Statements").

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 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 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 the 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 the 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

Referring to Note - 31 of the consolidated financial statement, the Holding company and one of its subsidiary has not provided for interest amounting to Rs. 40,678.31 lacs on various loans & credit facilities availed from banks & financial institution on the ground that same is being treated as Non Performing Assets by the lenders. Due to this loss has been understated by Rs. 40,678.31 lacs and accordingly consolidated loss for the year ended 31st March, 2017 would've been Rs. 64,470.83 lacs instead of Rs. 23,792.52 lacs.

Opinion

Except for the possible effects of the matters described in "Basis for Qualified Opinion", in our opinion and to the best of our information and according to the explanations 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 as at 31st March, 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

MATTER OF EMPHASIS PARAGRAPH.

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



Independent Auditors' Report (Contd.)

1. As explained in Note – 32 of the consolidated financial statement, the Group has been incurring losses and its net worth is completely eroded, also its current liability exceeds current assets by ₹ 1,09,719.94 lacs. However the financial statements of the Group have been prepared on a going concern basis and accordingly Deferred Tax Assets amounting to ₹ 30,716.69 lacs created up to 31st March 2015 has been carried forward.
2. As explained in Note – 1(f) of the consolidated financial statement, consolidation of two jointly controlled entities viz. Andal East Coal Company Pvt Ltd. & Rohne Coal Company Pvt Ltd. has not been carried out because of the following reasons:-
 - a. In case of Rohne Coal Company Pvt Ltd. financial statement of the entity has been prepared as per Ind AS i.e a framework different from the framework applicable to the Holding company.
 - b. In case of Andal East Coal Company Pvt Ltd there is a severe long term restrictions on transfer of funds by the entity to the Holding company.
3. As explained in Note – 42(b) of the consolidated financial statement, regarding deallocation of coal blocks by Hon'ble Supreme court vide its order dated 24th September, 2014. Pending finalisation of the compensation receivable for the cancelled mines, no adjustment in the book values of investment in mining assets has been made.

Our opinion is not qualified in respect of above matters.

Other Matters

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs. 5.15 lacs as at 31st March, 2017, total revenue of Rs. Nil and net cash outflows amounting to Rs. 0.23 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 of Holding Company 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-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

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, 2017 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, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. with respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in 'Annexure A', which is based on the Auditors' Report of the Company, its subsidiary companies and the jointly controlled entity. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company, its subsidiary companies and the jointly controlled entity';
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

Independent Auditors' Report (Contd.)

- i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer Note. 26 & 27 of the consolidated financial statements;
- ii. the Group 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 Group.
- iv. the Group has provided requisite disclosure in its consolidated financial statement as to holding as well as dealing in Specified Bank Notes during

the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer note – 43 of the consolidated financial statements.

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

(J. K. Choudhury)
Partner

Place : Kolkata
Dated : May 30, 2017

Membership No: 009367

Annexure - A to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of M/s Jai Balaji Industries Limited ("the Company") and its subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group") as at 31st March 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the

Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the auditors of the subsidiary companies, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Annexure - A to the Independent Auditors' Report (Contd.)**Meaning of Internal Financial Controls over Financial Reporting**

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over

financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Group, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control over financial reporting in so far as it relates to two subsidiary companies, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

(J. K. Choudhury)
Partner

Place : Kolkata
Dated : May 30, 2017

Membership No: 009367



Consolidated Balance Sheet as at March 31, 2017

(₹ in lacs)

	Notes	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	3	8,627.76	7,777.76
Reserves and Surplus	4	(119,684.57)	(95,992.39)
Money Received against Share Warrants		252.63	465.13
		<u>(110,804.18)</u>	<u>(87,749.50)</u>
Share Application Money pending allotment		–	0.20
Non Current Liabilities			
Long Term Borrowings	5	214,429.80	231,896.94
		<u>214,429.80</u>	<u>231,896.94</u>
Current Liabilities			
Short Term Borrowings	6	83,409.36	79,433.32
Trade Payables	7	58,139.09	79,912.77
Other Current Liabilities	7	123,338.97	88,960.13
Short Term Provisions	8	982.74	838.98
		<u>265,870.16</u>	<u>249,145.20</u>
TOTAL		<u><u>369,495.78</u></u>	<u><u>393,292.84</u></u>
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	9	158,388.02	169,130.10
Capital Work in Progress and Pre-Operative Expenditure	10	13,400.38	13,003.56
Pending Allocation			
Non Current Investments	11	445.99	200.90
Deferred Tax Assets (Net)	12	30,716.69	30,716.69
Long Term Loans and Advances	13	10,325.10	11,547.37
Other Non Current Assets	14	69.38	450.76
		<u>213,345.56</u>	<u>225,049.38</u>
Current Assets			
Inventories	15	45,957.49	52,787.82
Trade Receivables	16	65,412.12	73,681.25
Cash and Bank Balances	17	1,424.66	1,676.82
Short Term Loans and Advances	13	32,369.97	30,598.47
Other Current Assets	18	10,985.98	9,499.10
		<u>156,150.22</u>	<u>168,243.46</u>
TOTAL		<u><u>369,495.78</u></u>	<u><u>393,292.84</u></u>
Significant Accounting Policies	2		

The accompanying notes are an integral part of the consolidated financial statements.

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

Aditya Jajodia
Chairman & Managing
Director
DIN : 00045114

Sanjiv Jajodia
Wholetime Director & Chief
Financial Officer
DIN : 00036339

Rajiv Jajodia
Director
DIN : 00045192

CA J. K. Choudhury
Partner
Membership No. 009367

Ajay Kumar Tantia
Company Secretary

Place : Kolkata

Date : 30th May, 2017



Consolidated Statement of Profit and Loss for the year ended March 31, 2017

		(₹ in lacs)	
	Notes	Year ended March 31, 2017	Year ended March 31, 2016
INCOME			
Revenue from Operations (Gross)	19	184,526.32	133,790.10
Less: Excise Duty	19	14,335.40	11,776.57
Revenue from Operations (Net)		170,190.92	122,013.53
Other Income	20	2,114.53	1,612.31
Total Revenue (I)		172,305.45	123,625.84
EXPENSES			
Cost of Materials Consumed	21	149,680.13	106,841.33
Purchase of Stock in Trade		–	183.25
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	(8,699.96)	(775.05)
Employee Benefits Expense	23	5,766.58	5,394.12
Finance Costs	24	4,260.48	42,467.95
Depreciation and Amortization Expense	9	11,757.30	12,222.44
Other Expenses	25	33,333.44	26,272.17
Total Expenses (II)		196,097.97	192,606.21
Profit/ (Loss) before exceptional items and Tax (I-II)		(23,792.52)	(68,980.37)
Exceptional Item		–	–
Profit/ (Loss) before Tax (I-II)		(23,792.52)	(68,980.37)
Tax Expenses:			
Provision / (Write back) relating to earlier year		–	–
Deferred tax charge/ (credit)		–	–
Total Tax Expense		–	–
Profit/(Loss) for the period		(23,792.52)	(68,980.37)
Earnings per Equity Share (Nominal Value per Share ₹ 10)			
Basic & Diluted	39	(28.45)	(93.47)
Significant Accounting Policies	2		

The accompanying notes are an integral part of the consolidated financial statements

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

Aditya Jajodia
Chairman & Managing
Director
DIN : 00045114

Sanjiv Jajodia
Wholtime Director & Chief
Financial Officer
DIN : 00036339

Rajiv Jajodia
Director
DIN : 00045192

CA J. K. Choudhury
Partner
Membership No. 009367

Ajay Kumar Tantia
Company Secretary

Place : Kolkata
Date : 30th May, 2017



Consolidated Cash Flow Statement for the year ended March 31, 2017

	(₹ in lacs)	
	Current year ended March 31, 2017	Previous year ended March 31, 2016
A: Cash Flow From Operating Activities		
Net Profit / (Loss) Before Taxes	(23,792.60)	(68,980.37)
Adjustments For :		
Depreciation / Amortisation (Net)	11,757.30	12,222.44
Miscellaneous Expenditure Written Off	--	4.40
Loss on Sale of Fixed Assets	2.64	0.04
Irrecoverable Debts and Advances Written off	168.49	5.73
Liabilities no longer required written back	(179.76)	(21.26)
Interest on Term Loans and Others	3,888.27	40,745.86
Provision for doubtful debts/(written back)	2,479.95	495.51
Dividend from long term Non Trade Investments	(1.35)	(1.35)
Prior Period Expenditure (Net)	334.44	318.33
(Profit) /Loss on Foreign Exchange Fluctuations (Net)	(5.34)	191.62
Discarded Asset	7.08	--
Interest Income	(1,797.99)	(1,574.39)
Operating Profit / (Loss) Before Working Capital Changes	(7,138.87)	(16,593.43)
Movements in Working Capital :		
Decrease/(Increase) in Trade Receivables	10,039.92	4,139.71
Decrease/(Increase) in Loans and Advances and Other	(5,970.89)	(790.44)
Current/(Increase) Non Current Assets		
Decrease/(Increase) in Inventories	6,830.31	84.02
Decrease/(Increase) in Trade Payables, Other Liabilities and Provisions	(14,167.92)	(4,367.42)
Cash generated/(used in) Operating Activities	(10,407.45)	(17,527.57)
Direct Taxes paid (net of refunds)	(40.08)	107.16
Net Cash generated/(used in) Operating Activities	(10,447.53)	(17,420.41)
B: Cash Flow From Investing Activities		
Purchase of Fixed Assets	209.04	(1,532.22)
Proceeds from Sale of Fixed Assets	111.34	77.27
Purchase of Investments in Mutual Fund	(0.10)	--
Purchase of Investments in Government Securities	(1.70)	(1.50)
Proceeds from maturity of fixed deposits	491.96	359.86
Dividend from long term Investments (other than Trade)	1.35	1.35
Interest received	1,825.90	1,529.63
Net Cash generated from Investing Activities	2,637.79	434.39



Consolidated Cash Flow Statement for the year ended March 31, 2017 (Contd.)

(₹ in lacs)

	Current year ended March 31, 2017	Previous year ended March 31, 2016
C: Cash Flow From Financing Activities		
Proceeds from issue of equity/Preference share capital	–	(5.75)
Advance against Share Application Money	–	(3.39)
Money Received against share warrants	637.50	865.13
Proceeds from long / short term Borrowings	12,337.44	59,652.05
Repayment of long / short term Borrowings	(703.00)	(15,010.97)
Interest Paid	(4,431.52)	(29,653.58)
Dividend Paid	(0.40)	(0.54)
Net Cash generated from Financing Activities	7,840.02	15,842.94
Net Increase/ (Decrease) In Cash and Cash Equivalents (A+B+C)	30.28	(1,143.07)
Cash and Cash Equivalents as at the beginning of the year#	622.45	1,765.86
Cash and Cash Equivalents as at the end of the year	652.72	622.79
Components of cash and cash Equivalents		
Cash on hand	23.38	108.15
Cheques in hand	81.79	121.46
Balance with Scheduled Banks on:		
Current Account	298.10	214.84
Fixed Deposit Account	1,086.43	1,506.88
Unclaimed Dividend Account *	0.93	1.17
Unclaimed Fractional Share Balance*	–	0.16
Cash and Bank Balances as per Note 17	1,490.63	1,952.66
Less : Fixed deposits not considered as cash equivalents	837.91	1,329.87
Cash and Cash Equivalents in Cash Flow Statement :	652.72	622.79

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

#Refer note 44(b)

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

Aditya Jajodia
Chairman & Managing
Director
DIN : 00045114

Sanjiv Jajodia
Wholetime Director & Chief
Financial Officer
DIN : 00036339

Rajiv Jajodia
Director
DIN : 00045192

CA J. K. Choudhury
Partner
Membership No. 009367

Ajay Kumar Tantia
Company Secretary

Place : Kolkata
Date : 30th May, 2017

Notes to Consolidated Financial Statements for the year ended March 31, 2017

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, 2017	As at March 31, 2016
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 in tra-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, 2017	As at March 31, 2016
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, the management of the holding company believes that it is inappropriate to follow the principles of proportionate consolidation of assets, liabilities, income and expenditure to the extent of companies interest in M/s Andal East Coal Company Pvt Ltd, one of the Joint Venture Companies in which the company holds 32.79% equity shares, as the above Accounting Standard imposes restriction on consolidation in case the joint venture is under severe long term restriction to transfer funds to the venturer.
- Further, figure of current year of the another Joint venture company, M/s. Rohne Coal Company Pvt Ltd (RCCPL) in which the company holds 6.90% equity shares, could not be incorporated as the Financial Statement of RCCPL were prepared as per Ind-AS which is not applicable on the Company.
- (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, 2017 .

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

2 Summary of Significant Accounting Policies

(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 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 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

(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'

(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.

(i) 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.

(ii) Income from Services

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

(iii) Interest

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

(iv) Dividend

Dividend income is recognized when the

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.

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

(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 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

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

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, 2017	As at March 31, 2016
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		
86,281,486 (77,781,486) Equity Shares of ₹ 10/- each	8,628.15	7,778.15
Less: Calls unpaid (Due from other than directors or officers)	0.39	0.39
Total	<u>8,627.76</u>	<u>7,777.76</u>

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)
(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period :

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	(₹ in lacs)	No. of Shares	(₹ in lacs)
Equity Shares of ₹ 10/- each				
At the beginning of the period	77,781,486	7,777.76	73,781,486	7,377.76
Issued during the period	8,500,000	850.00	4,000,000	400.00
At the end of the period	<u>86,281,486</u>	<u>8,627.76</u>	<u>77,781,486</u>	<u>7,777.76</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 proportions to their share holdings.

(c) Lock-in of shares

The Equity Shares allotted to companies falling under the promoter group pursuant to conversion of warrants issued on preferential basis are under lock-in as follows:

Date of Allotment	No. of Equity Shares	Lock in till
30.03.2016	4,000,000	29 th June ,2019
18.05.2016	4,000,000	17 th August, 2019
25.07.2016	1,650,000	24 th November, 2019
25.10.2016	2,850,000	24 th February, 2020

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

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Enfield Suppliers Ltd.	11,221,233	13.01	11,221,233	14.43
Hari Management Ltd.	7,044,000	8.16	7,044,000	9.06
Shri Jaikapish Steel (P) Limited*	-	-	2,000,000	2.57
Shri Sankatmochan Steel (P) Limited*	-	-	2,000,000	2.57
CVCIGP II Client Rosehill Limited	3,886,734	4.50	3,886,734	5.00
Jai Salasar Balaji Industries (P) Ltd*	25,115,157	29.11	12,615,157	16.22
	<u>47,267,124</u>	<u>54.78</u>	<u>38,767,124</u>	<u>49.85</u>

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

*Pursuant to the scheme of Amalgamation, Shri Jaikapish Steel Private Limited (holding 62,50,000 equity shares) and Shri Sankatmochan Steel Private Limited (holding 62,50,000 equity shares) has been amalgamated with Jai Salasar Balaji Industries Private Limited with effect from 1st April, 2016 (Appointed Date) vide order of Hon'ble National Company Law Tribunal Kolkata Bench dated 26th April, 2017.

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

(e) Money received against share warrant

The Company had issued and allotted 2,26,05,000 warrants on Preferential allotment basis to companies falling under promoter group & others carrying a right to convert each warrant into an Equity Share of ₹ 10/- each within a period of 18 months from the date of allotment i.e 22nd March, 2016. The warrant holders had paid 25% of the total consideration i.e. ₹ 2.50 per warrant amounting to ₹ 565.13 lacs as application money against the above warrants.

During the year, the company has converted 85,00,000 warrants into Equity Shares by way of allotment of equivalent number of Equity Shares of ₹ 10/- each on receipt of balance 75% of the consideration i.e. ₹ 7.50 per warrant in respect of 85,00,000 warrants on different dates amounting to ₹ 637.50 Lacs.

Out of total allotted 2,26,05,000 warrants, the company has converted 1,25,00,000 warrants into Equity Shares till 31st March, 2017.

Note 4 : Reserves & Surplus

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
Capital Reserve		
As per last financial statements	8,943.21	8,943.21
Amalgamation Reserve		
As per last financial statements	4,400.00	4,400.00
Securities Premium Account		
As per last financial statements	50,002.83	50,002.83
	50,002.83	50,002.83
General Reserve		
As per last financial statements	10,827.08	10,827.08
	10,827.08	10,827.08
Surplus/ (Deficit) in Statement of Profit and Loss		
As per last financial statements	(170,065.17)	(101,185.14)
Add: Profit/ (Loss) for the period	(23,792.52)	(68,980.37)
Surplus/ (Deficit) in Statement of Profit and Loss	(193,857.69)	(170,165.51)
Total:	(119,684.57)	(95,992.39)

Note 5 : Long Term Borrowings

(₹ in lacs)

	Non Current Portion		Current Portion	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
(Secured, unless otherwise stated)				
Term Loans				
Rupee Loan from banks	185,974.48	218,811.46	62,110.56	37,919.25
Rupee Loan from Financial Institutions	2,344.70	3,023.54	4,195.70	3,516.86
Rupee Loan ARC (Refer Note 28)	16,048.68	—	—	—
Rupee Loan from Bodies Corporate (Unsecured)	797.25	797.25	—	—
Unsecured Loan :				
Debentures (Refer Note 29)	9,264.69	9,264.69	—	—
Total :	214,429.80	231,896.94	66,306.26	41,436.11
Amount disclosed under the head "Other Current Liabilities" (Refer Note 7)	—	—	(66,306.26)	(41,436.11)
Total :	214,429.80	231,896.94	—	—



Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

1) Rupee Loan from banks and Financial Institution (except to the extent stated in point no 2 and 3 below)

- a) Rupee Term Loan from banks and financial institution of the Holding Company 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 ₹ 1,32,065.98 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 ₹ 16,936.17 lacs at base rate of lead banker (UCO Bank).
- (iii) Viability Gap Term Loan (VGTL) aggregating to ₹ 97,380.14 lacs at 30bps over base rate of leader bank.

- c) The above loans are repayable as under from the balance sheet date :

Payment Terms	30 structured quarterly installments starting from April 2017	
Installments Due	Number	(₹ in lacs)
(i) Overdue		37,582.66
(ii) Within one year	4	25,002.27
(iii) One year to three year	8	61,442.67
(iv) Three year to five year	8	60,430.48
(v) More than five year	10	61,924.21
	<u>30</u>	<u>246,382.29</u>

- 2) Rupee Term Loan from banks aggregating ₹ 6,071.57 lacs of the subsidiary company, NIPL, 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.

The above Loans are guaranteed by three Directors of the subsidiary company.

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

Terms of Repayment of the said Loan of the Subsidiary Company :-

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.
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 pari 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.

- 3) Rupee Term Loan from a Financial Institution aggregating ₹ 2,171.58 lacs of the Holding Company carry interest in the range of 14.50% - 15% p.a. and is for repayment. The loan is secured by 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) The Holding Company has issued 87,39,685 Zero Coupon Unsecured Unlisted Non Convertible Debentures at price of ₹ 100 each. The Debentures shall be redeemable at par within three months from the expiry of twelve years from date of allotment i.e 14th November, 2015.

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

One of the subsidiary company namely Nilachal Iron & Power Limited has issued 5,25,000 Zero Interest Unsecured Optionally fully Convertible Debentures of ₹ 100/- each fully paid Convertible at the option of the debenture holder any time after the date of allotment (3rd Jan 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.

6) The group has defaulted in repayment of loans and interest in respect of the following:-

Particulars	Principal (₹ in lacs)	Interest (₹ in lacs)
In respect of Banks		
- Less than 1 year	24,217.53	739.23
- More than 1 year	12,335.73	14,551.08
Total Banks	36,553.26	15,290.31
In respect of Financial Institution		
- Less than 1 year	678.82	—
- More than 1 year	2,638.58	2,152.85
Total FIs	3,317.40	2,152.85

Note 6 : Short Term Borrowings

	As at March 31, 2017	As at March 31, 2016
Secured		
Loan Repayable on Demand		
Cash Credit from Banks	81,579.12	77,929.41
From Bodies Corporate (Unsecured)	1,830.24	1,503.91
Total :	83,409.36	79,433.32

Cash Credit facilities from banks aggregating ₹ 79,979.23 lacs of the Holding Company 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



Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

Cash Credit facilities from banks aggregating ₹ 1,599.89 lacs of one subsidiary company, Nilachal Iron & Power Limited, 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 7 : Trade Payables and other Current Liabilities

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
Trade Payables		
(Refer Note 36 for details of dues to Micro and Small Enterprises)		
- Raw materials & Others		
[including acceptances of ₹ Nil (₹ 11,394.92 lacs)]	58,139.09	79,912.77
	<u>58,139.09</u>	<u>79,912.77</u>
Current Maturities of Long Term Borrowings (Refer Note 5)	66,306.26	41,436.11
Capital Creditors	3,199.20	2,736.51
Interest Accrued and due on Borrowings	19,250.21	19,699.83
Advance from Customer	10,573.90	6,953.69
Advance From Related Parties	4.86	-
Temporary Book Overdraft	252.98	249.30
Investor Education and Protection Fund will be credited by the following amounts (as and when due)		
- Unclaimed Dividend	0.93	1.17
- Unclaimed Fractional Share Liabilities	-	0.16
Others		
- Statutory Dues Payable	10,449.34	7,923.98
- Excise Duty payable on Closing Stock	1,536.49	739.29
- Interest Others	10,242.44	7,838.02
- Security Deposit	11.60	1.60
- Due to Employees	1,396.85	1,203.40
- Other Miscellaneous	113.91	177.06
	<u>123,338.97</u>	<u>88,960.13</u>
Total:	<u>181,478.06</u>	<u>168,872.90</u>

Note 8 : Short Term Provisions

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits :		
Gratuity (Refer Note 35)	837.09	722.39
Leave Salary	145.65	116.59
Total	<u>982.74</u>	<u>838.98</u>

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

Note 9 : Tangible Assets

(₹ in lacs)

Description	Gross Block				Depreciation/ Amortisation				Net Block	
	As at March 31, 2016	Additions	Deductions	As at March 31, 2017	Up to March 31, 2016	For the period	Deductions	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Freehold Land	4,363.06	-	-	4,363.06	-	-	-	-	4,363.06	4,363.06
Leasehold Land	707.57	-	-	707.57	155.50	9.53	-	165.03	542.54	552.07
Factory Buildings	42,515.68	90.31	-	42,605.99	8,712.18	1,260.67	-	9,972.85	32,633.14	33,803.50
Railway Siding	4,354.18	-	-	4,354.18	1,804.33	319.86	-	2,124.19	2,229.99	2,549.85
Plant and Machinery	185,949.88	913.72	1,472.42	185,391.18	69,622.80	7,359.02	1,359.13	75,622.69	109,768.49	116,327.08
Electrical Installations	25,615.69	76.54	39.90	25,652.33	14,390.92	2,734.59	37.91	17,087.60	8,564.73	11,224.77
Furniture, Fixtures	133.64	3.87	1.09	136.42	101.13	8.78	1.08	108.83	27.59	32.51
Office Equipments	1,012.26	51.61	35.40	1,028.47	884.40	44.96	33.63	895.73	132.74	127.86
Vehicles	297.88	87.63	79.99	305.52	235.88	19.89	75.99	179.78	125.74	62.00
Total	264,949.84	1,223.68	1,628.80	264,544.72	95,907.14	11,757.30	1,507.74	106,156.70	158,388.02	169,042.70
Previous Year's Total	264,651.48	508.34	122.55	265,037.27	83,729.98	12,222.44	45.24	95,907.18	169,130.09	

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

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
A Capital Work-in-Progress		
Buildings*	1,298.77	1,218.07
Road	27.97	--
Railway Siding	395.38	395.38
Plant and Machinery*	1,699.29	397.22
Electrical Installations	445.13	379.17
Minning Land	6,471.98	6,471.98
Sub Total	10,338.51	8,861.82
Less : Transferred to Fixed Assets	936.81	14.32
Total A :	9,401.70	8,847.50
B Pre-operative Expenditure Pending Allocation		
Opening Balance	4,156.06	4,142.39
Additions		
Salaries, Wages and Bonus	--	0.18
Rates and Taxes	0.06	0.02
Travelling and Conveyance	2.66	3.50
Legal and Professional Charges	0.38	0.50
Miscellaneous Expenses	9.54	9.47
	4,168.69	4,156.06
Less : Transferred/Realised to Fixed Assets	170.00	--
Total B :	3,998.68	4,156.06
Grand Total (A+B)	13,400.38	13,003.56

*Plant & Machinery includes DIP Mould of ₹ 76.46 lacs (₹ 325.00 Lacs) and AOD Plant of ₹ 47.52 lacs lying in transit.
Building includes Building material of ₹ 3.06 Lacs lying in transit.

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

Note 11 : Non Current Investments

(₹ in lacs)

	Number of shares	Face Value Per Share	As at March 31, 2017	As at March 31, 2016
(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	134.79	134.79
Rohne Coal Company Private Limited	69,000	10	6.90	--
{Refer note no 1(f)}				
Investment in Preference Shares				
In Joint Venture Companies				
1% Redeemable Preference Shares of Rohne Coal Company Private Limited	2,363,914	10	236.39	--
			<u>378.08</u>	<u>134.79</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)]				
Quoted, Fully Paid up Equity Shares				
Shyama Infosys Limited	366,200	10	25.91	25.91
Shri Nidhi Trading Co. Limited	10,500	10	0.95	0.95
Investment in Mutual Fund-Quoted				
4498 Units Reliance Money Manager Fund Growth Plan-Growth Option			0.10	--
In Government Securities				
National Saving Certificate (Deposited with Third Parties)			7.32	5.62
			<u>67.91</u>	<u>66.11</u>
Total:			<u>445.99</u>	<u>200.90</u>
Aggregate Value of Investments				
- Quoted			26.96	26.86
- Unquoted			519.92	274.93
Aggregate provision for diminution in the value of Investments			100.89	100.89
Market Value of Quoted Investments			6.04	26.10

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

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
Deferred Tax Asset		
Unabsorbed Depreciation and carry forward Business Losses	70,355.17	69,202.68
Expenses Allowed On Payment Basis/Other Timing Differences	1,743.27	942.13
Sub Total (A)	<u>72,098.44</u>	<u>70,144.81</u>
Deferred Tax Liability		
Timing Difference on Depreciable assets	21,956.03	21,944.07
Sub Total (B)	<u>21,956.03</u>	<u>21,944.07</u>
Deferred Tax Assets / (Liabilities) (Net) (A-B)	<u>50,142.41</u>	<u>48,200.74</u>
Less : Deferred Tax Assets not recognised (Refer note below)	(19,425.72)	(17,484.05)
Total :	<u>30,716.69</u>	<u>30,716.69</u>

As the Group has made substantial losses for the past years as well as for this year, no Deferred Tax Assets for the year has been accounted for. However the figure upto 31.03.2015 has been carried forward because the management is taking corrective action to improve the working so as to enable them to realise the above figure.



Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

Note 13 : Loans and Advances

(₹ in lacs)

	Non Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
(Unsecured, Considered Good)				
Capital Advances	4,180.80	5,541.42	—	—
Security Deposit	1,434.59	1,076.18	863.68	531.12
[Net of Provision for Doubtful Advances ₹ Nil (₹ 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*	—	—	3,326.99	2,723.75
Share Application Money to Joint Venture Company	—	—	193.30	189.71
	—	—	10,520.29	9,913.46
Advances recoverable in cash or kind				
Advances recoverable in cash or in kind or for value to be received	0.00	220.06	18,443.23	17,478.37
Other Loans and advances				
Balance with Excise and other Government Authorities	—	—	1,791.16	2,094.72
Advance income tax [Net of Provisions]	—	—	176.73	127.64
Sales Tax and Other Refunds Receivable	(0.00)	0.00	270.27	148.55
Mat Credit Entitlement	4,709.71	4,709.71	304.61	304.61
	4,709.71	4,709.71	2,542.77	2,675.52
Total:	10,325.10	11,547.37	32,369.97	30,598.47

*(Refer Note 34)

Note 14 : Other Non Current Assets

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
Non Current bank balances (Refer Note 17)	65.97	275.84
Unamortised Expenses	—	4.40
Less: Written Off	—	(4.40)
Interest Receivable on Deposits	3.41	174.92
Total:	69.38	450.76

Note 15 : Inventories

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
Raw Materials	21,912.54	39,046.13
[Including in transit ₹ 4,987.89 lacs (₹ 6,095.35 lacs)]		
Stores and Spares	4,832.41	4,026.31
[Including in transit ₹ 277.94 lacs (₹ 158.01 lacs)]		
Work-in-Process	816.60	579.12
Finished Goods	16,151.02	8,071.51
[Including in transit ₹ 570.84 lacs (₹ Nil)]		
By Products and Scrap	2,244.92	1,064.75
Total :	45,957.49	52,787.82



Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

Note 16 : Trade Receivables

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
Outstanding for a period exceeding six month from the date they are due for payment		
Unsecured, considered good	44,347.74	24,515.31
Unsecured, considered doubtful	3,968.80	1,488.85
	48,316.54	26,004.16
Less: Provision for Doubtful Debts	3,968.80	1,488.85
	(A) 44,347.74	24,515.31
Other Debts		
Unsecured, considered good	(B) 21,064.38	49,165.94
Total	(A+B) 65,412.12	73,681.25

Note 17 : Cash and Bank Balances

(₹ in lacs)

	Non Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Cash and Cash equivalents				
Balance with Banks :-				
On Current Accounts	-	-	298.10	214.84
Deposits With Original Maturity of Less Than 3 Months	-	-	59.00	13.51
Cash on hand	-	-	23.38	108.15
Cheques in hand	-	-	81.79	121.46
Unclaimed Dividend Account	-	-	0.93	1.17
Unclaimed Fractional Share Balance	-	-	-	0.16
	-	-	463.20	459.29
Other Bank Balances				
Deposits with original maturity for more than 12 Months*	65.97	275.84	-	-
Deposits with original maturity for more than 3 Months but less than 12 months*	-	-	961.46	1,217.53
	65.97	275.84	961.46	1,217.53
Amount disclosed under the head "Other Non Current Assets" (Refer Note 14)	(65.97)	(275.84)	-	-
Total :	-	-	1,424.66	1,676.82

*including ₹ 1,027.43 lacs (₹ 1,493.37 lacs) pledged with banks and others as margin money against borrowings/other facilities.

Note 18 : Other Current Assets

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
Interest Receivable on Loans, Advances and Deposits	168.09	23.63
Subsidies and Incentives Receivable	10,817.89	9,475.47
Total :	10,985.98	9,499.10



Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

Note 19 : Revenue from Operations

(₹ in lacs)

	Current year ended March 31, 2017	Previous year ended March 31, 2016
Sales of products		
Finished Goods	172,158.27	126,108.52
By Products and Scraps	6,618.75	3,925.81
Raw Materials	3,595.80	2,020.61
Other Operating Revenue		
Conversion Charges	--	11.01
Subsidy on Sales Tax/Value Added Tax	2,079.90	1,723.20
Export Incentives	73.60	0.95
Revenue from Operations (Gross)	184,526.32	133,790.10
Less: Excise Duty	14,335.40	11,776.57
Revenue from Operations (Net)	170,190.92	122,013.53

Sale of finished goods comprise* :

(₹ in lacs)

	Current year ended March 31, 2017	Previous year ended March 31, 2016
Sponge Iron	29,739.10	20,994.72
Pig Iron	46,368.11	35,475.75
Steel Bars/Rods	28,342.84	16,552.64
Billet/MS Ingots	8,247.32	20,399.58
Ferro Alloys	17,820.76	8,104.65
Ductile Iron Pipe	41,640.15	23,744.04
Coke/Coal	--	837.14
Total	172,158.27	126,108.52

* 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, 2017	Previous year ended March 31, 2016
Interest on :		
(a) Fixed Deposits with Banks [Gross, Tax deducted at source ₹ 11.34 lacs (₹ 14.27 lacs)]	139.07	152.03
(b) Loans and Advances [Gross, Tax deducted at source ₹ 22.35 lacs (₹ 42.46 lacs)]	1,654.85	1,422.36
(c) Refund from Income Tax Department	4.07	--
Dividend from long term Investments (other than trade)	1.35	1.35
Insurance Claims	123.08	2.89
Liabilities no longer required written back	179.76	21.26
Gain on Foreign Exchange Fluctuations (Net)	5.34	--
Miscellaneous Income	7.01	12.42
Total :	2,114.53	1,612.31

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

Note 21 : Cost of Materials Consumed

(₹ in lacs)

	Current year ended March 31, 2017	Previous year ended March 31, 2016
Opening Stock	39,046.13	40,462.46
Purchases	132,546.54	105,425.00
	171,592.67	145,887.46
Less: Closing Stock	21,912.54	39,046.13
Raw Materials Consumed	149,680.13	106,841.33
Consumption of Raw Material :		(₹ in lacs)

	Current year ended March 31, 2017	Previous year ended March 31, 2016
Iron Ore/Pellets	38,931.71	32,446.81
Manganese Ore	3,781.46	3,451.07
Sponge Iron	9,36.25	4,358.15
Billet/Ingot	5,756.08	143.27
Coke/Coal	86,926.33	56,311.46
Magnesium Metal	526.07	346.92
Pig Iron	1,195.70	2,820.86
Steel Scrap & Wastes	410.47	2,410.98
Ferro Alloys	7,623.92	1,351.55
Quartzite, Limestone and Dolomite	3,592.14	3,200.26
Total :	149,680.13	106,841.33

Purchase of Stock in Trade includes :

(₹ in lacs)

	Current year ended March 31, 2017	Previous year ended March 31, 2016
Coke	--	160.53
D. I. Fittings	--	22.72
Total :	--	183.25

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

(₹ in lacs)

	Current year ended March 31, 2017	Previous year ended March 31, 2016
Opening Stocks :		
Work-in-Process	579.12	3,018.52
Finished Goods	8,071.51	4,406.21
By Products and Scrap	1,064.75	1,294.72
	9,715.38	8,719.45
Less:		
Closing Stocks :		
Work-in-Process	816.60	579.12
Finished Goods	16,151.02	8,071.51
By Products and Scrap	2,244.92	1,064.75
	19,212.54	9,715.38
Net	(9,497.16)	(995.93)
(Increase)/Decrease in excise duty and cess on stocks	797.20	220.88
Total :	(8,699.96)	(775.05)



Notes to Consolidated Financial Statements for the year ended March 31, 2017 (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, 2017	Previous year ended March 31, 2016
Opening Stock :		
Sponge Iron	1,287.61	202.88
Pig Iron	1,686.30	2,542.77
Steel Bars/Rods	321.92	67.41
Billet/MS Ingots	160.88	132.78
Ferro Alloys	160.23	288.46
Ductile Iron Pipe	1,634.57	614.93
Coke	2,820.00	556.99
Total :	8,071.51	4,406.21
Closing Stock :		
Sponge Iron	1,407.76	1,287.61
Pig Iron	1,126.46	1,686.30
Steel Bars/Rods	214.99	321.92
Billet/MS Ingot	19.49	160.88
Ferro Alloys	904.87	160.23
Ductile Iron Pipe	4,234.26	1,634.57
Coke	8,243.19	2,820.00
Total :	16,151.02	8,071.51

Note 23 : Employee Benefits Expense

(₹ in lacs)

	Current year ended March 31, 2017	Previous year ended March 31, 2016
Salaries, Wages, Bonus & Other Benefits	5,208.86	4,702.18
Contribution to Provident Fund & other fund	353.50	473.60
Staff Welfare Expenses	197.47	209.32
Directors remuneration	6.75	9.02
Total :	5,766.58	5,394.12

Note 24 : Finance Costs

(₹ in lacs)

	Current year ended March 31, 2017	Previous year ended March 31, 2016
Interest Expenses		
On Term loans	202.01	28,560.78
On Others	3,686.06	12,168.09
Finance charges	372.41	1,739.08
Total :	4,260.48	42,467.95



Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

Note 25 : Other Expenses

(₹ in lacs)

	Current year ended March 31, 2017	Previous year ended March 31, 2016
Consumption of Stores and Spares	11,664.28	7,400.40
Labour Charges	4,886.48	4,880.08
Power and Fuel	6,505.77	6,195.79
Repairs and Maintenance:		
- Plant and Machinery	245.23	508.06
- Buildings	72.37	81.79
- Others	533.46	344.52
Water Charges	353.00	407.22
Equipment Hire Charges	2,633.31	2,017.78
Shifting Expenses	45.63	235.61
Freight and Transportation	939.23	1,091.12
Rent and Hire	26.15	55.60
Rates and Taxes	467.25	185.04
Insurance	159.56	152.35
Advertisement	56.84	60.59
Brokerage and Commission (Other than Sole Selling Agents)	174.75	86.76
Travelling and Conveyance	386.67	339.14
Telephone and Postage	70.89	72.27
Legal and Professional Charges (Refer Note 41)	329.20	295.91
Directors' Fees	1.65	2.90
Provision for Doubtful Debts and Advances	2,479.95	495.51
Irrecoverable Debts and Advances Written off	168.49	5.73
Less: Adjusted against Provisions	- 168.49	- 5.73
Loss on Foreign Exchange Fluctuations (Net)	-	191.62
Charity and Donations	12.46	9.29
Security and Service Charges	497.23	509.76
Loss on Sale of Fixed Assets	2.64	0.04
Miscellaneous Expenses	286.51	324.56
Prior period expenses (Net)	334.44	318.33
Total:	33,333.44	26,272.17



Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

26 Contingent liabilities not provided for:

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
a) Claims against the Company not acknowledged as debts		
i) Excise and Service Tax Demands under dispute/appeal	28,700.15	25,623.32
ii) Custom Demand on differential duty on imported coke	482.65	-
iii) Sales Tax/VAT matters under dispute/appeal	2,323.23	2,432.85
iv) Income Tax matters under dispute/appeal	6.85	6.85
b) Letters of Credit, Bills discounted and Bank Guarantees outstanding	1,917.08	11,705.00
c) Custom Duty on Import of Equipment and spare parts under EPCG Scheme	1,242.00	4,198.00
d) Guarantees and Counter guarantees given by the Company for loans obtained by subsidiary/other companies	3,415.00	3,415.00
27 Estimated amount of contracts remaining to be executed on Capital Account and not provided for	279.29	43.00
28 During the year under review, Axis Bank Limited & State Bank of Travancore have assigned their debt in the Holding Company to Edelweiss Asset Reconstruction Company Limited & J.M. Financial Assets Reconstruction Co. Private Limited respectively. Further, Axis Bank Limited has assigned its debt in one of the Subsidiary Company, namely Nilachal Iron & Power Limited, to Asset Care and Reconstruction Enterprise Limited. However, in the absence of any agreement being entered into with them by the respective companies, the dues owed to the aforesaid banks have been carried forward in the books of accounts as Long Term Debts in favour of the said ARCs.		
29 The Holding Company has issued 87,39,685 Zero Coupon Unsecured Unlisted Non Convertible Debentures at a price of ₹ 100 each. The Debentures shall be redeemable at par within three months from the expiry of twelve years from the date of allotment i.e 14 th November, 2015.		
One of the subsidiary company, namely Nilachal Iron & Power Limited has issued 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 (3 rd January 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.		
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 24 th August, 2012 and the CDR Cell issued the Letter of Approval (LOA) on 20 th September, 2012. The Master Restructuring Agreement (MRA) incorporating the terms of the LOA was signed with the lenders on 28 th September, 2012 supplementary MRA was executed on 18.01.2013. The Company has also created security as per the Master Restructuring Agreement.		
31 The majority of lenders of the Holding Company and one of its subsidiary company - Nilachal Iron & Power Limited have stopped charging interest on debts, since the respective dues from the Holding Company and the subsidiary have been categorised as Non Performing Assets. The Holding Company is in active discussion/negotiation with the lenders to restructure its debts & its subsidiaries debts at a sustainable level including waiver of unpaid interest. In view of the above, pending finalization of the restructuring plan, the Holding Company & its subsidiary has stopped providing interest accrued and unpaid effective from 1 st April 2016 in their books. The amount of such accrued and unpaid interest not provided for stands at ₹ 39,544.56 Lacs for the Holding Company and ₹ 1,133.75 Lacs for the subsidiary company, thus totaling to ₹ 40,678.31 Lacs for the year ended 31 st March 2017 and accordingly the same has not been considered for compilation of results of the said year ended 31 st March 2017. The Statutory Auditors have qualified their respective Audit Reports in respect of the said matter.		
32 The Company has been incurring losses due to unfavourable market conditions and other adverse industry scenario from past few years. The accumulated losses of the Group as at 31 st March, 2017 stands at ₹ 193,857.69 lacs. The Holding Company had made a reference to the Hon'ble Board for Industrial and Financial Reconstruction(BIFR) in terms of the provision of Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). However in terms of notification dated 25.11.2016 issued by the Ministry of Finance, the SICA has been repealed w.e.f. 1 st December, 2016. The financial statement for the year have been prepared by the management of the Company on a going concern basis as the company has continued its normal manufacturing during the current year and has not written off Deferred tax Assets amounting to ₹ 30,716.69 lacs provided upto 31 st March, 2015.		

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

- 33 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 ₹ 2,079.90 lacs (₹ 1,723.20 lacs):

(₹ in lacs)

Sl. No.	Particulars	Account to which credited	Current year ended March 31, 2017	Previous year ended March 31, 2016
a)	Industrial Promotion Assistance	Subsidy on Sales Tax / Value Added Tax under Sales & Service	2,079.90	1,723.20

- 34 Loans and Advances includes the following balances

(₹ in lacs)

Name of the Company	As at March 31, 2017	Maximum Amount due at any time during year ended March 31, 2017	As at March 31, 2016	Maximum Amount due at any time during year ended March 31, 2016
In terms of Regulation 34(3) of the SEBI (LODR) Regulations, 2015				
Jai Balaji Jyoti Steels Ltd.	10,326.99	10,326.99	9,723.75	9,723.75

35 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.

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

(₹ in lacs)

Particulars	Current year ended March 31, 2017	Previous year ended March 31, 2016
Current service cost	161.83	132.97
Interest cost on benefit obligation	76.78	60.27
Expected return on plan assets	(22.46)	(25.56)
Net actuarial loss/(gain) recognised in the year	(101.46)	66.14
Past Service cost	—	—
Total Expenses	114.69	233.82

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

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Present value of Defined Benefits Obligation	1,076.30	1,000.90
Fair value of plan assets	239.21	278.51
	837.09	722.39
Less: Unrecognised past service cost	—	—
Net Liability	837.09	722.39

Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

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

Particulars	As at March 31, 2017	As at March 31, 2016
Present Value of Defined Benefit Obligation at the beginning of the year	1,000.90	806.25
Current Service Cost	161.83	132.97
Interest Cost	76.78	60.27
Benefits Paid	(57.94)	(67.24)
Actuarial Loss/(Gain)	(105.29)	68.65
Plan Amendments	—	—
Present Value of Defined Benefits Obligation at the year end	1,076.28	1000.90

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

Particulars	As at March 31, 2017	As at March 31, 2016
Fair Value of Plan Assets at the beginning of the year	278.51	317.68
Expected Return	22.46	25.56
Contribution by Employer	—	—
Benefits paid	(57.94)	(42.98)
Actuarial Gains/(Losses)	(3.83)	(2.50)
Fair Value of Plan Assets at the year end	239.20	302.77

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, 2017	As at March 31, 2016
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, 2017	Previous year ended March 31, 2016
Discount Rate	7.20%	7.90%
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, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Defined benefit obligation	(1,076.30)	(1000.90)	(806.26)	(729.77)	(906.63)
Plan Assets	239.21	278.51	317.68	390.32	360.39
Surplus/(Deficit)	(837.09)	(722.39)	(488.61)	(339.45)	(546.24)
Experience Gain/(Loss)					
Adjustments on plan liabilities	195.39	(81.37)	103.41	268.19	(13.00)
Experience Gain/(Loss)					
Adjustments on plan assets	(3.83)	2.50	(2.51)	(0.84)	2.01
Experience Gain/(Loss) due to change on assumptions	(90.11)	12.72	(133.60)	104.24	(47.60)



Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

(₹ in lacs)

Particulars	Current year ended March 31, 2017	Previous year ended March 31, 2016
Contribution to Provident Fund and other Funds	515.37	649.64

Note:

- The Holding Company expects to contribute ₹ 801.34 lacs (₹ 692.68 lacs) to Gratuity Fund in 2017-18. The Subsidiary Company expects to contribute ₹ 35.75 lacs (₹ 29.71 lacs) to Gratuity Fund in 2017-18.
- 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.
- The management has relied on the overall actuarial valuation conducted by the actuary.

36. 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, 2017	Previous year ended March 31, 2016
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.	—	—

37. Excise duty on increase/decrease in stock represents differential excise duty on opening and closing stock of Finished Goods.

38. Unhedged Foreign Currency Exposures outstanding at the year end are as follows :

Particulars	Foreign Currency (FC)	As at March 31, 2017		As at March 31, 2016	
		in FC	₹ in lacs	in FC	₹ in lacs
Receivables					
(a) Trade Receivables	US\$	1,342,556	870.49	–	–
(b) Advances	US\$	77,177	48.37	60,347	38.12
	Euro	–	–	74,050	55.61
Total			918.86		93.73
Payables					
(a) Trade Payables	US\$	382,478	246.47	641,005	425.20
	Euro	68,712	47.58	21,840	16.40
	GBP	15,540	12.57	–	–
(b) Advances	US\$	–	–	–	–
	Euro	–	–	–	–
Total			306.62		441.60



Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

39 Basic and diluted earnings per share :

Sl No.	Particulars		Current year ended March 31, 2017	Previous year ended March 31, 2016
A	Profit/(Loss) after Tax	₹ in lacs	(23,792.52)	(68,980.37)
B	Number of shares at the beginning of the year	Nos.	77,781,486	73,781,486
C	Total equity shares outstanding at the end of the year	Nos.	86,281,486	77,781,486
D	Weighted average number of equity shares outstanding at the end of the year	Nos.	83,630,253	73,803,344
E	Nominal Value of each Share	₹	10.00	10.00
F	Basic Earning per Share	₹	(28.45)	(93.47)
G	Diluted Earning per Share	₹	(28.45)	(93.47)

40. Related Party Disclosures

a) Name of Related Parties :

Key Management Personnel	Mr. Aditya Jajodia, Chairman and Managing Director Mr. Sanjiv Jajodia, Wholetime Director and Chief Financial Officer Mr. Aashish Jajodia, Wholetime Director of Subsidiary Mr. Ajay Kumar Tantia, Company Secretary Ms. Puja Chourasia, Company Secretary of Subsidiary
Relatives of Key Management Personnel	Mr. Rajiv Jajodia, Brother of Wholetime Director Mr. Gaurav Jajodia, Nephew of Wholetime Director
Enterprises owned or significantly influenced by key management personnel or their relatives	Chandi Steel Industries Limited (CSIL) Jai Balaji Jyoti Steels Limited (JBJSL) Jai Salasar Balaji Industries Private Limited (JSBIPL) Balaji Ispat Udyog (BIU) Shri Sankatmochan Steel Private Limited (SSPL) Shri Jaikapish Steel Private Limited (JSPL) Enfield Suppliers Limited (ESL) Hari Management Limited (HML) Jajodia Estate Private Limited (JEPL)



Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

b) Related Party Transactions:

Relationship	Party	Sales	Purchases	Rent paid	Interest Received	Interest Paid	Director fee	Gross Salary & Perquisite/Managerial Remuneration	Loan Taken	Money Received against share Warrants	Allotment of Equity Share warrants	Non Convertible Debentures (Unsecured)	Balance Receivable	Balance Payable	Guarantees Obtained	Corporate Guarantee Given
Key Management Personnel	Aditya Jajodia	-	-	-	-	-	-	-	-	-	-	-	-	-	394,390.00	-
	Sanjiv Jajodia	-	-	-	-	-	-	-	-	-	-	-	-	-	(394,390.00)	-
	Aashish Jajodia	-	-	-	-	-	-	-	-	-	-	-	-	-	(394,390.00)	-
	Aashish Jajodia	-	-	-	-	-	-	-	-	-	-	-	-	-	10,033.00	-
	Aashish Jajodia	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,033.00)	-
Relatives of Key Management Personnel	Ajay Kumar Tantiia	-	-	-	-	-	-	22.54 (2013)	-	-	-	-	-	-	-	-
	Eka Agarwal	-	-	-	-	-	-	(114)	-	-	-	-	-	-	-	-
	Puja Chourasia	-	-	-	-	-	-	3.22 (0.44)	-	-	-	-	-	-	-	-
	Rajiv Jajodia	-	-	-	-	-	0.20 (0.35)	-	-	-	-	-	-	-	384,357.00	-
	Gaurav Jajodia	-	-	-	-	-	0.20 (0.35)	-	-	-	-	-	-	-	384,357.00	-
Enterprises owned or significantly influenced by key management personnel or their relatives	CSIL	35.54 (7.11)	58.46 (146.28)	-	223.45 (249.48)	-	-	-	-	-	-	-	1,549.98 (1,613.78)	-	-	900.00 (900.00)
	JBSL	71.03 (171.57)	740.82 (3,540.70)	-	1,276.11 (1,165.80)	-	-	-	-	-	-	-	10,327.00 (9,723.75)	4.86	-	-
	JSRPL	568.37 (459.71)	87.59 (363.89)	-	-	-	-	-	-	-	-	-	1,366.76 (92.85)	-	-	-
	BUU	-	-	-	-	-	-	-	-	-	-	-	-	0.13	-	-
	JSPL	-	-	-	-	-	-	-	-	318.75 (306.25)	425.00 (200.00)	-	-	-	-	-
	SSPL	-	-	-	-	-	-	-	-	318.75 (306.25)	425.00 (200.00)	-	-	-	-	-
	JEPL	-	-	0.79 (0.79)	-	-	-	-	-	-	-	-	-	-	-	-
	ESL	-	-	-	-	74.24 (67.28)	-	-	-	-	-	-	-	719.82 (65.57)	-	-
	HML	-	-	-	-	44.22 (40.07)	-	-	-	-	-	-	-	428.75 (84.53)	-	-
	TOTAL	674.94 (638.39)	886.87 (4,050.87)	0.79 (0.79)	1,499.56 (1,415.28)	118.46 (107.35)	0.40 (0.70)	25.56 (21.71)	-	637.50 (612.50)	850.00 (400.00)	-	13,243.74 (12,263.38)	1,153.56 (1,030.10)	-	900.00 (900.00)



Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

41 Auditors Remuneration (included in Legal and Professional Charges)

(₹ in lacs)

Payment to Auditor	Current year ended March 31, 2017	Previous year ended March 31, 2016
Holding Company		
As auditor :		
Audit fee	3.50	3.50
Limited Review	7.50	7.50
Tax Audit	0.75	0.75
Out-of-pocket expenses	—	—
In other manner for Certification	11.75	11.75
	0.43	0.34
Total*	12.18	12.09
Subsidiary Companies		
As auditor :		
Audit fee	0.85	0.85
Tax Audit	0.25	0.25
Out-of-pocket expenses	—	—
In other manner for Certification	1.10	1.10
	0.02	—
Total	1.12	1.10

*Out of above amount, paid to previous auditor amounts to ₹ 0.75 lacs (₹ 0.75 lacs)

42. (a) The Proportionate share of Assets, Liabilities and Equity for the year ended March 31, 2017 and Income and Expenditure for the year ended March 31, 2017 of Joint Venture Company viz M/s Rohne Coal Company Private Limited not included in Current Year's financial statements as the financial statement of RCCPL were prepared as per Ind-AS which is not applicable on the Company. Please refer Note 1(f) for details.

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Assets		
Non Current Assets		
Fixed Assets : Tangible Assets	--	87.40
Capital Work in Progress and Pre-operative Expenditure Pending Allocation	--	--
Long Term Loans & Advances	--	220.07
Current Assets		
Current Investments	--	--
Cash and Bank Balances	--	0.34
Short-Term Loans & Advances	--	224.84
Non Current Liabilities		
Long Term Provisions	--	--
Current Liabilities		
Trade Payables	--	320.08
Other Current Liabilities	--	69.47
Short Term Provisions	--	--
Equity		
Reserves and Surplus	--	(100.40)
Share Application Money	--	0.20
Capital Commitment and Contingencies :		
Capital Commitment and Contingencies	--	--
	Current year ended March 31, 2017	Previous year ended March 31, 2016
Income		
Other Income	--	--
Expenditure		
Other Expenses	--	40.34



Notes to Consolidated Financial Statements for the year ended March 31, 2017 (Contd.)

- b) The Hon'ble Supreme Court vide its Order dated 24th September, 2014 has cancelled number of coal blocks allotted to various companies. These include two coal blocks under development viz. Andal East in West Bengal and Rohne in Jharkhand allocated to the Company jointly with other parties and one operational coal block namely Ardhamgram coal block in West Bengal. Pending finalisation of the compensation receivable for the cancelled mines, no adjustments in the book value of Investments made in mining assets has been made.

43. Disclosure on Specified Bank Notes (SBNs)

During the year, the group had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes(SBN) held and transacted during the period from Nov 8, 2016 to Dec 30, 2016, the denomination wise SBN and other notes as per the notification is given below:

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on November 8, 2016	-	2,182,419.82	2,182,419.82
Add: Withdrawn from Banks	-	200,000.00	200,000.00
Add: Permitted Receipts	-	155,341.00	155,341.00
Less: Permitted Payments	-	1,421,928.00	1,421,928.00
Less: Amount Deposited in Banks	-	11,000.00	11,000.00
Closing Cash in Hand as on December 30, 2016	-	1,104,832.82	1,104,832.82

* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning as provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E) dated November 8, 2016.

44. a) The current period's figures represents consolidated figures of the Holding Company and its three wholly owned subsidiaries but not of Joint Venture Companies namely M/s. Andal East Coal Company Pvt. Ltd. & Rohne Coal Company Pvt. Ltd. because of the reasons mentioned in Note 1(f).
- b) Figures in brackets represent previous financial year's figures, which have been rearranged / regrouped wherever necessary to conform to this year's classification. Further, the figures of the Current Year are not comparable with that of the previous year as Current Year's Figures does not include figures of one Joint Venture namely-Rohne Coal Company Pvt. Ltd. which was included in previous year.

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

Aditya Jajodia
Chairman & Managing
Director
DIN : 00045114

Sanjiv Jajodia
Wholetime Director &
Chief Financial Officer
DIN : 00036339

Rajiv Jajodia
Director
DIN : 00045192

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

Ajay Kumar Tantia
Company Secretary

Place : Kolkata
Date : 30th May, 2017

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017 - Standalone

I.	Sl No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In Lacs)	Audited Figures (as reported after adjusting for qualifications) (Rs. In Lacs)
	1	Turnover / Total income	1,58,469.63	1,58,469.63
	2	Total Expenditure	1,80,289.42	2,19,833.98
	3	Net Profit/ (Loss)	-21,819.79	-61,364.35
	4	Earnings Per Share (in Rs.)	-26.09	-73.37
	5	Total Assets	3,57,308.46	3,57,308.46
	6	Total Liabilities	4,62,319.07	5,01,863.63
	7	Net Worth	-1,05,010.61	-1,44,555.17
	8	Any other financial item(s) (as felt appropriate by the management)		
II.	Audit Qualification (each audit qualification separately):			
	a.	Details of Audit Qualification: As per Annexure - A		
	b.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion		
	c.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing		
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: As per Annexure - A		
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor: N.A.		
		(i) Management's estimation on the impact of audit qualification:		
		(ii) If management is unable to estimate the impact, reasons for the same:		
		(iii) Auditors' Comments on (i) or (ii) above:		

Annexure - A.**Details of Audit Qualification**

The company has not provided for interest amounting to ₹39,544.56 Lacs on various loans & credit facilities availed from banks & financial institution on the ground that same is being treated as Non Performing Assets by the lenders. Due to this loss has been understated by ₹39,544.56 Lacs and loss would've been ₹61,364.35 lacs instead of ₹ 21,819.79 lacs.

Management's Views:

The majority of lenders have stopped charging interest on debts, since the dues from the Company have been categorised as Non-Performing Asset.

The Company is in active discussion/negotiation with its lenders to restructure its debts at a sustainable level including waiver of unpaid interest. In view of the above, pending finalization of the restructuring plan, the Company has stopped providing interest accrued and unpaid effective 1st April 2016 in their books. The amount of such accrued and unpaid interest not provided for stands at ₹ 39,544.56 Lacs for the year ended 31st March 2017 and accordingly the same has not been considered for compilation of results of the said year ended 31st March 2017. The Statutory Auditors have qualified their Audit Report in respect of this matter.

Aditya Jajodia
Managing Director

Sanjiv Jajodia
CFO

C.K. Bhartia
Audit Committee Chairman

J.K. Choudhury
Partner
For S.K.Agrawal & Co.
Chartered Accountants

Date: 30-05-2017

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017 - Consolidated

I.	Sl No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In Lacs)	Audited Figures (as reported after adjusting for qualifications) (Rs. In Lacs)
	1	Turnover / Total income	1,72,305.45	1,72,305.45
	2	Total Expenditure	1,96,097.97	2,36,776.28
	3	Net Profit/(Loss)	-23,792.52	-64,470.83
	4	Earnings Per Share	-28.45	-77.09
	5	Total Assets	3,69,495.78	3,69,495.78
	6	Total Liabilities	4,80,299.96	5,20,978.27
	7	Net Worth	-1,10,804.18	-1,51,482.49
	8	Any other financial item(s) (as felt appropriate by the management)		
II.	Audit Qualification (each audit qualification separately):			
	a.	Details of Audit Qualification: As per Annexure - A		
	b.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion		
	c.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing		
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: As per Annexure - A		
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor: N.A.		
		(i) Management's estimation on the impact of audit qualification:		
		(ii) If management is unable to estimate the impact, reasons for the same:		
		(iii) Auditors' Comments on (i) or (ii) above:		

Annexure - A.**Details of Audit Qualification**

Holding company and one of its subsidiary (Nilachal Iron & Power Limited) have not provided for interest amounting to ₹40,678.31 Lacs on various loans & credit facilities availed from banks & financial institution on the ground that same is being treated as Non Performing Assets by the lenders. Due to this, loss has been understated by ₹ 40,678.31 Lacs and loss would've been ₹64,470.83 Lac instead of loss ₹ 23,792.52 Lacs.

Management's Views:

The majority of lenders of the Parent Company and one of its subsidiary have stopped charging interest on debts, since the respective dues from the Parent Company and the subsidiary have been categorised as

Non-Performing Assets. The Parent Company is in active discussion/negotiation with the lenders to restructure its debts & its subsidiaries debts at a sustainable level including waiver of unpaid interest. In view of the above, pending finalization of the restructuring plan, the Parent Company & its subsidiary has stopped providing interest accrued and unpaid effective from 1st April 2016 in their books. The amount of such accrued and unpaid interest not provided for stands at ₹ 39,544.56 Lacs for the Parent Company and ₹ 1,133.75 Lacs for the subsidiary company, thus totaling to ₹ 40,678.31 Lacs for the year ended 31st March 2017 and accordingly the same has not been considered for compilation of results of the said year ended 31st March 2017. The Statutory Auditors have qualified their respective Audit Reports in respect of this matter.

Aditya Jajodia
Managing Director

Sanjiv Jajodia
CFO

C.K. Bhartia
Audit Committee Chairman

J.K. Choudhury
Partner
For S.K.Agrawal & Co.
Chartered Accountants

Date: 30-05-2017

[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 Ashim Kumar Mukherjee

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
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.
23, R. N. Mukherjee Road
5th Floor,
Kolkata – 700 001
West Bengal, India
Phone: 91-33-2243 5029
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, Financial Institution and Assets Reconstruction Company

Allahabad Bank
Bank of India
Canara Bank
Corporation Bank
Edelweiss Asset Reconstruction
Company Limited
IDBI Bank
IFCI Limited
Indian Overseas Bank
JM Financial Asset Reconstruction
Company Limited
Oriental Bank of Commerce
Punjab National Bank
State Bank of India
The Federal Bank Limited
UCO Bank
Union Bank of India
United Bank of India
Vijaya Bank
West Bengal Infrastructure
Development Finance Corporation
Limited

WEBSITE

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