



**Jai Balaji Industries Limited**

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**INSPIRED BY STEEL**

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**20<sup>th</sup> Annual Report  
2018-19**

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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 to the Shareholders

NOTICE IS HEREBY GIVEN THAT the Twentieth Annual General Meeting of the Members of Jai Balaji Industries Limited will be held on Thursday, 19th September, 2019 at 11:00 a.m. at Rotary Sadan (Shripati Singhania Hall), 94/2, Chowringhee Road, Kolkata - 700 020 to transact the following businesses:

### ORDINARY BUSINESS

#### Item No. 1

To receive, consider and adopt the:-

- (a) Audited Standalone Financial Statement of the Company for the financial year ended 31st March, 2019 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, 2019 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 Amit Kumar Majumdar (DIN - 00194123), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

#### 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 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 Rs. 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 14th August, 2019 payable to M/s 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 2019-20, 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. 5

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Smt. Seema Chowdhury (DIN: 07158338) who was appointed as Independent Director of the Company for a term of 5 years with effect from 17th April, 2015 at the 16th Annual General Meeting of the Company held on 21st September, 2015 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from 17th April, 2020.

**"RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution."

#### 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 provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Smt. Swati Agarwal (DIN: 07158355) who was appointed as Independent Director of the Company for a term of 5 years with effect from 17th April, 2015 at the 16th Annual General Meeting of the Company held on 21st September, 2015 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member



### Notice to the Shareholders (Contd.)

under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from 17th April, 2020.

**“RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution.”

#### Item No. 7

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Smt. Rakhi Bajoria (DIN: 07161473) who was appointed as Independent Director of the Company for a term of 5 years with effect from 17th April, 2015 at the 16th Annual General Meeting of the Company held on 21st September, 2015 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from 17th April, 2020.

**“RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution.”

#### Item No. 8

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

**“RESOLVED THAT** pursuant to Sections 61(1)(a) and rules made thereunder and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force) and the Articles of Association of the Company, the consent of the members be and is hereby accorded to increase the existing Authorised Share Capital of Rs. 1,01,00,00,000/- (Rupees One Hundred and One Crores only) divided into

10,10,00,000 (Ten Crores Ten Lacs) equity shares of Rs. 10/- (Rupees Ten only) each to Rs. 1,25,00,00,000/- (Rupees One Hundred and Twenty Five Crores only) divided into 12,50,00,000 (Twelve Crores Fifty Lacs) equity shares of Rs. 10/- (Rupees Ten only) each by creation of 2,40,00,000 (Two Crores Forty Lacs) equity shares of Rs. 10/- (Rupees Ten only) each ranking pari-passu with the existing equity shares and consequently the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted with the following new Clause V as under:

*V) The Authorised Share Capital of the Company is Rs. 1,25,00,00,000/- (Rupees One Hundred and Twenty Five Crores only) divided into 12,50,00,000 (Twelve Crores Fifty Lacs) equity shares of Rs. 10/- (Rupees Ten only) each with the rights, privileges and conditions attaching thereof as are provided by the regulations of the Company for the time being with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereof respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company or as may be permitted by the Companies Act.*

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

#### Item No. 9

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

**“RESOLVED THAT** pursuant to the provisions of Section 62(1)(c) read with Section 42 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (hereinafter referred to as “the Act”) and in accordance with and subject to the relevant provisions of the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time [hereinafter referred to as “SEBI (LODR) Regulations”], Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, [hereinafter referred to as “SEBI (ICDR) Regulations”] (including any statutory modification(s) or re-enactment(s) thereof from time to time), Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeover) Regulations, 2011, as amended from time to time, (“SEBI Takeover Regulations”) and in accordance with all other applicable regulations,



### Notice to the Shareholders (Contd.)

guidelines and clarifications thereon issued by the Securities and Exchanges Board of India ("SEBI"), Reserve Bank of India ("RBI"), Government of India ("GOI") or any other statutory / regulatory authorities and subject to all such approvals, permissions, consents and sanctions of any authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents or sanctions, the consent of the Company be and is hereby accorded to the Board (which term shall deem to include any committee which the Board may have constituted or hereinafter constitute to exercise one or more its power, including the powers conferred hereunder) to create, offer, issue and allot, on preferential basis, in one or more tranches, upto 1,40,71,500 (One Crore Forty Lakhs Seventy One Thousand Five Hundred) Equity Shares of the Company of face value of Rs.10/- (Rupees Ten only) each as part of unsustainable portion of debt to be converted into equity, at such price being not less than the price determined in accordance with SEBI (ICDR) Regulations ("Issue Price"), to Edelweiss Asset Reconstruction Company Limited ("EARC" who will hold such shares on behalf of various EARC trusts), being an asset reconstruction company registered under section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and being a financial institution within the meaning of sub clauses (ia) of clause (h) of section 2 of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 in such manner and on such other terms and conditions as agreed between the Board and EARC."

**"RESOLVED FURTHER THAT** the offer, issue and allotment of the aforesaid Equity Shares shall be subject to the following terms and conditions:

- a) The "Relevant Date" pursuant to Regulation 161 of the SEBI (ICDR) Regulations in relation to the above mentioned Preferential Issue of Equity Shares, shall be Tuesday, 20th August, 2019 which is a date 30 days prior to the date of General Meeting.
- b) The issue price of the said Equity Shares shall not be less than the price determined in accordance with SEBI (ICDR) Regulations and applicable laws.
- c) Since, EARC is financial institution within the meaning of sub clauses (ia) of clause (h) of section 2 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993, as per Regulations 158(3) of SEBI ICDR Regulations, the Lock-in provision shall not apply to the proposed allotment of equity shares.

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred by this resolution to any Director(s) or to any Committee of Directors or employee or officer of the Company, as it may consider appropriate, to give effect to the aforesaid resolution."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to decide and approve other terms and conditions of the issue of the Equity Shares and shall also be entitled to vary, modify or alter any of the terms and conditions, including size of the issue as it may deem fit, subject however to the compliance with the applicable guidelines, notifications, rules and regulations."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to accept the terms, conditions, modifications and stipulations as the GOI, RBI, SEBI or Stock Exchanges or any other regulatory authority may stipulate while granting approval to the Company for issue of the Equity Shares as aforesaid."

**"RESOLVED FURTHER THAT** the Equity Shares to be issued and allotted pursuant to this resolution shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu with the existing equity shares of the Company in all respects."

**"RESOLVED FURTHER THAT** the Board is hereby authorised to take necessary steps for listing of the equity shares upon allotment on Stock Exchanges, where the Company's shares are listed, as per the terms and conditions of the SEBI (LODR) Regulations, and in accordance with such other guidelines, rules and regulations as may be applicable with regard to such listing."

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

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

Place : Kolkata  
Date : 14<sup>th</sup> August, 2019

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

Sd/-  
**Ajay Kumar Tantia**  
Company Secretary



### Notice to the Shareholders (Contd.)

#### 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. 4 to 9 of the Notice to be transacted at the Twentieth Annual General Meeting ('the meeting') is annexed hereto and forms part of the Notice. The relevant details, pursuant to Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Directors seeking re-appointment / appointment at this AGM are also annexed.
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, 13th September, 2019 to Thursday, 19th September, 2019 (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 2018-19, circulated to the members of the Company, is also uploaded on the Company's website "[www.jaibalajigroup.com](http://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 - 700001 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 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 - 700001, enclosing their share certificates to enable the Company to consolidate their holdings into single folio.



### Notice to the Shareholders (Contd.)

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 - 700001, 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 2018-19 and the Notice of the Twentieth 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 Twentieth 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 Twentieth 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](http://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 are also requested to submit their PAN and bank account 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 - 700001.

16. Securities and Exchange Board of India (SEBI) has 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. Also, as per SEBI notification number SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 for amendment to SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 requests for effecting transfer of securities of listed companies shall not be processed unless the securities are held in the demat form with a depository, except in case of transmission or transposition of securities.

17. 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, has been transferred to the fund established by the Central



### Notice to the Shareholders (Contd.)

Government, namely the Investor Education and Protection Fund (IEPF). Details of dividend remained unclaimed by the members for the past year which have been transferred to IEPF are readily available for view by the members on the Company's Website.

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 ("IEPFA"). Accordingly, equity shares which were due to be so transferred, have been transferred by the Company to the Demat Account of IEPFA. The voting rights on such shares shall remain frozen till the rightful owner claims the shares. Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholder from IEPFA by following the procedure prescribed under the aforesaid rules. Details of shares transferred to the Demat Account of IEPFA have been uploaded by the Company on its website at [www.jaibalajigroup.com](http://www.jaibalajigroup.com)

18. 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](http://www.jaibalajigroup.com) under the head 'Investor Relations'.

19. 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, 16th September, 2019

End of e-voting: Up to 5:00 p.m. on Wednesday, 18th September, 2019

**Members holding shares either in physical or dematerialized mode as on the cut-off date viz. , Thursday, 12th September, 2019 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, 12th September, 2019**, 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 the shareholders/beneficial owners as on the cut-off date being **Thursday, 12th September, 2019**.

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 Mr. Manish Shaw, Practicing Company Secretaries, (Membership No. ACS: 48460) (Address: 57/6, B.T. Road, Kolkata - 700 002), as the Scrutinizer to scrutinize the e-voting process and voting at the AGM in a fair and transparent manner.



## **Annexure to the Notice (Contd.)**

- 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 and National Stock Exchange of India 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 : 14<sup>th</sup> August, 2019

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. 4**

On the basis of the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on 14th August, 2019 has approved the re-appointment of the Cost Auditors of the Company, M/s. 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 2019-20, that may be required to be prepared and submitted by the Cost Auditors under applicable statute at a consolidated remuneration of Rs.1,20,000 (excluding applicable taxes and reimbursement of out-of pocket expenses, if any).

In terms of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditors has to be approved by the Board and subsequently 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 2019-20.

The Board of Directors, therefore, recommend the Resolution under item no. 4 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. 5,6 & 7**

Smt. Seema Chowdhury (DIN:07158338), Smt. Swati Agarwal (DIN: 07158355) and Smt. Rakhi Bajoria (DIN:07161473) were appointed as Independent Directors on the Board of the Company with effect from 17th April, 2015 pursuant to the provisions of Section 149 of the Act, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the Stock exchanges. They hold office as Independent Directors of the Company till 16th April, 2020.

The Nomination and Remuneration Committee (NRC) of the Board of Directors, based on the report of performance evaluation of Independent Directors, has recommended the re-appointment of Smt. Seema Chowdhury, Smt. Swati Agarwal and Smt. Rakhi Bajoria as Independent Directors for a second term of 5 (Five) consecutive years on the Board of the Company from 17th April, 2020 upto 16th April, 2025.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the NRC, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Smt. Seema Chowdhury, Smt. Swati Agarwal and Smt. Rakhi Bajoria would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, it is proposed to re-appoint Smt. Seema Chowdhury, Smt. Swati Agarwal and Smt. Rakhi Bajoria as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second



### Annexure to the Notice (Contd.)

term of 5 (Five) consecutive years on the Board of the Company in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") inter alia prescribe that an independent director of a Company shall meet the criteria of Independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an independent director shall hold office for a term of upto five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the Company and disclosure of such appointment in its board's report. Section 149(11) provides that an Independent director may hold office for upto two consecutive terms.

Smt. Seema Chowdhury, Smt. Swati Agarwal and Smt. Rakhi Bajoria are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from a member under Section 160 of the Act proposing the candidature of Smt. Seema Chowdhury, Smt. Swati Agarwal and Smt. Rakhi Bajoria for the office of Independent Directors of the Company.

The Company has also received declarations from Smt. Seema Chowdhury, Smt. Swati Agarwal and Smt. Rakhi Bajoria that they meet with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and under SEBI Listing Regulations.

In the opinion of the Board, Smt. Seema Chowdhury, Smt. Swati Agarwal and Smt. Rakhi Bajoria fulfil the conditions for appointment as Independent Directors as specified in the Act and the SEBI Listing Regulations and are independent of the management.

Further, Ms. Chowdhury, Ms. Agarwal and Ms. Bajoria are not debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

Additional information in respect of Ms. Chowdhury, Ms. Agarwal and Ms. Bajoria, pursuant to the Listing Regulations 2015 and the Secretarial Standard on General Meetings, is appearing in the "Annexure" to the notice. Ms. Chowdhury and Ms. Bajoria do not hold any share in the Company, either in their individual capacity or on a beneficial basis for any other person. Ms. Agarwal singly / jointly holds 1100 shares in the Company; She does not hold any share in the Company on a beneficial basis for any other person.

Ms. Chowdhury, Ms. Agarwal and Ms. Bajoria, and their relatives, are interested in the Special Resolutions relating to their respective re-appointment. None of the other Directors and Key Managerial Personnel of the Company, or

their relatives, are interested in these Special Resolutions. The Board recommends these Special Resolutions for your approval.

#### **Item No. 8**

The authorized share capital of the Company is Rs. 1,01,00,00,000/- (Rupees One Hundred and One Crores only) divided into 10,10,00,000 (Ten Crores Ten Lacs) equity shares of Rs. 10/- each (Rupees Ten only). The resolution set out at Item No. 8 seeks to alter the capital clause of the memorandum of association of the Company by increasing the authorised share capital from Rs. 1,01,00,00,000/- (Rupees One Hundred and One Crores only) divided into 10,10,00,000 (Ten Crores Ten Lacs) equity shares of Rs. 10/- each (Rupees Ten only) to Rs. 1,25,00,00,000/- (Rupees One Hundred and TwentyFive Crores only) divided into 12,50,00,000 (Twelve Crores Fifty Lacs) equity shares of Rs. 10/- (Rupees Ten only) each by creation of 2,40,00,000 (Two Crores Forty Lacs) equity shares of Rs. 10/- (Rupees Ten only) each.

Resolution set out at Item No. 9 is relating to issue of Equity Shares on preferential basis, therefore, it is necessary to amend the capital clause of the memorandum of association of the Company. Pursuant to Sections 13 and 61 of the Companies Act, 2013, the Company is required to obtain approval of its shareholders by means of a special resolution to carry out amendments to the memorandum of association of the Company.

The Board of Directors accordingly recommends the resolution in Item No.8 for your approval by way of a special resolution. None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the resolution.

#### **Item No. 9**

The Company for its operations had availed various facilities / financial assistance from Banks and Financial Institutions. However, the Company has been passing through its worst times since year 2009. The restructuring exercise under Corporate Debt Restructuring (CDR) mechanism also could not yield results as the implementation of the package was delayed. The company has continued to struggle to meet its debt obligation.

In recent past, some of the lender Banks ('Assignors') have assigned all the rights, title and interests in financial assistances granted by it to the Company in favour of Edelweiss Asset Reconstruction Company Limited (EARC). All the rights, title and interests of Assignors have now vested in EARC in respect of financial assistances granted by them. EARC acting in its capacity as Trustee of EARC Trust SC 233, EARC Trust SC 301, EARC Trust SC 302 and EARC Trust SC 310 agrees to restructure the Existing Liability. The draft restructuring terms & conditions have also been in-principally approved by the Board of Directors of the company. In accordance with one of the conditions of restructuring, the Company shall issue and allot 1,40,71,500 (One Crore Forty Lakhs Seventy



### Annexure to the Notice (Contd.)

One Thousand Five Hundred) Equity Shares of the Company of face value of Rs.10/- (Rupees Ten only) to EARC as part of unsustainable portion of debt to be converted into equity, subject to the necessary approvals.

The details of the issue and other particulars as required in terms of the Act and SEBI (ICDR) Regulations in relation to the aforesaid Special Resolutions are given as under:

#### 1. Objects of the Issue:

As mentioned above, the objective of the issue of Equity Shares is to meet the conditions of restructuring of financial assistance.

#### 2. The total number of securities to be issued:

The Board intends to offer, issue and allot up to 1,40,71,500 (One Crore Forty Lakhs Seventy One Thousand Five Hundred) Equity Shares on preferential basis.

#### 3. The price at which the allotment is proposed:

The issue price of the said Equity Shares shall not be less than the minimum price as may be determined in accordance with the SEBI (ICDR) Regulations and other applicable laws, if any.

#### 4. Basis on which price has been arrived at along with report of the registered valuer:

As such this is not applicable in the present case since the Company is a listed company and the pricing is in terms of the SEBI (ICDR) Regulation.

#### 5. The proposal / intention of the Promoters, Directors or Key Managerial Personnel to subscribe to the Offer:

No shares are being offered to Promoter and Promoter Group, Director, Key Managerial Personnel or relative of the Directors or Key Managerial Personnel of the Company. Further, the Promoter, Directors or Key Managerial Personnel are not entitled to and do not have any intention to subscribe to the offer.

#### 6. Relevant date:

The "Relevant Date" in terms of the SEBI (ICDR) Regulations for determination of minimum price is Tuesday, 20th August, 2019, being a date which is 30 (Thirty) days prior to the date of General Meeting.

#### 7. The class or classes of persons to whom the allotment is proposed to be made:

The proposed allottee viz., Edelweiss Asset Reconstruction Company Limited ("EARC") is an Asset Reconstruction Company registered under section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and a Financial Institution within the meaning of sub clauses (ia) of clause (h) of section 2 of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993, in its capacity as trustee of various Trusts.

After allotment, if made, EARC will fall under institutional public shareholder.

#### 8. Shareholding Pattern before and after the Preferential Issue:

Sl. No.	Category of Shareholders	Pre-Issue Equity Shareholding (as on 30.06.2019)		Post-Issue Equity Shareholding	
		Number	%	Number	%
<b>A</b>	<b>Promoters and promoter group</b>				
	1. a) Indian Promoters	56,304,046	58.41	56,304,046	50.97
	b) Foreign Promoters	NIL	NIL	NIL	NIL
	<b>Sub Total</b>	<b>56,304,046</b>	<b>58.41</b>	<b>56,304,046</b>	<b>50.97</b>
<b>B</b>	<b>Non-promoter</b>				
	2. Institutional Investors				
	a) Mutual Funds/ UTI	NIL	NIL	NIL	NIL
	b) Financial Institutions/ Banks	NIL	NIL		
	<b>Proposed Allottee</b>				
	Edelweiss Asset Reconstruction Company Limited (EARC)	NIL	NIL	14,071,500	12.74
	c) Insurance Companies/ Govt. Institutions	NIL	NIL	NIL	NIL
	d) Venture Capital Funds	NIL	NIL	NIL	NIL
	e) Foreign Portfolio Investors	3,041,497	3.16	3,041,497	2.75
	<b>Sub total</b>	<b>3,041,497</b>	<b>3.16</b>	<b>17,112,997</b>	<b>15.49</b>



### Annexure to the Notice (Contd.)

Sl. No.	Category of Shareholders	Pre-Issue Equity Shareholding (as on 30.06.2019)		Post-Issue Equity Shareholding	
		Number	%	Number	%
	<b>3. Others</b>				
	a) Bodies Corporate	10,816,923	11.22	10,816,923	9.79
	b) Individual holding	19,771,899	20.51	19,771,899	17.89
	c) Foreign Companies	6,063,547	6.29	6,063,547	5.49
	d) Non Resident Individuals	258,552	0.27	258,552	0.23
	e) Clearing Member	37,065	0.04	37,065	0.03
	f) Others	92,957	0.10	92,957	0.08
	<b>Sub total</b>	<b>37,040,943</b>	<b>38.43</b>	<b>37,040,943</b>	<b>33.53</b>
	<b>Grand Total</b>	<b>96,386,486</b>	<b>100.000</b>	<b>110,457,986</b>	<b>100.00</b>

**9. Proposed time frame within which the issue shall be completed:**

The allotment of Equity Shares shall be completed within a period of 15 days from the date of passing of the Resolution by the Shareholders provided where the

allotment is pending on account of any approval from any Regulatory Authority/Body the allotment shall be completed by the Company within a period of 15 days from the date of such approval.

**10. Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/ or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them:**

Sl. No.	Name of the Proposed Allottees	Ultimate Beneficial Owner	Post-Issue Equity Shareholding	
			Number	%
1	Edelweiss Asset Reconstruction Company Limited As Trustee of EARC Trust SC 233	Kindly Refer: Note 1	12,92,985	1.17
2	Edelweiss Asset Reconstruction Company Limited As Trustee of EARC Trust SC 301		80,05,706	7.25
3	Edelweiss Asset Reconstruction Company Limited As Trustee of EARC Trust SC 302		44,13,005	4.00
4	Edelweiss Asset Reconstruction Company Limited As Trustee of EARC Trust SC 310		3,59,804	0.33
	<b>Total</b>		<b>1,40,71,500</b>	<b>12.74</b>

Note 1: There is a listed company in the chain of ownership of the proposed allottees. Therefore, pursuant to the proviso to Regulation 163(1)(f) of SEBI (ICDR) Regulations, disclosure in this respect is not applicable.



### Annexure to the Notice (Contd.)

**11. Change in control consequent to the preferential issue:**

The existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential allotment.

**12. Requirement as to re-computation of price:**

Since the equity shares of the Company have been listed on the recognized Stock Exchanges for a period of more than 6 months prior to the Relevant Date, the Company is not required to re-compute the price of the equity shares.

**13. Auditors' Certificate:**

A copy of the certificate from Statutory Auditors certifying that the issue is being made in accordance with the requirements of SEBI (ICDR) Regulations shall be made available for inspection at the registered office of the Company between 2.00 p.m.

to 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of announcement of the results.

**14. Lock-in Period:**

Since, the proposed allottee is financial institution within the meaning of sub clauses (ia) of clause (h) of section 2 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993, therefore, as per Regulations 158(3) of SEBI (ICDR) Regulations, the Lock-in provision shall not apply to the proposed allotment of equity shares.

**15. Others:**

Save and except the Preferential Issue as proposed herein, the Company has made no other issue or allotment of securities on preferential basis during the year.

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

Place : Kolkata  
Date : 14<sup>th</sup> August, 2019

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

Sd/-  
**Ajay Kumar Tantia**  
Company Secretary

**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 Twentieth Annual General Meeting**

Name of Director	Shri Amit Kumar Majumdar	Shri Sanjiv Jajodia
DIN	00194123	00036339
Date of Birth	16.08.1938	06.09.1963
Date of Appointment as Director	27.09.2014	31.05.2002
Qualification	B.Sc, B.Sc (Metallurgical Engineering), Advanced Management Program from IIM, Advanced Management Program from Leeds University, U.K.	B. Com (Hons.)
Expertise in Specific functional areas	Wide experience in Steel Industry, Operations and Management of large steel plants.	Corporate Finance, Accounts, Taxation, Corporate Governance, Statutory Compliance, Planning, Systems & Procedures.
Member of the Committees of the Board of Directors of the Company	Corporate Social Responsibility Committee - <b>Member</b>	Management (Finance) Committee - <b>Member</b>
Directorship held in any other listed entity	Gujarat NRE Coke Limited JCK Infrastructure Development Ltd.	NIL
Membership in the Committees of the Board of Directors of other Listed Entity in which he is a Director	Gujarat NRE Coke Limited Audit Committee: <b>Member</b> Nomination and Remuneration Committee - <b>Member</b> JCK Infrastructure Development Ltd. Stakeholder Relationship Committee - <b>Chairman</b>	NIL
No. of Equity Shares held in the Company	NIL	27,79,433
Inter-se Relation-ships between Director	None	Shri Sanjiv Jajodia is the brother of Shri Rajiv Jajodia; Shri Aditya Jajodia and Shri Gaurav Jajodia are his brother's Son.



### Annexure to the Notice (Contd.)

Name of Director	Smt. Seema Chowdhury	Smt. Swati Agarwal	Smt. Rakhi Bajoria
DIN	07158338	07158355	07161473
Date of Birth	7th April, 1983	9th December, 1985	7th September, 1982
Date of Appointment as Director	17th April, 2015	17th April, 2015	17th April, 2015
Qualification	B. Com (Hons.) and an Associate Member of the Institute of Company Secretaries of India (ICSI)	B. Com (Hons.), and an Associate Member of the Insitutue of Company Secretaries of India (ICSI).	B. Com (Hons.), LLB, MBL and an Associate Member of the Institute of Company Secretaries of India (ICSI).
Expertise in Specific functional areas	Experience of over 15 year in handling Company Law, SEBI, Listing Agreement and FEMA matters.	More than 10 years of experience in the fields of Secretarial and legal functions. Rich experience in handling Company Law, SEBI Listing Agreement and legal matters.	Practicing Company Secretary with almost 15 years of experience in the fields of Secretarial and legal functions. Rich experience in handling Company Law, SEBI, Listing Agreement and FEMA matters.
Directorship held in any other Public Companies	NIL	Chandi Steel Industries Limited	NIL
Chairman/Membership in the Committees of the Board of Directors of the Company	NIL	Audit Committee - <b>Member</b>	NIL
Chairman/Member of the Committees of the Board of Directors of other Public Companies in which he/she is a Director	NIL	<u>Chandi Steel Industries Limited</u> Audit Committee - <b>Chairman</b> Nomination and Remuneration Committee - <b>Chairman</b> Stakeholder Relationship Committee - <b>Chairman</b>	NIL
No. of Equity Shares held in the Company	NIL	1,100	NIL
Inter-se Relation-ships between Director	None	None	None



### Annexure to the Notice (Contd.)

#### 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:

- i) Email contains your user ID and PAN/ Sequence No. for e-voting.
- ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- iii) Now click on "Shareholders" tab to cast your votes.
- iv) 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.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user, follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
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"> <li>• 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.</li> <li>• 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.</li> </ul>
Dividend Bank Details <b>OR</b> 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"> <li>• 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).</li> </ul>

- 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](http://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.

## Annexure to the Notice (Contd.)

- 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.
- 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](mailto: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](mailto: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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). Or can contact at CDSL helpdesk: 1800225533





### Directors' Report

*Dear Members*

Your Directors are pleased to present the Twentieth Annual Report of your Company together with the Standalone and Consolidated Audited Financial Statements for the year ended March 31, 2019.

#### FINANCIAL RESULTS

(₹ in lacs)

Particulars	Standalone		Consolidated	
	Financial Year ended 31 <sup>st</sup> March, 2019	Financial Year ended 31 <sup>st</sup> March, 2018	Financial Year ended 31 <sup>st</sup> March, 2019	Financial Year ended 31 <sup>st</sup> March, 2018
Revenue from Operations	3,07,746.76	2,42,505.87	307,746.76	242,505.87
Other Income	3,996.22	1,792.51	3,996.22	1,792.51
<b>Total Revenue</b>	<b>311,742.98</b>	<b>2,44,298.38</b>	<b>311,742.98</b>	<b>2,44,298.38</b>
<b>Profit/Loss before Finance Cost, Depreciation and Amortization expenses and tax</b>	5,951.68	(7,564.87)	5,951.36	(7,565.16)
Less: Finance Costs	11,158.59	3,391.40	11,158.59	3,391.40
Less: Depreciation and Amortization Expenses	10,160.80	10,735.98	10,160.80	10,735.98
<b>Profit/(Loss) before exceptional items and Tax</b>	<b>(15,367.71)</b>	<b>(21,692.25)</b>	<b>(15,368.03)</b>	<b>(21,692.54)</b>
Add : Exceptional items	-	(3,973.81)	-	(3,973.81)
<b>Profit/(Loss) before Tax</b>	<b>(15,367.71)</b>	<b>(25,666.06)</b>	<b>(15,368.03)</b>	<b>(25,666.35)</b>
Less : Tax expense				
Current Tax	-	-	-	-
Deferred Tax	-	-	-	-
<b>Profit/Loss after tax</b>	<b>(15,367.71)</b>	<b>(25,666.06)</b>	<b>(15,368.03)</b>	<b>(25,666.35)</b>
Other Comprehensive Income	32.28	405.79	32.28	405.79
<b>Total Comprehensive Income</b>	<b>(15,335.43)</b>	<b>(25,260.27)</b>	<b>(15,335.75)</b>	<b>(25,260.56)</b>
Earnings per share (Nominal value per share Rs. 10/-)				
Basic and Diluted	(15.94)	(27.48)	(15.94)	(27.48)

#### FINANCIAL PERFORMANCE AND STATE OF COMPANY'S AFFAIRS

Your company has been under financial stress since 2009 due to various external factors beyond the control of the Company and its management.

The Standalone Total Revenue of the Company (comprising of sales and other income) for the financial year under review was Rs. **311,742.98** lacs as compared to Rs. 2,44,298.38 lacs during the previous financial year.

The Consolidated Total Revenue of the Company (comprising of sales and other income) for the financial year under review was Rs. **311,742.98** lacs as compared to Rs. 2,44,298.38 lacs during the previous financial year.

Your company is committed to its vision to emerge as an efficient producer of iron and steel products. Your Company's

striving efforts for improvement in operational efficiency and reduction of production cost has resulted in increase in revenue from operations of the Company during the year. It seeks to enhance Domestic Steel Consumption and ensure high quality steel production and create a technologically advanced and globally competitive steel industry. Your company is focused on increasing capacity utilisation of all units, reducing cost and improving operational efficiency. During the year, the equity shares of your Company were voluntary delisted from the Calcutta Stock Exchange Ltd. w.e.f. 15th October, 2018.

#### SUBSIDIARIES AND JOINT VENTURE COMPANIES

##### Subsidiaries

As on the date of reporting, your Company has two wholly owned subsidiaries namely Jai Balaji Steels (Purulia) Limited & Jai Balaji Energy (Purulia) Limited.



### Directors' Report (Contd.)

#### ■ 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 Rs.15,880 during the year under review. The net loss for the year 2018-19 is Rs. 15,880.

#### ■ 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 Rs.15,874.50 during the year under review. The net loss for the year 2018-19 is Rs. 15,874.50.

#### 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 as on 31st March, 2019.

#### ■ 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 Joint Ventures and Associate Company during the year under review.

#### **OPERATIONS**

Your Company has an integrated steel plant and manufactures different products in Steel sector. Your Company's cumulative product wise actual production details are given hereunder:

The actual production of Sponge Iron was 233,784 M.T. during the year 2018-19 as compared to 178,568 M.T. during the year 2017-18. For Pig Iron, the actual production was 390,925 M.T. and 370,271 M.T. during the year 2018-19 and 2017-18 respectively. The actual production of Steel Bars/Rods was 149,595 M.T. during the year 2018-19 as compared to 118,153 M.T. during the year 2017-18. For Billet/MS Ingot, the actual production was 156,845 M.T. and 105,056 M.T. during the year 2018-19 and 2017-18 respectively. The actual production

of Ferro Alloys was 71,131 M.T. during the year 2018-19 as compared to 68,769 M.T. during the year 2017-18 (Ferro Alloy includes third party Conversion production of 13475 MT HC Ferro Chrome). In case of Ductile Iron Pipe, the actual production was 121,176 M.T. and 121,016 M.T. during the year 2018-19 and 2017-18 respectively. For Sinter, the actual production was 513,471 M.T. and 394,637 M.T. during the year 2018-19 and 2017-18 respectively. The actual production of Coke was 318,248 M.T. during the year 2018-19 as compared to 298,455 M.T. during the year 2017-18.

No significant and material orders have been passed by any Regulators or courts or Tribunals impacting the going concern status of the Company.

#### **DIVIDEND**

In view of losses incurred by your company, your directors have not recommended any dividend for the financial year ended 31st March, 2019.

#### **TRANSFER TO RESERVES**

In view of losses incurred by your Company during the year, no amount has been proposed to be carried to any reserves for the year ended 31st March, 2019.

#### **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.

#### **SHARE CAPITAL AND PREFERENTIAL ISSUE**

The Board of Directors in its meeting dated 14th August, 2019 have approved issue of 1,40,71,500 equity shares of the Company of face value of Rs.10/- (Rupees Ten only) each at a price being not less than the price determined in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 [SEBI (ICDR) Regulations, 2018] on Preferential allotment basis against restructuring of financial assistance to Edelweiss Asset Reconstruction Company Limited (EARC) in accordance with the SEBI (ICDR) Regulations, 2018 subject to the approval of the Shareholders and other Statutory authorities.

The Company's paid up share capital as at 31st March, 2019 stands at Rs. 96,38,64,860. The Company's Authorized Share Capital as at 31st March, 2019 stands at Rs. 1,01,00,00,000.

#### **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.

#### **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, 2019. Subsequently, no default has



### Directors' Report (Contd.)

been made in repayment of deposits or payment of interest thereon during the year.

#### Consolidated Financial Statements

While consolidating the accounts of the Company, the financials of its joint venture companies namely Andal East Coal Company Pvt. Ltd.(AECCL) and Rohne Coal Company Pvt. Ltd. (RCCPL) are not consolidated. 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. AECCL in West Bengal and RCCPL in Jharkhand allocated to the company jointly with other parties. The Company has prudently brought down the value of investment in joint venture companies to nominal value of Rs. 1 per share. However the Company had submitted claims w.r.t the cancellation of coal blocks which are still pending.

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 AND KEY MANAGERIAL PERSONNEL

##### a. Changes in Directors and KMP

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 Amit Kumar Majumdar (DIN: 00194123), are liable to retire by rotation at the 20th Annual General Meeting and being eligible offer themselves for re-appointment.

At the 19th Annual General Meeting of the Company held on 20th September, 2018, the shareholders have:

- Appointed Shri Sanjiv Jajodia (DIN: 00036339) as Whole-time Director of the Company for a period of 5 (Five) years with effect from 30th June, 2018.
- Re-appointed Shri Amit Kumar Majumdar (DIN:00194123) as Executive Director of the Company for a period of 2 (Two) years with effect from 14th August 2018.
- Appointed Smt. Swati Bajaj (DIN:01180085) as an Independent Director of the Company for a period of 5(five) years with effect from 13th August, 2018.

- Re-appointed Shri Shailendra Kumar Tamotia (DIN:01419527), who is more than 75 years of age, as an Independent Director of the Company for a period of 5(five) years with effect from 1st April, 2019.
- Approved the continuation of Directorship of Shri Ashim Kumar Mukherjee (DIN:00047844), who was appointed as Independent Director of the Company for a term of 5(five) years with effect from 2nd December, 2015 at the 17th Annual General Meeting and who has attained the age of 75 years, for the remaining period of his existing term of Directorship.

The directors of your Company expressed their sorrow for the untimely death of Shri Manas Kumar Nag who was nominated on the Board of the Company by the State Bank of India and passed away on 31.03.2019. The Directors placed on record their deep appreciation for his valuable guidance and assistance received during the tenure as a Nominee Director of the Company.

Smt. Seema Chowdhury, Smt. Swati Agarwal and Smt. Rakhi Bajoria were appointed as Independent Directors on the Board of the Company with effect from 17th April, 2015 for a period of 5(five) years pursuant to the provisions of Section 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "Listing Regulations"). The Nomination and Remuneration Committee and Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended re-appointment of Smt. Seema Chowdhury, Smt. Swati Agarwal and Smt. Rakhi Bajoria as Independent Directors for a second term of 5(five) consecutive years on the Board of the Company from 17th April, 2020.

The resolutions seeking approval of the members for the appointment/re-appointment of the Directors at the ensuing Annual General Meeting have been incorporated in the notice of the Twentieth Annual General Meeting of the Company along with brief details about them.

None of the directors are disqualified for being appointed as Directors, as specified in Section 164(2) of the Companies Act, 2013 and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

##### b. Statement of declaration given by independent directors

All the Independent Directors have furnished the requisite declarations under section 149(7) of the Companies Act, 2013 read with the rules made thereunder and Listing Regulations that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as Independent Director during the year.



### Directors' Report (Contd.)

#### c. Separate Meeting of Independent Directors of the Company

Details of Separate meeting of Independent Directors held in terms of Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations are given in Corporate Governance Report.

#### d. 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 Listing Regulations.

The manner in which evaluation has been carried out is explained in the Corporate Governance Report attached as Annexure to this report.

#### e. Familiarization programme for Independent Directors

In terms of Regulation 25 of the Listing Regulations, the Company is required to conduct various programmes for the Independent Directors of the Company to familiarize them with their roles, rights, responsibilities in the Company, nature of Industry in which the Company operates, business model of the Company etc.

The details of such familiarisation programmes are available at the website of the Company at <http://www.jaibalajigroup.com/familiarization-programmes-18-2019.pdf>.

#### **BOARD MEETINGS**

The Board meets at regular intervals to discuss and decide on business policy and strategy apart from other Board Business. During the year under review, 5 (Five) meetings were convened and held on 30th May, 2018, 30th June, 2018; 13th August, 2018; 13th November, 2018 and 8th February, 2019, the details of which are given in the Corporate Governance Report. The Intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 as well as Listing Regulations.

The number of Board meetings attended by each Director during the financial year 2018-19 has been provided in the Corporate Governance Section which forms part of the Annual Report.

#### **BOARD COMMITTEES**

The Company has constituted /reconstituted various Board level committees in accordance with the requirement of Companies Act, 2013. The Board has the following committees as under:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee

- Management (Finance) Committee
- Corporate Social Responsibility Committee
- Internal Complaints Committee

Details of all the above committees along with the composition and meetings held during the year under review are provided in the report on Corporate Governance forming part of this report.

#### **FRAUDS REPORTED BY AUDITORS**

The Statutory Auditors of the Company have not reported any fraud as specified in Section 143(12) of the Companies Act.

#### **SECRETARIAL STANDARD**

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:-

- In the preparation of annual accounts for the financial year ended 31st March, 2019, 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, 2019 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, 2019, 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.

#### **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



### Directors' Report (Contd.)

(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. The terms of reference of the Corporate Social Responsibility Committee is provided in the Corporate Governance Report. The Corporate Social Responsibility 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 2018-19.

#### VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concern about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy and also report instances of leak of unpublished price sensitive information. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. Your company hereby affirms that no Director/employee has been denied access to the Chariman of the Audit Committee.

The details of the Whistle Blower Policy is available on your Company's website viz. "[www.jaibalajigroup.com](http://www.jaibalajigroup.com/whistle-blower-policy.pdf)" under the weblink <http://www.jaibalajigroup.com/whistle-blower-policy.pdf>.

#### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions ("RPT") entered into during the financial year 2018-19 were on arm's length basis and

also in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the rules made thereunder are not attracted. Thus, disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. There have been no materially significant Related Party Transactions entered into by the Company during the year under review. All related party transactions are mentioned in Note No.45 of the Notes to Financial Statements. There are no other transactions of the Company with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company.

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

The Company has formulated a policy on related party transactions for purpose of identification and monitoring of such transactions. The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties. The said policy is available on the Company's website at the link "[http://www.jaibalajigroup.com/related-party-policy\\_jbg.pdf](http://www.jaibalajigroup.com/related-party-policy_jbg.pdf)".

#### RISK MANAGEMENT

The Company has formulated a Risk Management Policy. The said policy is reviewed by the Audit Committee and the Board of Directors on regular basis. 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 details of the same are covered in the Corporate Governance Report forming part of this report.

#### 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.

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



### Directors' Report (Contd.)

Companies (Accounts) Rules 2014', your Company has appointed M/s Agrawal Tondon & Co., Chartered Accountants, of Room No - 7, 1st Floor, 59, Bentinck Street, Kolkata - 700 069, 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.

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 Rs. 125,381.29 Lacs of which Rs. 42,092.48 Lacs pertains to the current financial year on various loans and credit facilities availed from banks and financial institution on the ground that same is being treated as Non-Performing Assets by the lenders. Due to this reason, loss for the current financial year has been understated by Rs. 42,092.48 Lacs and accordingly loss for the year ended 31st March, 2019 would've been Rs. 57,460.19 Lacs instead of Rs.15,367.71 Lacs.

The Board is of the view that the majority of lenders of the Company have stopped charging interest on debts, since the dues from the Company have been categorized as Non Performing Assets. The Company is in active discussion/negotiation with the lenders to restructure its debts. 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 their books. The statement on impact of Audit Qualification is annexed to this report as **Annexure-"C(1)"**.

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 is as follows:

With respect to point 1 of the para Emphasis of Matter, the clarification of the same is provided in Note - 36 of the financial statement. With respect to point 2, the clarification of the same is provided in Note - 20 of the financial statement under the head Additional disclosure and with respect to point 3, the clarification of the same is provided in Note - 58 of the financial statement.

The Auditors in their Report in point vii & viii of Annexure - B of Independent Auditors Report 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.

Other observations made by the Statutory Auditors in their report for the Financial year ended 31st March, 2019 read with the explanatory notes to accounts are self-explanatory and therefore, do not call for any further elucidation.

##### COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended, the cost audit record maintained by the Company is required to be audited. The Board of Directors, on the recommendation of the Audit Committee, appointed M/s. Mondal & Associates, Cost Accountants, Kolkata for conducting the cost audit of the Company for Financial Year 2019-20.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditors for the financial year 2019-20 is required to be ratified by the members of the Company. Accordingly, resolution seeking members ratification for remuneration to be paid to Cost Auditors is included in the Notice convening Annual General Meeting.

Your Company has filed the Cost Audit Report for the financial year 2017-18 with the Registrar of Companies, Ministry of Corporate Affairs in the XBRL mode during the year under review.

##### SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company appointed Shri Sandip Kumar Kejriwal, Practising Company Secretary, to undertake the Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report for the financial year ending 31st March, 2019 forms part of the Board's Report as **Annexure-"C(2)"**.

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



### Directors' Report (Contd.)

Company; levy of fine by stock exchanges due to delay in submission of Financial Results during the year 2017-18 which was due to some technical and unavoidable reasons beyond the control of the Company 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, 2019 as covered under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in Note No. 5,6,14, 39 and 45 of the notes to Financial Statements provided in the Annual Report.

#### TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to provisions of the Companies Act, 2013, the declared dividends, which are unpaid or unclaimed for a period of seven years, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Accordingly, the unpaid or unclaimed dividend remaining unpaid or unclaimed for a period of seven years from the date they became due for payment, have been transferred to the IEPF established by the Central Government and no balance of such amount is lying with the Company as on date.

Pursuant to section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more, shall be transferred by the Company to IEPF. Accordingly all such shares have been transferred by the Company to IEPF and no such shares are underlying with the Company as on date.

#### CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

The Company is committed to observing good corporate governance practices and adhere to Corporate Governance guidelines as laid out in the Listing Regulations. In terms of

Regulation 34 of the Listing Regulations, 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"**.

The statement containing names of top ten employees in terms of remuneration drawn and their other details as required to be furnished under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

Your Company does not have any other 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.

#### CONSTITUTION OF INTERNAL COMPLAINTS COMMITTEE IN ACCORDANCE WITH THE PROVISIONS OF THE PREVENTION OF SEXUAL HARASSMENT ACT AND POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

An Internal Complaints Committee (ICC) has been constituted in accordance with the provisions of the Prevention of Sexual Harassment Act to redress complaints received regarding sexual harassment and all the provisions regarding the constitution are complied with.

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 Sexual Harassment of Women



### Directors' Report (Contd.)

at Workplace (Prohibition, Prevention and Redressal) Act, 2013".

During the year under review, the Company has not received any Complaints pertaining to Sexual Harassment.

#### POLICY ON PREVENTION OF INSIDER TRADING

Your Company has adopted a Code for Prevention of Insider Trading with a view to regulate trading in equity shares of the Company by the Directors and designated employees of the Company. The said Code of Conduct is available on the website of the Company at "www.jaibalajigroup.com.". The Code requires preclearance for dealing in Company's shares and prohibit the purchase or sale of shares in your company by the Directors and designated employees, while they are in possession of unpublished price sensitive information and also during the period when the Trading Window remains closed.

#### LISTING

The equity shares of your Company are listed on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE).

The shares of the Company are voluntary delisted from the Calcutta Stock Exchange Ltd (CSE) w.e.f. 15th October, 2018. However, the equity shares of the Company continue to remain listed on the NSE and BSE post its delisting from 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

Place: Kolkata  
Date: 14<sup>th</sup> August, 2019

**Aditya Jajodia**  
*Chairman & Managing Director*  
(DIN : 00045114)



**ANNEXURE - "A"**

**Form AOC - I**

(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 as at 31.03.2019**

**Part "A": Subsidiaries**

(₹ in Lakhs except share data)

	<b>Particulars</b>	<b>01</b>	<b>02</b>
1.	Name of the subsidiary	Jai Balaji Energy (Purulia) Limited	Jai Balaji Steels (Purulia) Limited
2.	The date since when subsidiary was acquired	1 <sup>st</sup> November 2010	1 <sup>st</sup> November 2010
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-
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
5.	Share capital	5.00	5.00
6.	Reserves & surplus	(3.73)	(3.76)
7.	Total assets	1.39	1.39
8.	Total Liabilities (excluding Share Capital and Reserves and Surplus)	0.13	0.15
9.	Investments	-	-
10.	Turnover	-	-
11.	Profit/Loss before taxation	(0.16)	(0.16)
12.	Provision for taxation	-	-
13.	Profit/Loss after taxation	(0.16)	(0.16)
14.	Proposed Dividend	Nil	Nil
15.	% of shareholding	100	100

**Notes:**

1. Jai Balaji Energy (Purulia) Limited and Jai Balaji Steels (Purulia) Limited have not yet commenced commercial production.

(Contd.)



### 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	2,363,914	-
	Amount of Investment*	24.33	3.19
	Extend of Holding %	6.9%	32.79%
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	Refer Note 3	Refer Note 3
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 does not have any associate company.
- \*While consolidating the accounts of the Company, the financials of its joint venture company Andal East Coal Company Pvt. Ltd. (AECCPL) is not consolidated as it is inappropriate to follow the principle of consolidation in case the joint venture is under severe long term restriction to transfer funds to the venture. Further, financials of its another joint venture company Rohne Coal Company Pvt. Ltd. (RCCPL) is not consolidated as the Financial Statement of RCCPL was not received by the Company. 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. AECCPL in West Bengal and RCCPL in Jharkhand allocated to the company jointly with other parties. The Company has prudently brought down the value of investment in joint venture companies to nominal value of Rs. 1 per share. However the Company had submitted claims w.r.t the cancellation of coal blocks which are still pending.

For and on behalf of the Board

**Aditya Jajodia**  
Chairman & Managing  
Director  
DIN : 00045114

**Sanjiv Jajodia**  
Wholetime Director & CFO  
DIN : 00036339

**Rajiv Jajodia**  
Director  
DIN : 00045192

Date : 30<sup>th</sup> May, 2019  
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 organization.

### 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.

- Recommend to the board, all remuneration, in whatever form, payable to senior management.

### 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 regulations 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:

- meet at least once in a year.
- ensure that the quorum of either two members or one third of the members of the committee, whichever is greater, including at least one independent director is present.
- 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



### ANNEXURE - C (1)

#### Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (₹ In Lacs)	Audited Figures (as reported after adjusting for qualifications) (₹ In Lacs)
	1.	Turnover / Total income	311,742.98	311,742.98
	2.	Total Expenditure	327,110.68	369,203.16
	3.	Net Profit/(Loss)	-15,367.70	-57,460.18
	4.	Earnings Per Share (in Rs.)	-15.94	-59.61
	5.	Total Assets	320,402.43	320,402.43
	6.	Total Liabilities	478,389.58	520,482.06
	7.	Net Worth	-157,987.15	-200,079.63
	8.	Any other financial item(s) (as felt appropriate by the management)		
II.	<b>Audit Qualification (each audit qualification separately):</b>			
	a.	Details of Audit Qualification: <b>As per Annexure - A</b>		
	b.	Type of Audit Qualification : <del>Qualified Opinion / Disclaimer of Opinion / Adverse Opinion</del>		
	c.	Frequency of qualification: <del>Whether appeared first time / repetitive / since how long continuing</del>		
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: <b>As per Annexure - A</b>		
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor: <b>N.A.</b>		
		(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:		
III.	<b>Signatories:</b>			
	<b>Managing Director</b>		Sd/-	
	<b>CFO</b>		Sd/-	
	<b>Audit Committee Chairman</b>		Sd/-	
	<b>Statutory Auditor</b>		Sd/-	
	<b>Place: Kolkata</b>			
	<b>Date: 30th May 2019</b>			

#### Annexure - A

##### Details of Audit Qualification

Attention is drawn to note 4 (Four) of the financial statement, with regard to non-recognition of interest expense on borrowings of the Company. During the quarter & for the period April 01, 2018 to March 31, 2019, the company has not provided for interest amounting to Rs. 6,962.67 lacs and Rs. 42,092.48 lacs respectively which is not in accordance with the requirement of Ind AS 23: 'Borrowing Cost' read with Ind AS 109: 'Financial Instruments'. Due to this, loss for the quarter & for the period April 01, 2018 to March 31, 2019 has been understated by Rs. 6,962.67 lacs and Rs. 42,092.48 lacs respectively. Therefore, the net loss after tax would have been Rs. 14,724.48 lacs for the quarter & Rs. 57,460.18 lacs for the period April 01, 2018 to March 31, 2019. The accumulated interest not provided till March 31, 2019 stands at Rs. 1,25,381.29 lacs.

##### Management's Views:

The majority of lenders of the Company have stopped charging interest on debts, since the dues from the Company have been categorised as Non Performing Assets. The Company is in active discussion/negotiation with the lenders to restructure its debts. 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 their books. During the quarter ended March 2019, the company has not provided for interest amounting to ₹ 6,962.67 lacs and the year ended amounting to ₹ 42,092.48 lacs on various credit facilities/loans from Banks/FIs, of the accounts which have been classified as Non Performing Assets. The accumulated interest not provided till 31st March 2019 is estimated at ₹ 125,381.29 lacs. The Statutory Auditors have qualified their Audit Report in respect of this matter.



#### Form No. MR - 3

#### SECRETARIAL AUDIT REPORT

FOR THE PERIOD FROM APRIL 1, 2018 TO MARCH 31, 2019 ('AUDIT PERIOD')

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

To  
The Members,  
Jai Balaji Industries Limited  
CIN: L27102WB1999PLC089755

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized 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, 2019 generally complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance mechanism 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 Audit Period, to the extent applicable, according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
2. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("LODR");
3. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
4. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

5. 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- the same was not applicable to the Company during the Audit Period;
6. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 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 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
  - e. The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008.
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
7. Secretarial Standards 1 and 2 as issued by the Institute of Company Secretaries of India;
8. The laws specifically applicable to the industry to which the Company belongs, as identified by the management as per Annexure 1 attached herewith.

#### Management Responsibility:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is



to express an opinion on these secretarial records based on my audit;

2. I 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 a test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion;
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulation 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. My examination was limited to the verification of procedure on a test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

#### **I further report that:**

- a. The Board of Directors of the Company is duly constituted with the 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 sent in accordance with the applicable provisions of law 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 dissented in any meeting 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 its statutory dues including Provident Fund, Income Tax, Service Tax, Goods and Service Tax, TDS and other such dues and interest thereon and defaulted also.
- b. The Company has also defaulted in the repayment of banks and financial institutions and consequent to several

default in Payment dues to Bank / Financial Institution, Bank Account of the Company with All Bank Marked as NPA and Rupee Loan from Banks & Financial institutions had been classified as NPA and the lenders have served a call up notice for their exposure, the entire exposure of the lenders has fallen due on immediate demand basis.

- c. Axis Bank, UCO Bank, Allahabad Bank and Union Bank of India have already assigned their entire exposure to the Assets Reconstruction Companies in previous years. During the current financial year, the following banks have also assigned their entire exposure in favour of Assets Reconstruction Companies:
  - i. Bank of India has assigned its debts due by the Company in favour of Edelweiss Asset Reconstruction Company on 25th Jan, 2019. The Company had made payments of Rs.1082 lacs to the said ARC upto the balance sheet date which has not been adjusted against the liability and is shown as advances to the ARC.
  - ii. United Bank of India and State Bank of India has assigned their debts due by the Company in favour of M/s Omkara Assets Reconstruction Private Limited on 29th Dec, 2018 and 28th Mar, 2019 respectively. An amount of Rs.140 lacs paid to the said ARC has been considered as an advance to the said ARC .same as above
  - iii. The WBIDFCL also assigned its debts due by the Company in favour of M/s. Omkara Assets Reconstruction Private Limited on 25th April, 2019.
- d. Company has been incurring losses and its net worth has completely eroded, also its current liabilities exceeded current assets by Rs.177311.44 Lacs.

**I further report that** during the Audit Period there were following specific events and actions that have a major bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards:

- a. The Company is exposed to different laws, regulations, and interpretations thereof and hence, there is a litigation risk, Consequently, the Company has significant litigation cases pending with Custom Authorities, Excise Authorities, Service Tax Authorities and Income Tax Authorities, Further as explanation and documents made available to us the company has 14 cases initiated and pending by & against company including some cases filed by Operational creditor u/s 9 of Insolvency and Bankruptcy Code 2016.
- b. Company has not been able to comply with the provisions of Regulation 33 of SEBI LODR 2015 within Prescribed time limit which consequently led to levy of fine by the respective Stock Exchange where securities of Company is listed to the tune of :



FY	Stock Exchange	Regulation & Quarter	Amount of Fine Paid	Date of Payment
2017-18	BSE	Reg 33 Submission of Financial Results March 2018	1,320,255.00	21.09.2018
2017-18	BSE	Reg 33 Submission of Financial Results December 2017	82,600.00	17.04.2018
2017-18	NSE	Reg 33 Submission of Financial Results March 2018	82,600.00	17.04.2019
2017-18	NSE	Reg 33 Submission of Financial Results December 2017	12,600.00	24.04.2019
<b>Total Amount of Fine Paid</b>			<b>Rs. 14,98,055.00</b>	

**I further report that** during our review period

- a. Company has delayed filing of few forms with MCA, which cost to the company in terms of additional fee for delayed compliance with provisions of the Act.
- b. Voluntarily Company has delisted its securities from Calcutta Stock Exchange with Effect from 15th of October 2018.

**I further report that** during our review period:

- A. Company has passed an ordinary resolution for re-appointed of Director of Company liable to retire by rotation Rajiv Jajodia Promoter Non Executive Director (DIN : 045192) & Gaurav Jajodia Promoter Non Executive Director (DIN: 028560); for appointment of Swati Bajaj as Non Executive Independent Director(DIN : 01180085) and for Ratification of remuneration of Cost Auditor.
- B. Company has passed special resolution for :
  - a. Re appointment of Sanjiv Jajodia (DIN: 036339), Whole Time Director & CFO of the Company.

- b. Re appointment of Shri Amit Kumar Majumdar (DIN: 0194123), Executive Director of the Company.
- c. Re appointment of Shri Shailendra Kr Tamotia (DIN: 01419527), Non Executive Independent Director of the Company.
- d. Continuation of Shri Ashim Kumar Mukherjee as Non Executive Independent Director for a term of two year.

This report is to be read out letter of even date which is annexed as Annexure 2 which forms an integral part of this report.

Place: Kolkata  
Date: 14<sup>th</sup> August, 2019

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



### ANNEXURE - 1

List of Acts/laws other than those listed in the report as applicable and complied by the Company to the maximum extent possible (payment related defaults were there) :

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

#### **Labour Laws**

1. All the premises and establishments have been registered with the appropriate authorities.
2. The company has not employed any child labour/Bonded labour in any of its establishments
3. The Details of the compliance of PF/ESI has been provided.

#### **Environmental Laws**

1. The company is not discharging the contaminated water at the public drains/rivers. The company has efficient water treatment plants at its factory premises (if applicable)
2. The company has been disposing the hazardous waste as per applicable rules.

### ANNEXURE - 2

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

Date: 14<sup>th</sup> August, 2019  
Place: Kolkata

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



Form No. MGT - 9

**Annexure - "D"**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31<sup>st</sup> March, 2019**

[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 9808/8173 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 and BSE Limited)
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Maheshwari Datamatics Private Limited 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700 001 Phone: (91) (33) 2248 2248 / 2243 5029 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	24.25
2.	Steel Bars / Rods	24103	20.15
3.	Ductile Iron Pipe	24106/24109	17.94
4.	Ferro Alloys	24104	15.83
5.	Billets/MS Ingots	24103	10.76

**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.	Jai Balaji Steels (Purulia) Limited 5, Bentinck Street, Kolkata - 700 001	U27100WB2010PLC154392	Subsidiary	100	2(87)
2.	Jai Balaji Energy (Purulia) Limited 5, Bentinck Street, Kolkata - 700 001	U40300WB2010PLC154393	Subsidiary	100	2(87)
3.	Andal East Coal Company Private Limited 37, Shakespeare Sarani, 4 <sup>th</sup> Floor, Kolkata - 700017	U10300WB2009PTC138558	Joint Venture	32.79	2(6)
4.	Rohne Coal Company Private Limited Thapar House, 3 <sup>rd</sup> 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 - 2018]				No. of Shares held at the end of the year [As on 31 - March - 2019]				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	10,513,323	0	10,513,323	10.91	10,513,323	0	10,513,323	10.91	0
b) Central Govt.									
c) State Govt(s)									
d) Bodies Corp.	45,790,723	0	45,790,723	47.51	45,790,723	0	45,790,723	47.51	0
e) Banks/FI									
f) Any other									
<b>Sub-total (A)(1)</b>	56,304,046	0	56,304,046	58.41	56,304,046	0	56,304,046	58.41	0
<b>(2) Foreign</b>									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
<b>Sub-total (A)(2)</b>	0	0	0	0.00	0	0	0	0.00	0
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	56,304,046	0	56,304,046	58.41	56,304,046	0	56,304,046	58.41	0
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks/FI									
c) Central Govt									
d) State Govt (s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Alternate Investment Funds									
Foreign Portfolio Investors	3,042,308	0	3,042,308	3.16	3,041,497	0	3,041,497	3.16	-0.027
Provident Funds / Pension Funds									
Qualified Foreign Investor									
<b>Sub-total(B)(1)</b>	3,042,308	0	3,042,308	3.16	3,041,497	0	3,041,497	3.16	-0.027
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	9,504,425	0	9,504,425	9.86	9,792,378	0	9,792,378	10.16	3.030
ii) Overseas	6,425,783	0	6,425,783	6.67	6,063,547	0	6,063,547	6.29	-5.637



Category of Shareholders	No. of Shares held at the beginning of the year [as on 01 - April - 2018]				No. of Shares held at the end of the year [as on 31 - March - 2019]				% 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	3,986,714	6,519	3,993,233	4.14	3,179,226	3,607	3,182,833	3.30	-20.294
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	16,287,317	0	16,287,317	16.90	17,496,480	0	17,496,480	18.15	7.424
c) Others (Specify)									
Non Resident Indians	351,924	0	351,924	0.37	268,559	0	268,559	0.28	-23.688
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	453,385	0	453,385	0.47	143,189	0	143,189	0.15	-68.418
Trusts									
Foreign Bodies-D R									
Foreign Portfolio Investors									
NBFCs registered with RBI	8,231	0	8,231	0.01	1,013	0	1,013	0.00	-87.693
Employee Trusts									
Domestic Corporate Unclaimed Shares Account									
Investor Education and Protection Fund Authority	15,834	0	15,834	0.02	92,944	0	92,944	0.10	486.990
<b>Sub-total (B)(2)</b>	<b>37,033,613</b>	<b>6,519</b>	<b>37,040,132</b>	<b>38.42</b>	<b>37,037,336</b>	<b>3,607</b>	<b>37,040,943</b>	<b>38.43</b>	<b>0.002</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>40,075,921</b>	<b>6,519</b>	<b>40,082,440</b>	<b>41.58</b>	<b>40,078,833</b>	<b>3,607</b>	<b>40,082,440</b>	<b>41.59</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>96,379,967</b>	<b>6,519</b>	<b>96,386,486</b>	<b>100.00</b>	<b>96,382,879</b>	<b>3,607</b>	<b>96,386,486</b>	<b>100.00</b>	<b>0</b>



(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year as on 01.04.2018			Shareholding at the end of the year as on 31.03.2019			% change in Share holding during the year
		No. of shares	% of total Shares of the Company	% of shares Pledged/ encumbered to total shares held	No. of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares held	
1	Jai Salasar Balaji Industries Pvt. Ltd.	25,115,157	26.06	57.81	25,115,157	26.06	95.64	-
2	Enfield Suppliers Limited	11,221,233	11.64	100.00	11,221,233	11.64	100.00	-
3	Hari Management Limited	7,044,000	7.31	100.00	7,044,000	7.31	100.00	-
4	Aditya Jajodia	3,674,576	3.81	83.68	3,544,576	3.68	86.75	(0.13)
5	Sanjiv Jajodia	2,649,433	2.75	99.64	2,779,433	2.88	94.98	0.13
6	K.D.Jajodia Steel Industries Pvt. Ltd.	2,410,333	2.50	99.99	2,410,333	2.50	99.99	-
7	Rajiv Jajodia	1,568,333	1.63	98.83	1,568,333	1.63	98.83	-
8	Aashish Jajodia	794,366	0.82	40.66	794,366	0.82	40.66	-
9	Preeti Kankaria	435,301	0.45	-	435,301	0.45	-	-
10	Sangeeta Jajodia	293,333	0.30	-	293,333	0.30	-	-
11	Devendra Prasad Jajodia	260,000	0.27	-	260,000	0.27	-	-
12	Seema Jajodia	218,833	0.23	-	218,833	0.23	-	-
13	Rina Jajodia	163,666	0.17	-	163,666	0.17	-	-
14	Kanchan Jajodia	134,383	0.14	-	134,383	0.14	-	-
15	Gaurav Jajodia	119,666	0.12	-	119,666	0.12	-	-
16	Vedang Jajodia	105,550	0.11	-	105,550	0.11	-	-
17	Shashi Jajodia	95,883	0.10	-	95,883	0.10	-	-
	<b>Total</b>	<b>56,304,046</b>	<b>58.42</b>	<b>75.98</b>	<b>56,304,046</b>	<b>58.42</b>	<b>92.86</b>	<b>-</b>

(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 01.04.2018]		Change during the year			Cumulative Shareholding during the year [01.04.2018 to 31.03.2019]	
		No. of shares	% of total Shares of the company	Date	Reason	No. of Shares	No. of shares	% of total Shares of the company
1.	<b>Jai Salasar Balaji Industries Pvt. Ltd.</b>							
	At the beginning of the year	25,115,157	26.06					
	At the end of the year			No change during the year			25,115,157	26.06
2.	<b>Enfield Suppliers Limited</b>							
	At the beginning of the year	11,221,233	11.64					
	At the end of the year			No change during the year			11,221,233	11.64
3.	<b>Hari Management Limited</b>							
	At the beginning of the year	7,044,000	7.31					
	At the end of the year			No change during the year			7,044,000	7.31
4.	<b>Shri Aditya Jajodia</b>							
	At the beginning of the year	3,674,576	3.81					
	At the end of the year			10.05.2018	Inter-se-promoter share transfer	130,000	3,544,576	3.68
5.	<b>Shri Sanjiv Jajodia</b>							
	At the beginning of the year	2,649,433	2.75					
	At the end of the year			10.05.2018	Inter-se-promoter share transfer	130,000	2,779,433	2.88
6.	<b>K. D. Jajodia Steel Industries Pvt. Ltd.</b>							
	At the beginning of the year	2,410,333	2.50					
	At the end of the year			No change during the year			2,410,333	2.50
7.	<b>Shri Rajiv Jajodia</b>							
	At the beginning of the year	1,568,333	1.63					
	At the end of the year			No change during the year			1,568,333	1.63
8.	<b>Shri Aashish Jajodia</b>							
	At the beginning of the year	794,366	0.82					
	At the end of the year			No change during the year			794,366	0.82
9.	<b>Smt. Preeti Kankari</b>							
	At the beginning of the year	435,301	0.45					
	At the end of the year			No change during the year			435,301	0.45
10.	<b>Smt. Sangeeta Jajodia</b>							
	At the beginning of the year	293,333	0.30					
	At the end of the year			No change during the year			293,333	0.30

(Contd.)

(iii) 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 01.04.2018]		Change during the year			Cumulative Shareholding during the year [01.04.2018 to 31.03.2019]	
		No. of shares	% of total Shares of the company	Date	Reason	No. of Shares	No. of shares	% of total Shares of the company
11.	<b>Shri Devendra Prasad Jajodia</b>							
	At the beginning of the year	260,000	0.27					
	At the end of the year			No change during the year			260,000	0.27
12.	<b>Smt. Seema Jajodia</b>							
	At the beginning of the year	218,833	0.23					
	At the end of the year			No change during the year			218,833	0.23
13.	<b>Smt. Rina Jajodia</b>							
	At the beginning of the year	163,666	0.17					
	At the end of the year			No change during the year			163,666	0.17
14.	<b>Smt. Kanchan Jajodia</b>							
	At the beginning of the year	134,383	0.14					
	At the end of the year			No change during the year			134,383	0.14
15.	<b>Shri Gaurav Jajodia</b>							
	At the beginning of the year	119,666	0.12					
	At the end of the year			No change during the year			119,666	0.12
16.	<b>Shri Vedang Jajodia</b>							
	At the beginning of the year	105,550	0.11					
	At the end of the year			No change during the year			105,550	0.11
17.	<b>Smt. Shashi Devi Jajodia</b>							
	At the beginning of the year	95,883	0.10					
	At the end of the year			No change during the year			95,883	0.10



(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 01.04.2018]		Change during the year			Cumulative Shareholding during the year [01.04.2018 to 31.03.2019]	
		No. of shares	% of total Shares of the company	Date	Reason	No. of Shares	No. of shares	% of total Shares of the company
1.	<b>Mahesh Kumar Keyal (HUF)*</b>							
	At the beginning of the year	6,500,000	6.74					
	At the end of the year			No change during the year			6,500,000	6.74
2.	<b>Client Rosehill Limited</b>							
	At the beginning of the year	3,886,734	4.03					
	At the end of the year			No change during the year			3,886,734	4.03
3.	<b>Mahabali Enterprises Private Limited</b>							
	At the beginning of the year	3,605,000	3.74					
	At the end of the year			No change during the year			3,605,000	3.74
4.	<b>GMO Emerging Markets Fund</b>							
	At the beginning of the year	3,013,682	3.13					
	At the end of the year			No change during the year			3,013,682	3.13
5.	<b>Shri Suraj Khandelwal</b>							
	At the beginning of the year	2,909,467	3.02					
	At the end of the year			No change during the year			2,909,467	3.02
6.	<b>CVCIGP II Employee Rosehill Ltd.</b>							
	At the beginning of the year	2,176,813	2.26					
	At the end of the year			No change during the year			2,176,813	2.26
7.	<b>Mrs. Kusum Lata Khandelwal</b>							
	At the beginning of the year	1,404,573	1.46					
	At the end of the year			No change during the year			1,404,573	1.46
8.	<b>Followel Engineering Ltd.</b>							
	At the beginning of the year	1,396,161	1.45					
				28.09.2018	Sale of Shares	(444)	1,395,717	1.45
				15.03.2019		(91,048)	1,304,669	1.35
At the end of the year						1,304,669	1.35	
9.	<b>S. M. Niryat Private Limited</b>							
	At the beginning of the year	974,548	1.01					
	At the end of the year			No change during the year			974,548	1.01
10.	<b>Mrs. Yamini Khandelwal</b>							
	At the beginning of the year	804,650	0.83					
	At the end of the year			No change during the year			804,650	0.83

(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 01.04.2018]		Change during the year			Cumulative Shareholding during the year [01.04.2018 to 31.03.2019]	
		No. of shares	% of total shares of the Company	Date	Reason	No. of shares	No. of shares	% of total shares of the company
1.	<b>Shri Aditya Jajodia</b> (Chairman & Managing Director)							
	At the beginning of the year	3674,576	3.81					
				10.05.2018	Sale of shares (inter se-transfer)	1,30,000	3,544,576	3.68
	At the End of the year					3,544,576	3.68	
2.	<b>Shri Sanjiv Jajodia</b> (Whole-time Director & KMP, being CFO)							
	At the beginning of the year	2,649,433	2.75					
				10.05.2018	Purchase of shares (inter se-transfer)	130,000	2,779,433	2.88
	At the End of the year					2,779,433	2.88	
3.	<b>Shri Rajiv Jajodia</b> (Non-Executive Promoter Director)							
	At the beginning of the year	1,568,333	1.63					
				Nil movement during the year				
	At the End of the year					1,568,333	1.63	
4.	<b>Shri Gaurav Jajodia</b> (Non-Executive Promoter Director)							
	At the beginning of the year	119,666	0.12					
				Nil movement during the year				
	At the End of the year					119,666	0.12	
5.	<b>Shri Amit Kumar Majumdar</b> (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	
6.	<b>Shri Shailendra Kumar Tamotia</b> (Non - Executive Independent Director)							
	At the beginning of the year	0	0.00					
				Nil movement during the year				
	At the End of the year					0	0.00	
7.	<b>Smt. Seema Chowdhury</b> (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.	<b>Smt. Swati Agarwal</b> (Non-Executive Independent Director)							
	At the beginning of the year	0	0.00					
				29.03.2019	Purchase of shares	100	100	0.00
	At the End of the year					100	0.00	
9.	<b>Smt. Rakhi Jain</b> (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	

(Contd.)

(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 01.04.2017]		Change during the year			Cumulative Shareholding during the year [01.04.2017 to 31.03.2018]	
		No. of shares	% of total shares of the Company	Date	Reason	No. of shares	No. of shares	% of total shares of the company
10.	Shri Manas Kumar Nag (Nominee Director)*							
	At the beginning of the year	0	0.00					
	At the End of the year						NA	NA
11.	Shri Ashim Kumar Mukherjee (Non-Executive Independent Director)							
	At the beginning of the year	0	0.00					
	At the End of the year						0	0.00
12.	Mrs. Swati Bajaj (Non - Executive Independent Director)							
	At the beginning of the year	0	0.00					
	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					
	At the End of the year						0	0.00

\*ceased to be a director w.e.f 31.03.2019 due to death

**V. INDEBTEDNESS**

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

(₹ in lacs)

Particulars	Secured Loans (excluding deposits)	Unsecured Loans	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	343,868.60	7,100.11	-	350,968.71
ii) Interest due but not paid	11,194.73	306.50	-	11,501.23
<b>Total (i+ii)</b>	<b>355,063.33</b>	<b>7,406.61</b>	-	<b>362,469.94</b>
<b>Change in Indebtedness during the financial year</b>				
1. Addition	5,964.43	301.52	-	6,265.95
2. Reduction	-	-	-	-
<b>Net Change</b>	<b>5,964.43</b>	<b>301.52</b>	-	<b>6,265.95</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	356,417.59	7,353.94	-	363,771.53
ii) Interest due but not paid	4,610.17	354.19	-	4,964.36
<b>Total (i+ii)</b>	<b>361,027.76</b>	<b>7,708.13</b>	-	<b>368,735.89</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

No remuneration was drawn during the year by Managing Director, Whole-time Director and Executive Director. In the event of being no profits, the Managing Director & Whole-time Director have waived off their remuneration.

**B. Remuneration to Other Directors**

(₹)

I. Independent Directors :								
	Particulars of Remuneration	Name of Directors						Total Amount
		Shri Shailendra Kumar Tamotia	Ms. Rakhi Jain	Ms. Seema Chowdhury	Ms. Swati Agarwal	Shri Ashim Kumar Mukherjee	Ms. Swati Bajaj	
1.	Fee for attending board/committee meetings	20,000	20,000	20,000	20,000	20,000	15,000	115,000
2.	Commission	—	—	—	—	—	—	—
3.	Others, please specify	—	—	—	—	—	—	—
	Total (1)	20,000	20,000	20,000	20,000	20,000	15,000	115,000

II. Other Non-Executive/Nominee Directors					
	Shri Rajiv Jajodia	Shri Gaurav Jajodia	Shri Manas Kr. Nag (Nominee of SBI)*	Total	
1.	Fee for attending board/committee meetings	15,000	20,000	15,000	50,000
2.	Commission	—	—	—	—
3.	Others, please specify	—	—	—	—
	<b>Total (2)</b>	<b>15,000</b>	<b>20,000</b>	<b>15,000</b>	<b>50,000</b>
	<b>Total (B) = (1+2)</b>				<b>1,65,000</b>
	Total Managerial Remuneration (A+B)				<b>1,65,000</b>
	Overall Ceiling as per the Act	In accordance with Schedule V of the Companies Act, 2013			

\*ceased to be a director w.e.f.31.3.19



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

(₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
		<b>Shri Ajay Kr. Tantia (Company Secretary)</b>
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,882,600
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Option	
3.	Sweat Equity	-
4.	Commision - as % of profit - others, specify	-
5.	Others, please specify	-
	Total (A)	<b>3,882,600</b>

### VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

On behalf of the Board of Directors

Place: Kolkata  
Date: 14<sup>th</sup> August, 2019

**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, 2019

#### A. Conservation of energy:

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

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

Impact of the steps taken for conservation of energy:

1. Load factor increased up to 80% on contract demand of 24 MVA and expecting up to 83% in next year.
2. Defective Capacitors replacement to maintain 0.99 Power Factor.
3. Energy saving by using LED light is up to 50%.
4. Drives will save up to 25% power in the replacement units.

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 for energy conservation equipment. Expenditure incurred for energy audit, purchase of capacitor banks, LED lights, timers for lighting, drives etc. were not capital in nature.

#### 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	2018-19	2017-18
Inflows	10567.13	6526.41
Outgo	4081.13	2039.53



### Annexure to Directors' Report

### 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, 2019

- 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, Managing Director	Nil
Shri Sanjiv Jajodia, Whole Time Director	Nil
Shri Amit Kumar Majumdar, Executive Director	Nil

Note: None of the Executive Director of the Company has drawn any remuneration during the year under review. 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 2018-19. The remuneration of the Company Secretary has been increased by 35.14% 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 5%.

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

There were 2965 employees on the rolls of the Company as on 31st March, 2019.

- 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% whereas average increase in the managerial remuneration was 8.78%. 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 most often viewed as both the structure and the relationships which determine corporate direction and performance. Corporate governance is a reflection of the value system encompassing the culture, policies, and relationships with the stakeholders. Integrity and transparency are key to good corporate governance practices to ensure that the organisation gains and retains the trust of the stakeholders at all times. The purpose of corporate governance is to facilitate effective, entrepreneurial and prudent management that can deliver the long-term success of the company.

The aim of “Good Corporate Governance” is to ensure commitment of the board in managing the company in a transparent manner for maximizing long-term value of the company for its shareholders and all other partners. It integrates all the participants involved in a process, which is economic, and at the same time social.

In accordance with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (“The Listing Regulations”) read with disclosure requirements relating to the Corporate Governance Report contained in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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

Jai Balaji Industries Limited (the Company) believes in and adheres to good corporate governance practices, implements policies and guidelines, communicates and trains all its stakeholders to develop a culture of

compliance at every level of the organization. The Company believes that the governance process must aim at managing the affairs without undue restraints for efficient conduct of its business, so as to meet the aspirations of shareholders, employees and society at large. The Company’s philosophy is aimed at assisting the management of the Company in the efficient conduct of the business and in meeting its obligations to all its stakeholders.

The Company’s governance framework is based on the following principles:

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- Availability of information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- Timely disclosure of material operational and financial information to the stakeholders;
- Systems and processes in place for internal control; and
- Proper business conduct by the Board, Senior Management and Employees.

#### 2. BOARD OF DIRECTORS

As on 31st March, 2019, the Board consists of 11 directors, comprising of:

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

The detailed composition of the Board as on 31<sup>st</sup> March, 2019 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 Gaurav Jajodia	Promoter Non-Executive Director
Shri Amit Kumar Majumdar	Executive Director
Shri Shailendra Kumar Tamotia	Non-Executive Independent Director
Shri Ashim Kumar Mukherjee	Non-Executive Independent Director
Smt. Seema Chowdhury	Non-Executive Independent Woman Director
Smt. Swati Agarwal	Non-Executive Independent Woman Director
Smt. Rakhi Bajoria	Non-Executive Independent Woman Director
Smt. Swati Bajaj	Non-Executive Independent Woman Director

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of

any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of



### Report of the Directors on Corporate Governance (Contd.)

independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

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 Listing Regulations 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 Listing Regulations.

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 Gaurav 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, Listing Regulations and Secretarial Standards (SS1 & SS2) issued by the Institute of Company Secretaries of India.

During the financial year 2018-19, 5 (Five) meetings of the Board were held viz., 30th May, 2018; 30th June, 2018; 13th August, 2018; 13th November, 2018; and 8th February, 2019. 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 2018-19 and at the last Annual General Meeting held on 20th September, 2018 are as follows:

Name of Directors	No. of Board Meeting Attended	Attendance at the last AGM
Shri Aditya Jajodia	4	No
Shri Sanjiv Jajodia	5	Yes
Shri Rajiv Jajodia	4	Yes
Shri Gaurav Jajodia	5	Yes
Shri Amit Kumar Majumdar	5	No
Shri Manas Kumar Nag*	3	No
Shri Shailendra Kumar Tamotia	4	Yes
Smt. Seema Chowdhury	5	Yes
Smt. Swati Agarwal	5	Yes
Smt. Rakhi Bajoria	5	Yes
Smt. Swati Bajaj**	3	Yes
Shri Ashim Kumar Mukherjee	5	Yes

\*ceased to be a director w.e.f. 31<sup>st</sup> March, 2019 as he passed away on 31<sup>st</sup> March, 2019

\*\*appointed as a director w.e.f. 13<sup>th</sup> August, 2018

The Company Secretary was present at all meetings of the Board of Directors and at the last Annual General Meeting except on 8<sup>th</sup> February, 2019.

During FY 2018-19, information as mentioned in Part A of Schedule II of the Listing Regulations, has been placed before the Board for its consideration.

#### ■ 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, 2019 is tabled below:

Name of Directors	Number of directorship held in other companies		Number of committee position held in Public Limited Companies***		List of Directorship held in Other Listed Companies and Category of Directorship
	Public Limited Companies*	Others**	Committee Membership(s)	Committee Chairmanship(s)	
Shri Aditya Jajodia	7	4	—	—	—
Shri Sanjiv Jajodia	7	1	1	1	—
Shri Rajiv Jajodia	5	4	—	1	—
Shri Gourav Jajodia	2	—	—	—	—



### Report of the Directors on Corporate Governance (Contd.)

Name of Directors	Number of directorship held in other companies		Number of committee position held in Public Limited Companies***		List of Directorship held in Other Listed Companies and Category of Directorship
	Public Limited Companies*	Others**	Committee Membership(s)	Committee Chairmanship(s)	
Shri Amit Kumar Majumdar	4	—	1	1	1. Gujarat NRE Coke Ltd. (Casual Vacancy Director) 2. JCK Infrastructure Development Limited (Non-Executive Independent Director)
Shri Shailendra Kumar Tamotia	—	—	—	—	—
Smt. Seema Chowdhury	—	—	—	—	—
Smt. Swati Agarwal	1	—	—	2	1. Chandi Steel Industries Ltd. (Non-Executive Independent Director)
Smt. Rakhi Bajoria	—	—	—	—	—
Shri Ashim Kumar Mukherjee	1	—	—	—	1. Orissa Sponge Iron And Steel Limited (Non-Executive Independent Director)##
Smt. Swati Bajaj#	—	2	—	—	—

# appointed as a director w.e.f. 13th August, 2018

##ceased to be a director in such company w.e.f. 14th June, 2019

\*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.

Pursuant to Regulation 17A of the Listing Regulations, none of the directors serve as a director in more than eight listed entities. Further, 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.

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 26 of the Listing Regulations.

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, 2019.



### Report of the Directors on Corporate Governance (Contd.)

#### List of Core Skills / Expertise / Competencies of directors

A chart or matrix setting out the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively are as under :-

(1)	Industry	(a) Experience in and knowledge of the industry in which the Company operates (b) Experience and knowledge of broader industry environment and business planning
(2)	Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
(3)	Professional	Expertise in professional areas such as Technical, Accounting, Finance, Legal, Human Resources, Marketing, etc.
(4)	Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.
(5)	Behavioural	Knowledge and skills to function well as team members, effective decision making processes, integrity, effective communication, innovative thinking.

The aforesaid core skills/expertise/competencies are available with the Board of the Company.

#### ■ 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 Listing Regulations, a Board Evaluation Policy has been framed and approved by the Nomination and Remuneration Committee (NRC) and by the Board.

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The performance of non-independent directors, the board as a whole and the Chairman of the Company was evaluated by the Independent Directors, taking into account the views of executive directors and non executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution

of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

The performance evaluation of independent directors was done by the board of directors excluding the ones whose evaluation was to be carried out including the fulfilment of the independence criteria as specified in the Listing Regulations and independence of independent directors from the management.

The Directors expressed their satisfaction with the evaluation process.

#### ■ Separate Meeting of Independent Director

During the year 2018-19, as per requirement of Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations, a separate meeting of Independent Directors was held on 8th February, 2019 without the presence of non-independent directors and members 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.



### Report of the Directors on Corporate Governance (Contd.)

#### ■ Familiarisation Programme for Independent Directors

In Compliance with Regulation 25(7) of the Listing Regulations, the Company has conducted familiarisation cum induction programme for the independent directors on 8th February, 2019.

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-impacted-to-independent-directors.html>"

#### 3. BOARD COMMITTEES

The Board Committees are set up by the Board and are governed by its terms of reference which exhibit the scope, composition, tenure, functioning and reporting parameters. The Board Committees play a crucial role in the governance structure of the Company and they deal with specific areas of concern for the Company that need a closer review. 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, 2019, 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 Committees operate under the direct supervision of the Board, and Chairpersons of the respective committees report to the Board about the deliberations and decisions taken by the Committees. The recommendations of the committees are submitted to the Board for approval. During the year under review, all recommendations of the committees were approved by the Board. The minutes of the meetings of all committees of the Board are placed before the Board for noting. The Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee were present at the previous Annual General Meeting.

The role, composition and terms of reference of all

committees including the number of meetings held during the financial year ended 31st March, 2019 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 Listing Regulations which is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process.

The terms of reference of the Audit Committee include the role as stipulated and review of information as laid in Part C of Schedule II of Listing Regulations. 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. The scope of activity of the Committee is also in consonance with the provisions of Section 177 of the Companies Act, 2013.

#### ● Composition of the Committee

As on 31st March, 2019, the committee consists of 4 Members, comprising:

Name of the members	Category
Shri Ashim Kumar Mukherjee (Chairman)	Non-Executive Independent Director
Shri Aditya Jajodia	Promoter Executive Director
Shri Shailendra Kumar Tamotia	Non-Executive Independent Director
Smt. 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 2018-19, the Committee met 5 times i.e. on 30th May, 2018; 30th June, 2018; 13th August, 2018; 13th November, 2018 and 8th February, 2019 and not more than one hundred and twenty days elapse between two meetings. The necessary quorum was present at all the meetings with at least two independent directors.



### Report of the Directors on Corporate Governance (Contd.)

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

Name of the members	No. of meetings attended
Shri Ashim Kumar Mukherjee	5
Shri Aditya Jajodia	4
Shri Shailendra Kumar Tamotia	4
Smt. Swati Agarwal	5

Shri Sanjiv Jajodia, Chief Financial Officer of the Company was invited at the meetings of the Committee and he attended all the meetings. Further, the Audit Committee invites, as and when it considers appropriate, the statutory auditors and the internal auditors to be present at the meetings of the Committee. The representatives of the Cost Auditor attend the Audit Committee meeting when the Cost Audit Report is tabled for discussion

Shri Ajay Kumar Tantia, the Company Secretary acts as the Secretary to the Audit Committee.

Shri Ashim Kumar Mukherjee, the Chairman of the Audit Committee was present at the Nineteenth Annual General Meeting of the Company held on 20th September, 2018.

#### ■ NOMINATION & REMUNERATION COMMITTEE (FORMERLY REMUNERATION 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 Listing Regulations and Section 178 of the Act.

The terms of reference include matters included in Section 178 (2) to (4) of Companies Act, 2013 read with Part D of Schedule II of the Listing Regulations.

#### ● Composition of the Committee

The Committee comprised of three non-executive directors of the Company as members as on 31st March, 2019:

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

The performance of Independent Directors are evaluated on various parameters but not limited to - attendance, preparedness for meetings, updation on developments, participation, engaging with management, ensuring integrity of financial statements and internal control, ensuring risk management and mitigation etc.

#### ● Attendance of the Members at the meetings

During the year under review, the member of the committee met 2 (two) times viz 30th June, 2018 and 13th

August, 2018. 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 Ashim Kumar Mukherjee	2
Shri Shailendra Kumar Tamotia	2
Shri Rajiv Jajodia	2

Shri Ashim Kumar Mukherjee, the then 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 Report.

#### ● Criteria of making payments:

Overall remuneration paid to the Board, Key Managerial Personnels' 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). 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 Aditya Jajodia is for a period of 5 years w.e.f. 22nd July, 2017 till 21st July, 2022.

The Board has appointed Shri Sanjiv Jajodia as the Whole-time Director of the Company for a period of 5(five) years with effect from 30th June, 2018 till 29th June, 2023 as per the terms and conditions that are mentioned in the agreement which was entered between the Company and Shri Sanjiv Jajodia. The consent of the Shareholders has also been accorded to his appointment in the Nineteenth Annual General Meeting of the Company held on 20th September, 2018.



### Report of the Directors on Corporate Governance (Contd.)

The term of employment of Shri Amit Kumar Majumdar as the Executive Director of the Company came to an end on 13th August, 2018. The Board re-appointed Shri Amit Kumar Majumdar as the Executive Director of the Company for a further period of 2(two) years with effect from 14th August, 2018, till 13th August, 2020 as per the terms and conditions that are mentioned in the agreement which is entered between the Company and Shri Amit Kumar Majumdar. His re-appointment has been approved by the Shareholders in the Nineteenth Annual General Meeting of the Company held on 20th September, 2018.

No remuneration was drawn by any Executive Director during the year 2018-19.

In view of the ongoing losses being incurred by the Company, the Managing Director, Whole - time Director and Executive 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 2018-19 are as follows:

(₹)

Particulars	Sitting Fees (including TDS)
Shri Rajiv Jajodia	15,000
Shri Gaurav Jajodia	20,000
Shri Shailendra Kumar Tamotia	20,000
Smt. Seema Chowdhury	20,000
Smt. Swati Agarwal	20,000
Smt. Rakhi Bajoria	20,000
State Bank of India, Represented by Shri Manas Kumar Nag*	15,000
Shri Ashim Kumar Mukherjee	20,000
Smt. Swati Bajaj**	15,000
<b>Total</b>	<b>1,65,000</b>

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 31<sup>st</sup> March, 2019 are as follows:

Name	No. of Shares held in the Company
Shri Rajiv Jajodia	1,568,333
Shri Gaurav Jajodia	119,666
Smt. Swati Agarwal	100

All other Non-Executive Directors excluding the above do not hold any shares or convertible instruments of the Company as on 31<sup>st</sup> March, 2019.

#### ■ 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 Listing Regulations. Stakeholders' Relationship Committee looks into various aspects of interest of shareholders, debenture holders and other security holders.

The terms of reference include matters included in Section 178 of Companies Act, 2013 read with Part D of Schedule II of the Listing Regulations.

#### ● Composition of the Committee

The Committee comprised of 3 (Three) members as on 31<sup>st</sup> March, 2019, 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 Gaurav 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.

#### ● Attendance of the Members at the meetings

During the financial year 2018-19, the Committee met 4 times during the year i.e. on 30th June, 2018; 13th August, 2018; 13th November, 2018 and 8th February, 2019.

\*ceased to be a director w.e.f. 31<sup>st</sup> March, 2019

\*\* appointed as a director w.e.f. 13<sup>th</sup> August, 2018

## Report of the Directors on Corporate Governance (Contd.)

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	3
Shri Gaurav Jajodia	4

Shri Shailendra Kumar Tamotia, the Chairman of the committee was present at the last Annual General Meeting to answer the queries of the shareholders.

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

Number of shareholders complaints : N I L  
pending as on 1st April, 2018

Number of shareholders complaints : N I L  
received during the year ended  
31st March, 2019

Number of shareholders complaints : N I L  
not solved to the satisfaction of  
the shareholders

Number of shareholders complaints : N I L  
pending as on 31st March, 2019

It is confirmed that there was no request for registration of share transfers/transmission lying pending as on 31st March, 2019 and that all request for issue of new certificates, sub-division or consolidation of shareholding, etc, received up to 31st March, 2019, if any, 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 was 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 Listing Regulations.

- 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 was no change in the terms of reference of the Committee during the financial year 2018-19.

- 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	4
Shri Sanjiv Jajodia	Promoter Executive Director	4
Shri Rajiv Jajodia	Promoter Non-Executive Director	4

During the year under review, the members of the committee met five times i.e. on 22nd June, 2018, 11th July, 2018, 23rd October, 2018, 31st October, 2018 and 1st March, 2019. The necessary quorum was present at the meetings as all the members have attended the meetings. Shri Ajay Kumar Tania, Company Secretary of the Company also attended the meetings 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 in areas or subject 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.



### Report of the Directors on Corporate Governance (Contd.)

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 November, 2018.

#### 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 constituted 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.

#### 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
2017-18	Thursday	20.09.2018	11:00 A.M.	Rotary Sadan (Shripati Singhanian Hall) 94/2, Chowringhee Road, Kolkata - 700 020	Yes
2016-17	Thursday	14.09.2017	11:00 A.M.	Rotary Sadan (Shripati Singhanian Hall) 94/2, Chowringhee Road, Kolkata - 700 020	Yes
2015-16	Tuesday	20.09.2016	11:00 A.M.	Rotary Sadan (Shripati Singhanian Hall) 94/2, Chowringhee Road, Kolkata - 700 020	No

The Committee comprised of 4(Four) members as on 31st March, 2019, 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. Swati Bajaj	Outside member	1
Shri Vijay Bagri	Member	1
Shri Ajay Kumar Tantia	Member	1

During the financial year under review a meeting of the members of the Committee was held on 13th August, 2018 for noting 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 Complaints pending as on end of the financial year	:	NIL
No. of workshops or awareness programme against sexual harassment carried out	:	NIL
Nature of action taken by the employer	:	NIL



### Report of the Directors on Corporate Governance (Contd.)

#### Special Resolutions passed in the previous three AGMs

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

- **2017 - 18**
  - ✦ Appointment of Shri Sanjiv Jajodia (DIN: 00036339) as Whole-time director of the Company for a period of 5 years on the terms and conditions of appointment and remuneration as set out in the agreement of the appointment as entered into between the Company and Shri Sanjiv Jajodia.
  - ✦ Re-appointment of Shri Amit Kumar Majumdar (DIN: 00194123) as Executive Director of the Company for further period of 2 years on the terms and conditions of appointment and remuneration as set out in the agreement of the reappointment as entered into between the Company and Shri Amit Kumar Majumdar.
  - ✦ Re-appointment of Shri Shailendra Kumar Tamotia (DIN: 01419527), who is more than 75 years of age, as Independent Director of the Company for a period of 5 years.
  - ✦ Continuation of directorship of Shri Ashim Kumar Mukherjee (DIN: 00047844), who is more than 75 years of age, as Independent Director of the Company.
- **2016-17**

Re-appointment of Shri Aditya Jajodia (DIN: 00045114) as Managing Director of the Company for a period of 5 years on the terms and conditions of appointment and remuneration as set out in the agreement of the reappointment as entered into between the Company and Shri Aditya Jajodia.
- **2015-16**

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

#### Postal Ballot

No special resolutions were passed through postal ballot in the last year and during the period under review. At present there is no special resolution proposed to be conducted 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 Listing Regulations. The transactions entered into by the Company with the related parties were defined under the applicable provisions of the Companies Act, 2013 and the Listing Regulations.

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. 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 Indian Accounting Standards (Ind AS 24) 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. 45 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 Listing Regulations. The Policy is available on the website of the company viz. "[www.jaibalajigroup.com](http://www.jaibalajigroup.com)" under the weblink "[http://www.jaibalajigroup.com/related-party-policy\\_jbg.pdf](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 Listing Regulations, 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



### Report of the Directors on Corporate Governance (Contd.)

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>".

- **Forfeiture of Partly Paid-up Equity Shares of the Company**

Forfeiture of 7,700 partly paid Equity Shares of the Company on which total amount of Rs.38,500/- remains unpaid. The details of which are as follows:

The Company has issued the final demand cum forfeiture notice on 20-04-2019 to the partly paid equity shareholders of the Company demanding the payment of outstanding money towards the partly paid Equity Shares allotted to them. The notice specified the fact that on failure to pay the outstanding money within one month of the notice, their shares will be liable to be forfeited.

Still some of the shareholders have not paid the allotment money on the partly paid equity shares allotted to them. Considering the stated facts, the Board of Directors of the Company at their meeting held on 30th May, 2019 approved the forfeiture of partly paid Equity shares on which outstanding allotment money are still unpaid.

- **Details of Utilization of Funds Raised Through Preferential Allotment or Qualified Institutions Placement As Specified Under Regulation 32 (7A)**

The Company has not raised any funds through preferential allotment or qualified institutions placement during the year under review. Hence, the disclosure of details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under regulation 32 (7A) of the Listing Regulations is not applicable.

- **List of all Credit ratings obtained-** Not applicable
- **A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.**

A certificate has been received from a Practising Company Secretary, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of

Corporate Affairs or any such statutory authority.

The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

- **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part**

Details relating to fees paid to the Statutory Auditors are given in Note 49 to the Standalone Financial Statements and Note 49 to the Consolidated Financial Statements.

- **Disclosure of Accounting Treatment**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013 (the 'Act') read with Companies (Indian Accounting Standards) Rules, as amended from time to time.

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

Pursuant to the Listing Regulations, the 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. Pursuant to SEBI (Prohibition of Insider



### Report of the Directors on Corporate Governance (Contd.)

Trading) Regulations, 2015 and amendments thereto, the Company has adopted Policy for Legitimate purposes forming part of the Company's Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as effective from 1st April, 2019. This Code is displayed on the Company's website viz "[www.jaibalajigroup.com](http://www.jaibalajigroup.com)" under the weblink <http://www.jaibalajigroup.com/code-of-practices-and-procedures-for-fair-disclosure-of-unpublished-price-sensitive-information.pdf>."

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](http://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 Listing Regulations, a detailed report on Management Discussion and Analysis forms a part of Directors Report.

- **Subsidiary Companies**

The Company has two wholly owned subsidiaries viz:

- a) Jai Balaji Steels (Purulia) Limited; and
- b) Jai Balaji Energy (Purulia) Limited.

Pursuant to the applicable provisions of the Companies Act, 2013 and other applicable regulations, the followings are duly complied with:

- a) The Audit Committee reviews the financial statements and in particular, the investments made by the unlisted subsidiary.
- b) 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.
- c) 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 Listing Regulations and the same is hosted on the website of the Company under the weblink "<http://www.jaibalajigroup.com/policy-on-determining-material-subsi-diar-ies.pdf>".

- **CEO and CFO Certification**

Shri Aditya Jajodia, Chairman and Managing Director and Shri Sanjiv Jajodia, Whole-time Director and Chief 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 Regulations as per the format specified in Part B of Schedule II of the Listing Regulations. 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 have 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 frame work 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)" 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 Listing Regulations, to



### Report of the Directors on Corporate Governance (Contd.)

the extent these apply, extend and possible 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 and updated on the website of the Company viz. "www.jaibalajigroup.com" under the weblink "http://www.jaibalajigroup.com/investor-relations.html". These information are not sent to each shareholder 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 reports 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 Listing Regulations for each quarter for the financial year 2018-19 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 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 were simultaneously intimated to The Calcutta Stock Exchange Limited (CSE) before the equity shares of the Company had been delisted from CSE w.e.f. 15th October, 2018.

##### • 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" (Vernacular Newspaper) and "Jansatta" as per Regulation 47 of the Listing Regulations and other applicable provisions.

##### • Website

Pursuant to Regulation 46 of the Listing Regulations, the 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



### Report of the Directors on Corporate Governance (Contd.)

#### 6. GENERAL SHAREHOLDER INFORMATION

<b>Annual General Meeting</b>	
Day, date & time	: Thursday, 19 <sup>th</sup> September, 2019 at 11:00 a.m.
Venue	: Rotary Sadan (Shripati Singhania Hall), 94/2, Chowringhee Road, Kolkata - 700 020
<b>Financial calendar (tentative schedule) for the year 2019 - 20</b>	1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2020 : The probable dates for the submission of the Financial Results for the financial year 2019-20 :
	1 <sup>st</sup> Quarter Results            On or before 14 <sup>th</sup> Aug., 2019
	2 <sup>nd</sup> Quarter Results            On or before 14 <sup>th</sup> Nov., 2019
	3 <sup>rd</sup> Quarter Results            On or before 14 <sup>th</sup> Feb, 2020
	Annual Results                On or before 30 <sup>th</sup> May, 2020
<b>Date of book closure</b>	: The Register of Members and Share Transfer Book shall remain closed from Friday, 13 <sup>th</sup> September, 2019 to Thursday 19 <sup>th</sup> September, 2019 (both days inclusive)
<b>Date of Dividend payment</b>	: N.A.
<b>Listing of equity shares on stock exchanges</b>	: The Equity shares of the Company are currently listed on the following Stock Exchanges: <b>National Stock Exchange of India Limited</b> "EXCHANGE PLAZA", 5th Floor, Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 Scrip Code - JAIBALAJI <b>BSE Limited</b> 25, Phiroze Jeejeebhoy Tower, Dalal Street Mumbai - 400 001 Scrip Code - 532976  Note : The Company's equity shares have been delisted from the Calcutta Stock Exchange Limited w.e.f. 15th October, 2018  Listing fees has been paid to the respective Stock Exchanges for the year 2019 - 20.
<b>Depositories</b>	: <b>National Securities Depository Limited</b> Trade world, 4th Floor, 'A' Wing Kamala Mills Compound Senapati Bapat Marg, Lower Parel Mumbai - 400 013 <b>Central Depository Services (India) Limited</b> 25th Floor Marathon Futurex N. M. Joshi Marg, Lower Parel (East), Mumbai - 400 013  Annual Custodial Fees pertaining to year 2019-20 have been duly paid.
<b>Demat International Security Identification Number (ISIN) in NSDL and CDSL</b>	
- For fully paid-up equity shares	: INE 091G01018
- For partly paid-up equity shares	: IN 9091G01016
Corporate Identification Number (CIN)	: L27102WB1999PLC089755



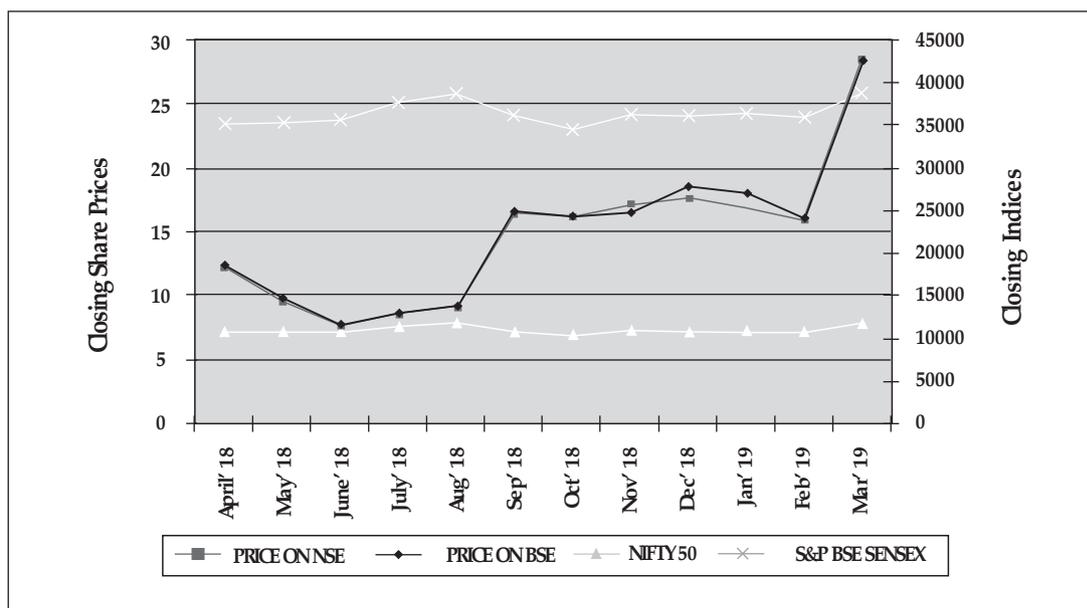
### Report of the Directors on Corporate Governance (Contd.)

#### 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 2018-19 were as under:

Month	Share Price (NSE)		Share Price (BSE)	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April '18	14.45	11.50	14.68	11.56
May '18	12.70	8.50	12.80	8.40
June '18	10.45	7.45	10.39	7.71
July '18	9.50	7.10	9.60	7.25
August '18	10.00	8.35	10.10	8.22
September '18	17.35	8.50	17.80	8.51
October '18	18.00	13.35	18.20	14.40
November '18	17.15	14.60	17.05	15.40
December '18	21.80	15.20	21.55	16.00
January '19	19.45	16.90	19.10	17.00
February '19	17.45	11.45	17.75	12.70
March '19	29.55	16.00	29.50	16.80

#### 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, 5<sup>th</sup> Floor, Kolkata - 700 001  
 Phone No.: (91) (33) 2243 5029  
 E-mail: mdpldc@yahoo.com



### Report of the Directors on Corporate Governance (Contd.)

#### Share transfer system

99.996% of the equity shares of the Company are in dematerialised form. Transfer of shares held in electronic mode is 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 agent 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, dematerialisation/rematerialisation/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 Listing Regulations 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 31<sup>ST</sup> MARCH, 2019

1	Category	No. of Shareholders	No. of shares held	As a % age of A+B+C
A	Promoter and Promoter Group Holding			
	Indian	17	5,63,04,046	58.41
	Foreign	0	NIL	NIL
	<b>Total Promoter Shareholding (A)</b>	<b>17</b>	<b>5,63,04,046</b>	<b>58.41</b>
B	Public Holding			
	Institutions	3	30,41,497	3.16
	Non-Institutions	7737	3,70,40,943	38.43
	<b>Total Public Shareholding (B)</b>	<b>7740</b>	<b>4,00,82,440</b>	<b>41.59</b>
C	Shares held by Custodian & against which Depository receipts have been issued (C)	NIL	NIL	NIL
	<b>Grand Total (A+B+C)</b>	<b>7757</b>	<b>9,63,86,486</b>	<b>100.00</b>

#### DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2019

Range of ordinary shares held	No. of Shareholders	Percentage (%) to total shareholders	No. of Shares	Percentage (%) to share capital
Up to 500	6291	81.1009	7,59,372	0.7878
501 to 1000	581	7.4900	4,82,929	0.5010
1001 to 2000	329	4.2413	5,08,535	0.5276
2001 to 3000	117	1.5083	3,04,064	0.3155
3001 to 4000	56	0.7219	1,99,607	0.2071
4001 to 5000	58	0.7477	2,73,367	0.2836
5001 to 10000	129	1.6630	9,78,001	1.0147
10001 and above	196	2.5268	9,28,80,611	96.3627
<b>Total</b>	<b>7757</b>	<b>100.00</b>	<b>9,63,86,486</b>	<b>100.00</b>

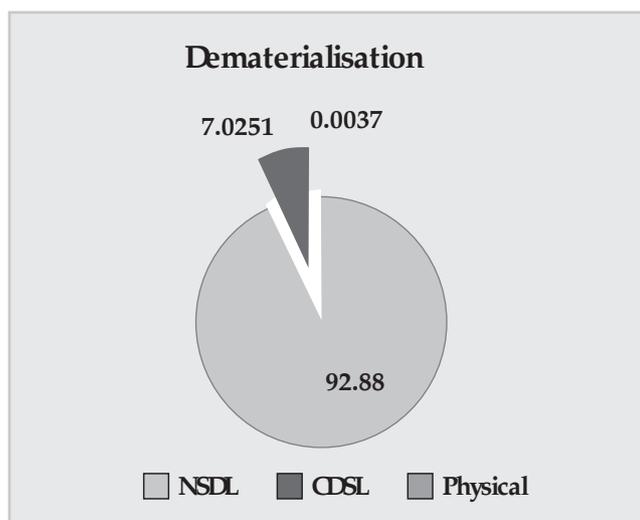


### Report of the Directors on Corporate Governance (Contd.)

#### DEMATERIALIZATION OF SHARES AND LIQUIDITY AS ON 31ST MARCH, 2019

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, 2019 a total of 9,63,82,879 equity shares of the Company, representing 99.996% of the Company's share capital were held in dematerialised form of which 89,611,601 representing 92.971% of the total paid-up equity share capital were held with NSDL and 6,771,278 representing 7.025 % 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/Warrants or any convertible instruments which are yet to be converted and hence as on March 31, 2019, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

#### COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company does not deal in commodities and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI Circular dated November 15, 2018.

#### DETAILS OF UNCLAIMED SHARES

Pursuant to Regulation 39(4) read with Schedule VI of the Listing Regulations, the Company had 764 unclaimed shares of 9 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 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, 2018	9	764
Number of shareholders who approached issuer for transfer of shares during the year	0	0
Number of shareholders to whom shares were transferred during the year	0	0
Aggregate number of shareholders and the outstanding shares in respect of unclaimed shares lying	9	764

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"), and Schedule VI of the Listing Regulations, the above equity shares of the Company have been transferred by the Company to the Demat Account of the Investor Education and Protection Fund Authority.



### Report of the Directors on Corporate Governance (Contd.)

#### 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 31.03.2019	% 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	86.75%	3.19%
2	Shri Sanjiv Jajodia	2,640,000	94.98%	2.74%
3	Shri Rajiv Jajodia	1,550,000	98.83%	1.61%
4	Shri Aashish Jajodia	323,000	40.66%	0.34%
5	M/s. Enfield Suppliers Limited	11,221,233	100%	11.64%
6	M/s. Hari Management Limited	7,044,000	100%	7.31%
7	M/s. Jai Salasar Balaji Industries Private Limited	2,40,19,000	95.64%	24.92%
8	M/s. K. D. Jajodia Steels Industries Private Limited	2,410,000	99.99%	2.50%
	<b>Total</b>	<b>52,282,233</b>	<b>—</b>	<b>54.24%</b>

#### PLANT LOCATIONS

<b>Unit I</b> Ranigunj G/1, Mangalpur Industrial Complex, Post : Baktarnagar, Dist. : Burdwan West Bengal - 713 321	<b>Unit II</b> Durgapur, Lenin Sarani, Dist.: Burdwan West Bengal - 713 210
<b>Unit III &amp; IV</b> Durgapur, Vill: Banskopa, P.O. : Rajbandh Dist.: Burdwan West Bengal - 713 212	<b>Unit V</b> 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 9808  
 Fax: (91)(33) 2243 0021  
 E-mail: jaibalaji@jaibalajigroup.com  
 Website: www.jaibalajigroup.com



## **Report of the Directors on Corporate Governance (Contd.)**

### **Auditors' Certificate on Corporate Governance**

Pursuant to the relevant provisions of the Listing Regulations 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 : 14<sup>th</sup> August, 2019

**Aditya Jajodia**  
*Chairman & Managing Director*  
DIN: 00045114

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

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### **Certificate as per Schedule V under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

#### **TO WHOMSOEVER IT MAY CONCERN**

I, Nisha Nahata, Practising Company Secretary do hereby certify that none of the directors on the Board of Jai Balaji Industries Limited have been debarred or disqualified from being appointed or from continuing as directors of Companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such authority to the best of my knowledge.

This certificate is being issued as per schedule V under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Issued this 14th of August, 2019 at Kolkata.

Sd/-

**Nisha Nahata**

Practising Company Secretary

C.P. No. : 9624,

ACS : 26540



### 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, 2019.

The said Code of Conduct is hosted on the website of the Company viz. "[www.jaibalajigroup.com](http://www.jaibalajigroup.com)".

Place : Kolkata

Date : 14<sup>th</sup> August, 2019

Sd/-

**Aditya Jajodia**

*Chairman & Managing Director*

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### Compliance Certificate on Corporate Governance

To  
The Members,  
Jai Balaji Industries Limited,  
Kolkata

We have examined the compliance of condition of Corporate Governance by Jai Balaji Industries Limited for the year ended on 31st March, 2019 as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. The responsibility includes the design, implementation and maintenance of internal and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2019.

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

Date : 14<sup>th</sup> August, 2019

Place : Kolkata

**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, 2019 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 : 30<sup>th</sup> May, 2019

Sd/-  
**Aditya Jajodia**  
Chairman & Managing Director  
DIN : 00045114

Sd/-  
**Sanjiv Jajodia**  
Chief Financial Officer  
DIN : 00036339

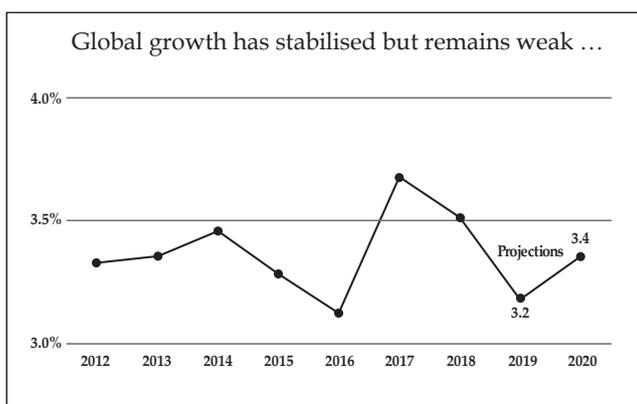


## Management Discussion and Analysis

### Industry Structure & Development

#### Global Overview

In 2018, the global economy began its journey on a firm footing with estimated global economic growth of 3.6% [(Source: World Economic Outlook by International Monetary Fund (IMF)]. During the second half of 2018, this rate of development gradually declined owing to impending US-China trade dispute and some slowdown across developed markets.



Source: OECD (2019), OECD Economic Outlook

Emerging and developing Economies maintained their steady progress at 4.5% during 2018. However, it's important to note that India's economy expanded at 7.1% in 2018 vis-à-vis 6.7% in 2017, whereas China's growth deteriorated from 6.9% in 2017 to 6.6% in 2018 (Source: IMF).

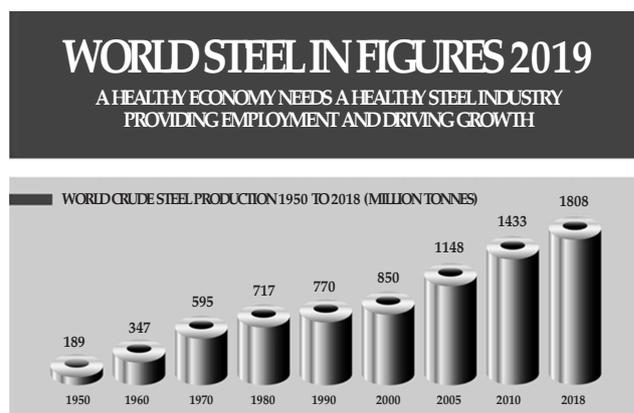
#### Overview of the World Economic Performance and Outlook (Percentage Change unless otherwise stated)

	Projections		
	2018	2019	2020
<b>World Output</b>	<b>3.6</b>	<b>3.2</b>	<b>3.4</b>
<b>Advanced Economies</b>	<b>2.2</b>	<b>1.8</b>	<b>1.7</b>
United States	2.9	2.3	1.9
Euro Area	1.8	1.3	1.5
Japan	0.8	1.0	0.5
United Kingdom	1.4	1.2	1.4
<b>Emerging and Developing Economies</b>	<b>4.5</b>	<b>4.4</b>	<b>4.8</b>
Russia	2.3	1.6	1.7
China	6.6	6.3	6.1
India	7.1	7.3	7.5

Source: International Monetary Fund

The steel industry remains at the heart of global development. Steel is the world's most important engineering and construction material. It is used in every aspect of our lives; in cars and construction products, refrigerators and washing machines, cargo ships and surgical scalpels. It can be recycled over and over again without loss of property.

As per World Steel Association, global crude steel production reached 1,808.6 million tonnes (Mt) for the year 2018, up by 4.6% compared to 2017. Crude steel production increased in all regions in 2018 except in the EU, which saw a 0.3% contraction.



Source: World steel association

The global steel demand continues to grow in slowing economic environment. As per World Steel Association, global steel demand increased by 2.1% in 2018, growing slightly slower than in 2017. In 2019 and 2020 growth is still expected, but in a less favourable economic environment. China's deceleration, a slowing global economy, and uncertainty surrounding trade policies and the political situation in many regions suggest a possible moderation in business confidence and investment. Steel demand in the developed economies grew by 1.8% in 2018 following a resilient 3.1% growth in 2017. As per World Steel Association, demand to further decelerate to 0.3% in 2019 and 0.7% in 2020, reflecting a deteriorating trade environment. Steel demand in the emerging economies excluding China is expected to grow by 2.9% and 4.6% in 2019 and 2020 respectively.

#### Indian Overview

India continues to be one of the fastest growing major economies in the world and is expected to be among the world's top three economic powers in the next 10-15 years. The Indian economy is expected to improve and close the year 2019 with a GDP growth of 7.3% (Source: IMF). Sustained real GDP growth of over 6% has led to a fundamental transformation of India's economy. Today, India is the world's seventh largest economy in real terms, backed by strong demand, positive consumption pattern and rising disposable



### Management Discussion and Analysis (contd.)

income. In PPP terms, the economy is expected to be among the top five global economies by 2020.

The Indian steel industry has entered into a new development stage, post de-regulation, riding high on the resurgent economy and rising demand for steel. Rapid rise in production has resulted in India becoming the 2nd largest producer of crude steel during 2018, from its 3rd largest status in 2017. The country is also the largest producer of Sponge Iron or DRI in the world and the 3rd largest finished steel consumer in the world after China & USA.

#### Top 10 steel-producing countries

Rank	Country	2018 (Mt)	2017 (Mt)	%2018/2017
1	China	928.3	870.9	6.6
2	India	106.5	101.5	4.9
3	Japan	104.3	104.7	-0.3
4	United States	86.7	81.6	6.2
5	South Korea	72.5	71.0	2.0
6	Russia (e)	71.7	71.5	0.3
7	Germany (e)	42.4	43.3	-2.0
8	Turkey	37.3	37.5	-0.6
9	Brazil	34.7	34.4	1.1
10	Iran (e)	25.0	21.2	17.7

Source: Worldsteel.org

#### Production

- India is currently the 2nd largest producer of crude steel in the world.
- In 2018-19, production of total finished steel (alloy + non alloy) was 131.572 mt, a growth of 3.7% over last year.
- Production of Pig Iron in 2018-19 was 6.055 mt, a growth of 5.7% over last year.
- India is the largest producer of Sponge Iron in the world. The coal based route accounted for 79% of total Sponge Iron production (33.040 mt) in the country in 2018-19.
- Data on production of Pig Iron, Sponge Iron and Total Finished Steel (alloy/stainless + non-alloy) are given below for last five years:

Indian steel industry : Production for Sale (in million tonnes)					
Category	2014-15	2015-16	2016-17	2017-18	2018-19
Pig Iron	10.23	10.24	10.34	5.73	6.06
Sponge Iron	24.24	22.43	28.76	30.51	33.04
Total Finished Steel	104.58	106.60	120.14	126.85	131.57

Source: Joint Plant Committee

#### Imports

- Iron & steel are freely importable.
- Data on import of total finished steel (alloy/stainless + non alloy) is given below for last five years:

#### Indian steel industry : Import of Total Finished Steel (in million tonnes)

Category	2014-15	2015-16	2016-17	2017-18	2018-19
Qty	9.32	11.71	7.23	7.48	7.83

Source: Joint Plant Committee

#### Exports

- Iron & steel are freely exportable.
- India emerged as a net exporter of total finished steel in 2016-17 and 2017-18 but is currently a net importer.
- Data on export of total finished steel (alloy/stainless + non alloy) is given below for last five years:

#### Indian steel industry : Exports of Total Finished Steel (in million tonnes)

Category	2014-15	2015-16	2016-17	2017-18	2018-19
Qty	5.59	4.08	8.24	9.62	6.36

Source: Joint Plant Committee

India's capacity is projected to increase to about 300 MT by the year 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 was the second largest steel producer in 2018 with production standing at 106.5 million tones (Mt). India's finished steel consumption grew at a CAGR of 5.69% during FY08 - FY18 to reach 90.68 Mt. In 2017-18, the country's finished steel exports increased 17% year-on-year to 9.62 Mt as compared to 8.24 Mt in 2016-17, while it decreased to 6.36



### Management Discussion and Analysis (contd.)

Mt in 2018-19. Government of India's focus on infrastructure and restarting road projects is aiding the boost in demand for steel. Also, further likely acceleration in rural economy and infrastructure is expected to lead to growth in demand for steel. The Government of India raised import duty on most steel items twice, each time by 2.5% and imposed measures including anti-dumping and safeguard duties on iron and steel items. The Government has released the National Steel Policy 2017, which has laid down the broad roadmap for encouraging long term growth for the Indian steel industry, both on demand and supply sides, by 2030-31. The Government has also announced a policy for providing preference to domestically manufactured Iron & Steel products in Government procurement.

The New Industrial policy opened up the Indian iron and steel industry for private investment by (a) removing it from the list of industries reserved for public sector and (b) exempting it from compulsory licensing. Imports of foreign technology as well as foreign direct investment are now freely permitted up to certain limits under an automatic route. The liberalization of industrial policy and other initiatives taken by the Government have given a definite impetus for entry, participation and growth of the private sector in the steel industry. While the existing units are being modernized/expanded, a large number of new steel plants have also come up in different parts of the country based on modern, cost effective, state-of-the-art technologies. In the last few years, the rapid and stable growth of the demand side has also prompted domestic entrepreneurs to set up fresh greenfield projects in different states of the country.

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

Steel industry historically has been highly cyclical and is affected significantly by general economic conditions. Major customers for the steel industry include companies in the automotive, construction, appliance, machinery, equipment and transportation industries, which are industries that were negatively affected by the general economic downturn and the deterioration in financial markets, including severely restricted liquidity and credit availability, in the recent past.

In spite of clear signals of recovery today, it is important to keep in mind challenges of the past that plagued the industry. Over the past few years, the global steel industry has been reeling under the pressure of overcapacities, especially on account of those existing in China. With the growth in steel consumption slowing down in China in recent times, the Chinese steel producers have had no option but to rely on exports. This in turn has had an impact on high growth

centres of steel consumption in "steel-non-mature" nations such as India. Additionally, depreciation of major currencies has led to a spurt in export by several countries like Russia and Ukraine. It was for these reasons that India saw an influx of imports beginning 2014-15 from several countries, including China. The surge in imports impacted the sentiment of the domestic steel market, with declining capacity utilisation rates of both the primary and secondary steel players. Additionally, erosion of margins, coupled with sluggish demand growth, made the Indian steel investors wary of returns on their investment. However, the Government of India came out proactively to provide a level playing field to Indian companies through imposition of anti-dumping and safeguard duties as well as minimum import prices, wherever injury to the industry was noteworthy.

The Indian Steel Industry continues to grapple with uncertainties pertaining to the availability and consistent supplies of raw materials i.e. both coal and iron ore still remain a challenge, with recent closure of mines in Goa adding to the woes of the industry. Even though the marked shift from an allocation process to an auction process of getting mining blocks has brought about considerable transparency; issues pertaining to transport logistics from the mining areas need to be sorted out to mitigate lag in evacuation of iron ore, coal and other minerals.

The industry by nature is capital intensive and requires high capital, by various modes, increasing cost of borrowing remains one of the major concerns for the group and industry as a whole. The steel industry is further challenged by dwindling investments, turbulence in the financial market and geopolitical conflicts in many developing regions.

#### Outlook

The steel industry in India is being talked about in all corners of the world. The Indian Steel Industry has sets its vision plan to scale up steel production to 300 MT by 2025. Indian Steel industry has a very bright future. The liberalization of industrial policy and other initiatives taken by the Government have given a definite impetus for entry, participation and growth of the steel industry. The government is working proactively to provide incentives for economic growth by injecting funds in construction, infrastructure, automotive and power, which will drive the steel industry in the future.



Source: [www.ibef.org](http://www.ibef.org)



### Management Discussion and Analysis (contd.)

As per World Steel Association, steel demand in India is tipped to show an above 7% in both 2019 and 2020 on sustained infra spends with the economy expected to achieve faster growth in the second half of 2019 having overcome the shocks of demonetisation and the Goods & Services Tax (GST) implementation. While the fiscal deficit might weigh on public investment to an extent, the wide range of continuing infrastructure projects is likely to support growth in steel demand above 7% in both 2019 and 2020.

In 2018, global steel demand increased by 2.1%, growing slightly slower than in 2017 as per World Steel Association. In 2019 and 2020 growth is still expected, but in a less favourable economic environment. China's deceleration, a slowing global economy, and uncertainty surrounding trade policies and the political situation in many regions suggest a possible moderation in business confidence and investment. Steel demand in developing Asia excluding China is expected to grow by 6.5% and 6.4% in 2019 and 2020 respectively, making it the fastest growing region in the global steel industry. In the ASEAN region, infrastructure development supports demand for steel.

Global steel demand is expected to continue to grow, but growth rates will moderate in tandem with a slowing global economy. Uncertainty over the trade environment and volatility in the financial markets have not yet subsided and could pose downside risks to this forecast.

Steel demand in the developed economies grew by 1.8% in 2018 following a resilient 3.1% growth in 2017. Demand is further expected to decelerate to 0.3% in 2019 and 0.7% in 2020, reflecting a deteriorating trade environment. In 2018, steel demand in the US benefitted from the strong growth of the economy driven by government-led fiscal stimulus, leading to high confidence and a robust job market. In 2019, the US growth pattern is expected to slow with the waning effect of fiscal stimulus and a monetary policy normalisation.

Despite all odds, fact remains the same that Steel industry is the foundation industry of any economy, especially developing countries where material intensity is likely to increase significantly in the future. Further, Steel is a completely recyclable material making it ideal for achieving a circular economy in India. The Company will seize the opportunity to create an organised circular economy system for steel recycling.

#### Product wise Performance Analysis

Jai Balaji is an integrated steel manufacturer with five units in three mineral-rich states of eastern India; Your Company's cumulative product wise actual production details are given hereunder:

The actual production of Sponge Iron was 233,784 M.T. during the year 2018-19 as compared to 178,568 M.T. during the year 2017-18. For Pig Iron, the actual production was 390,925 M.T. and 370,271 M.T. during the year 2018-19 and 2017-18 respectively. The actual production of Steel Bars/Rods was 149,595 M.T. during the year 2018-19 as compared to 118,153 M.T. during the year 2017-18. For Billet/MS Ingot, the actual production was 156,845 M.T. and 105,056 M.T. during the

year 2018-19 and 2017-18 respectively. The actual production of Ferro Alloys was 71,131 M.T. during the year 2018-19 as compared to 68,769 M.T. during the year 2017-18 (Ferro Alloy includes third party Conversion production of 13475 MT HC Ferro Chrome). In case of Ductile Iron Pipe, the actual production was 121,176 M.T. and 121,016 M.T. during the year 2018-19 and 2017-18 respectively. For Sinter, the actual production was 513,471 M.T. and 394,637 M.T. during the year 2018-19 and 2017-18 respectively. The actual production of Coke was 318,248 M.T. during the year 2018-19 as compared to 298,455 M.T. during the year 2017-18.

#### Financial Performance

Your company has been under financial stress since 2009 due to various external factors beyond the control of the Company and its management.

The Standalone Total Revenue of the Company (comprising of sales and other income) for the financial year under review was Rs. 311,742.98 lacs as compared to Rs. 2,44,298.38 lacs during the previous financial year.

The Consolidated Total Revenue of the Company (comprising of sales and other income) for the financial year under review was Rs. 311,742.98 lacs as compared to Rs. 2,44,298.38 lacs during the previous financial year.

Your company is committed to its vision to emerge as an efficient producer of iron and steel products. Your Company's striving efforts for improvement in operational efficiency and reduction of production cost has resulted in increase in revenue from operations of the Company during the year. It seeks to enhance domestic steel consumption and ensure high quality steel production and create a technologically advanced and globally competitive steel industry. Your company is focused on increasing capacity utilisation of all units, reducing cost and improving operational efficiency.

#### Key Financial Ratio

Particulars	2018-19	2017-18
Debtors Turnover	7.76	5.39
Inventory Turnover	6.25	5.26
Interest Coverage Ratio	-0.38	-5.40
Current Ratio	1.08	0.80
Debt Equity Ratio	-2.15	-2.05
Operating Profit Margin	-0.01	-0.08
Net profit Margin	-0.05	-0.11
Return on Net Worth	0.09	0.17

Explanation : The company is passing through its worst times since year 2009. Even though steel industry in India is one of the fastest growing steel producing nations but is passing through "stress" for some time due to rising imports from other countries at cheaper rates, increase in prices of raw material, stalled projects in various sectors especially infrastructure and limited growth in steel demand. All the factors created further hardship on the Company. Despite all odds, fact remains the same that Steel industry is the



### Management Discussion and Analysis (contd.)

foundation industry of any economy, especially developing countries where material intensity is likely to increase significantly in the future. Further, Steel is a completely recyclable material making it ideal for achieving a circular in India. The Company will seize the opportunity to create an organised circular economy system for steel recycling.

#### Internal Control Systems and their Adequacy

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

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

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

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

#### Human 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. Jai Balaji has always stepped up and reviewed its HR policies to ensure transparency, to incorporate in it the competitiveness in the globally dynamic business environment and to become more powerful and develop itself to be the standard and a successful one. The Human resource managers of the Company have the tools and the opportunity to leverage employee commitment to, and engagement in, the Company's growth strategy.

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

Jai Balaji commits to excel in promoting and fostering equal opportunity in compensation, promotion, and career advancement for all employees in all levels and areas of the business, regardless of race, 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 emphasis on the training and development of its human resource. The company strives to create an environment which helps its people take the initiative to experiment, innovate and develop a passion to set and achieve their goals. The company gives full room to its staff to nurture their intellect, exploit opportunities and make their own decisions while competing with the best, which thereby helps the company in its march towards progress.

The Company is proud to have a talented pool of around 2787 employees as on 31st March, 2019, comprising of professionals from different background with a mix of youth and experience, the leadership and knowledge of the senior management is aligned with the zeal and enthusiasm of the youth brigade.

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

#### **Cautionary Statement**

*Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and/or expectations may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. 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 Directors

Sd/-

**Aditya Jajodia**

Chairman & Managing Director

DIN : 00045114

Place : Kolkata

Date : 14<sup>th</sup> August, 2019



### INDEPENDENT AUDITOR'S REPORT

To The Members of

**JAI BALAJI INDUSTRIES LIMITED**

Report on the Audit of the Standalone Financial Statements  
Opinion

We have audited the accompanying standalone financial statements of **JAI BALAJI INDUSTRIES LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss (including other comprehensive income) statement of cash flows and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, "except for the effects of the matter described in the Basis for Qualified Opinion section" of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Qualified Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial

Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

*The Company has not provided for interest amounting to Rs. 125,381.29 Lacs of which Rs. 42,092.48 Lacs pertains to the current financial year on various loans and credit facilities availed from banks and financial institution on the ground that same is being treated as Non-Performing Assets by the lenders. Due to this reason, loss for the current financial year has been understated by Rs. 42,092.48 Lacs and accordingly loss for the year ended 31st March, 2019 would've been Rs. 57,460.19 Lacs instead of Rs.15,367.71 Lacs.*

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. NO.	THE KEY AUDIT MATTERS	HOW THE MATTER WAS ADRESSED IN OUR AUDIT
1	<b>LOAN CLASSIFIED AS Non Performing Assets (NPA), TRANSFERRED TO ASSET RECONSTRUCTION COMPANIES (ARC)</b>	<b>OUR AUDIT PROCEDURES INCLUDE THE FOLLOWING:</b>
	(Refer Note 20 to the Standalone Financial Statements) a) Rupee Loan from Banks and financial institutions had been classified as NPA and the lenders have served a call up notice for their exposure. Entire exposure of the lenders has fallen due on immediate demand basis. b) Axis Bank, UCO Bank, Allahabad Bank and Union Bank of India have already assigned their entire exposure to the Assets Reconstruction Companies	1. We obtained the understanding of these asset reconstruction schemes through meetings with management and review of the minutes of the Board of Directors. 2. We reviewed the correspondence of the company with the relevant Asset reconstruction companies and we have examined the agreement made with them.



S. NO.	THE KEY AUDIT MATTERS	HOW THE MATTER WAS ADRESSED IN OUR AUDIT
	<p>in previous years. During the current financial year, the following banks have also assigned their entire exposure in favour of Assets Reconstruction Companies:</p> <ul style="list-style-type: none"> <li>i. Bank of India has assigned its debts due by the Company in favour of Edelweiss Asset Reconstruction Company on 25th Jan,2019. The Company had made payments of Rs.1082 lacs to the said ARC upto the balance sheet date which has not been adjusted against the liability and is shown as advances to the ARC.</li> <li>ii. United Bank of India and State Bank of India has assigned their debts due by the Company in favour of M/s Omkara Assets Reconstruction Private Limited on 29th Dec,2018 and 28th Mar,2019 respectively. An amount of Rs.140 lacs paid to the said ARC has been considered as an advance to the said ARC .same as above</li> <li>iii. The WBIDFCL also assigned its debts due by the Company in favour of M/s Omkara Assets Reconstruction Private Limited on 25th April, 2019.</li> </ul> <p>c) The Company is in active negotiation with Canara Bank, Corporation Bank, IDBI Bank, Indian Overseas Bank, Oriental Bank of Commerce, Punjab National Bank, The Federal Bank Limited and Vijaya Bank to restructure its debts. The finalisation of any corrective plan is still pending.</p>	
2	<p><b>THE COMPANY'S EXPOSURE TO LITIGATION RISK</b></p>	<p><b>OUR AUDIT PROCEDURES INCLUDE THE FOLLOWING:</b></p>
	<p>(Refer Note 35A to the Standalone Financial Statements)</p> <p>The Company is exposed to different laws, regulations and interpretations thereof and hence, there is a litigation risk.</p> <p>Consequently, the Company has significant litigation cases pending with Custom Authorities, Excise Authorities, Service tax Authorities and Income tax Authorities.</p> <p>Given the nature and amounts involved in such cases and the appellate forums at which these are pending, the ultimate outcome and the resultant accounting in the financial statements is subject to significant judgement, which can change over time as new facts emerge and each legal case progresses, and therefore, we have identified this as key audit matter.</p>	<ol style="list-style-type: none"> <li>1. We obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management.</li> <li>2. We examined the assumptions used in estimating the tax provision and the possible outcome of the disputes.</li> <li>3. We considered legal precedence and other rulings in evaluating management's position on these tax positions.</li> </ol>



S. NO.	THE KEY AUDIT MATTERS	HOW THE MATTER WAS ADRESSED IN OUR AUDIT
3	ACCURACY OF RECOGNITION, MEASUREMENT, PRESENTATION AND DISCLOSURES OF REVENUES AND OTHER RELATED BALANCES IN VIEW OF ADOPTION OF IND AS 115 "REVENUE FROM CONTRACTS WITH CUSTOMERS"	OUR AUDIT PROCEDURES INCLUDE THE FOLLOWING:
	(Refer to Note 25 to the Standalone Financial Statements) The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.	<ol style="list-style-type: none"> <li>1. We assessed the procedures applied by management for the identification of the changes required in the financial statements due to application new IND AS 115</li> <li>2. We considered the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements.</li> </ol>

### Emphasis of Matter

1. We draw attention to Note - 36 of the financial statements, the Company has been incurring losses and its net worth has completely eroded, also its current liability exceeds current assets by Rs.1,77,311.44 Lacs. However, the financial statements of the Company have been prepared on a going concern basis because the management is confident that the improvement in market scenario will help in improving the financial health of the company and accordingly Deferred Tax Assets amounting to Rs.29,085.14 Lacs created up to 31st March 2015 have been carried forward.
2. We also draw attention to Note No.20 of the accompanying Standalone Financial Statements in respect of treatment in the books of accounts of the assignment / settlement of Debts of various Banks and the Financial Institutions.
3. We draw attention to Note No.58 to the financial statements in relation to outstanding balances of trade receivables, trade payables and loans and advances which are subject to confirmation and subsequent adjustments, if any.

### Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises Board's Report, Report on Corporate Governance and Business Responsibility Report but does not include the consolidated financial statement, standalone financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are

based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

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

1. As required by Section 143(3) of the Act, based on our audit, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.



- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of

the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35A
  - 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 such sum which needs to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

**(J. K. CHOUDHURY)**

Partner

Place : Kolkata  
Dated : May 30, 2019

Membership No: 009367

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

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **JAI BALAJI INDUSTRIES LIMITED** ("the Company") as of March 31, 2019 to the extent of records available with us in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of

frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating



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

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

### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company.

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

**(J. K. CHOUDHURY)**  
Partner

Membership No: 009367

Place : Kolkata  
Dated : May 30, 2019



### Annexure -B 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 2019. 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 program 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 program, 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 prima facie 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, 2019 for a period of more than six months from the date they became payable:

Name of statute	Nature of Dues	Amount Outstanding (' in Lacs)	Period to which amount relates
Income Tax Act, 1961	TDS	381.78	April'17 to September'18
Finance Act, 1994	Service Tax	95.95	December'16 to June'17
The Central Excise Act, 1944	Excise Duty	803.32	June'16 to May'17
Provident Fund Act, 1952	Provident Fund	784.27	May'16 to September'18
Finance Act, 1994	Swachh Bharat Cess	10.22	September'16 to June'17
Finance Act, 1994	Krishi Kalyan Cess	10.16	September'16 to June'17
Punjab Value Added Tax Act	Value Added Tax	53.57	September'13 to February'14



(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 (₹ in lacs)	Financial year to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty	22,494.80	2007-08 to 2018-19	CESTAT, Commissioner (Appeals)
Finance Act, 1994	Service Tax	936.14	2010-11 to 2018-19	CESTAT, Commissioner (Appeals)
Custom Act, 1962	Custom Duty	917.36	2012-13, 2016-17, 2017-18, 2018-19	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	1018.13	2006-07 to 2016-17	West Bengal Appellate & Revisional Board
The West Bengal Value Added Tax Act, 2003	Value Added Tax	1667.58	2005-06 to 2014-15	West Bengal Appellate & Revisional Board
The Uttar Pradesh Value Added Tax Act, 2007	Value Added Tax	6.85	2005-06, 2016-17	West Bengal Appellate Revisional Board
The Income Tax Act, 1961	Income Tax	6.85	2008-09	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 as given below: -

Rs. in lacs

Banks	Default of Amount (Principal and Interest)
Canara Bank	3,332.30
Corporation Bank	2,152.78
Federal Bank	403.21
IDBI Bank	1,056.94
Indian Overseas Bank	18,950.01
Oriental Bank of Commerce	26459.60
Punjab National Bank	2,826.42
VIJAYA Bank	8,154.96
Grand Total	54,453.28

Financial Institution	Default of Principal and Interest
WBIDFC	4950.45

\*above figures don't include interest amounting to Rs. 125,381.29 lacs of which Rs 42,092.48 Lacs pertains to financial year 2018-19, Rs. 43,744.25 lacs pertain to financial year 2017-18 and Rs. 39,544.56 lacs for the financial year 2016-17, as interest has not been provided in the books as mentioned in Note - 20 of the financial statements.

\*\*The lenders have initiated the recovery procedures and have already served the call up notice for their exposure. Therefore, instead of structured repayment schedule, the entire exposure of the banks/ financial institution has fallen due on immediate basis.



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 has not paid remuneration over and above the limits prescribed under section 197, read with Schedule - V of the act to executive director.
- 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 Indian Accounting Standards.

- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any private placement of shares during the year under review.
- 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 and hence provisions of section 192 of companies Act, 2013 are not applicable to the company.
- 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, 2019



### Balance Sheet as at March 31, 2019

	Notes	As at March 31, 2019	As at March 31, 2018
(₹ in lacs)			
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant and equipment	3	132,413.43	140,903.17
Capital Work in Progress and Pre-Operative Expenditure			
Pending Allocation	4	7,897.13	11,909.78
<b>Financial Assets</b>			
i) Investments	5	116.45	116.45
ii) Loans	6	1,361.48	984.71
iii) Other	7	922.94	34.84
Deferred Tax Assets (Net)	8	29,085.14	29,085.14
Other Non Current Assets	9	8,913.30	8,580.05
<b>Sub Total</b>		<b>180,709.87</b>	<b>191,614.14</b>
<b>Current Assets</b>			
Inventories	10	49,601.08	48,849.50
<b>Financial Assets</b>			
i) Trade Receivable	11	39,411.44	39,939.27
ii) Cash and cash equivalents	12	712.10	727.98
iii) Bank balance (other than Cash and cash equivalents)	13	34.36	67.98
iv) Loans	14	10,569.49	10,727.90
v) Others	15	0.53	16.60
Other Current Assets	16	39,363.56	31,864.65
<b>Sub Total</b>		<b>139,692.56</b>	<b>132,193.87</b>
<b>TOTAL ASSETS</b>		<b>320,402.43</b>	<b>323,808.02</b>
<b>EQUITY AND LIABILITIES</b>			
Equity Share Capital	17	9,638.26	9,638.26
Other Equity	18	(167,625.41)	(152,300.12)
<b>Sub Total</b>		<b>(157,987.15)</b>	<b>(142,661.86)</b>
<b>Non Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	19	161,385.58	5,731.75
<b>Sub Total</b>		<b>161,385.58</b>	<b>5,731.75</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
i) Borrowings	20	202,444.84	345,295.85
ii) Trade Payables	21		
a) total outstanding dues of micro and small enterprises		1,169.76	946.16
b) total outstanding dues other than micro and small enterprises		65,847.57	63,196.10
iii) Others	22	22,046.86	28,539.23
Other Current Liabilities	23	24,614.14	22,024.26
Provisions	24	880.83	736.53
<b>Sub Total</b>		<b>317,004.01</b>	<b>460,738.13</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>320,402.43</b>	<b>323,808.02</b>
<b>Significant Accounting Policies</b>	2		

The accompanying notes are an integral part of the 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

Place : Kolkata  
Date : 30<sup>th</sup> May, 2019

**Ajay Kumar Tantia**  
Company Secretary



### Statement of Profit and Loss for the year ended March 31, 2019

(₹ in lacs)

	Notes	Current year ended March 31, 2019	Previous year ended March 31, 2018
<b>INCOME</b>			
Revenue from Operations	25	307,746.76	242,505.87
Other Income	26	3,996.22	1,792.51
<b>Total Income (I)</b>		<b>311,742.98</b>	<b>244,298.38</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	27	232,767.90	185,549.73
Purchase of Stock in Trade[including transit of ₹ Nil (₹ 153.05 lacs)]	28	3,326.55	2,755.70
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	29	3,838.53	2,391.51
Excise Duty	30	–	3,572.58
Employee Benefits Expense	31	8,181.46	6,890.71
Finance Costs	32	11,158.59	3,391.40
Depreciation and Amortisation Expense	3	10,160.80	10,735.98
Other Expenses	33	57,676.85	50,703.02
<b>Total Expenses (II)</b>		<b>327,110.69</b>	<b>265,990.63</b>
<b>Profit / (Loss) before exceptional items and Tax (I-II)</b>		<b>(15,367.71)</b>	<b>(21,692.25)</b>
<b>Exceptional Item (Net)</b>		<b>–</b>	<b>3,973.81</b>
<b>Profit / (Loss) before Tax (I-II)</b>		<b>(15,367.71)</b>	<b>(25,666.06)</b>
<b>Tax Expenses:</b>			
Current Tax		–	–
Less : MAT Credit Entitlement		–	–
Provision (Write back) relating to earlier years		–	–
Deferred tax charge / (credit)		–	–
<b>Total tax expense / (credit)</b>		<b>–</b>	<b>–</b>
<b>Profit / (Loss) for the period</b>		<b>(15,367.71)</b>	<b>(25,666.06)</b>
<b>Other Comprehensive Income:</b>			
Items that will not be reclassified subsequently to Profit & Loss:	34		
Remeasurement (Gain)/Loss on net defined benefit Plans		32.28	405.79
		32.28	405.79
<b>Total Comprehensive income for the period</b>		<b>(15,335.43)</b>	<b>(25,260.27)</b>
<b>Earnings per Equity Share:(Nominal Value per Share ` 10)</b>			
Basic & Diluted	44	(15.94)	(27.48)
<b>Significant Accounting Policies</b>	2		

The accompanying notes are an integral part of the 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  
Place : Kolkata  
Date : 30<sup>th</sup> May, 2019

**Ajay Kumar Tantia**  
Company Secretary



### Statement of changes in equity for the year ended March 31, 2019

#### A. Equity Share Capital

(₹ in lacs)

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	(Rs. in lacs)	No. of Shares	(Rs. in lacs)
Balance at the beginning of the year	96,386,486	9,638.26	86,281,486	8,627.76
Changes in equity share capital during the year	–	–	10,105,000	1,010.50
Balance at the end of the year	<u>96,386,486</u>	<u>9,638.26</u>	<u>96,386,486</u>	<u>9,638.26</u>

#### B. Other Equity

(₹ in lacs)

	Reserve & Surplus					Equity Instrument through OCI	Total
	Capital Reserve	Amalgamation Reserve	Securities Premium Account	General Reserve	Retained Earnings		
Balance as at 01.04.2018	6,408.50	4,400.00	50,017.50	10,325.00	(223,594.14)	143.01	(152,300.12)
Profit for the period	–	–	–	–	(15,367.71)	–	(15,367.71)
Movement during the year	–	–	–	–	10.14	–	10.14
Remeasurements of the net defined benefit Plans	–	–	–	–	32.28	–	32.28
Total comprehensive income/(loss) for the period 31.03.19	–	–	–	–	(15,325.29)	–	(15,325.29)
Balance as at 31.03.2019	6,408.50	4,400.00	50,017.50	10,325.00	(238,919.43)	143.01	(167,625.41)

As per our report of even date

For and on behalf of the Board of Directors

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

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

Place : Kolkata  
Date : 30<sup>th</sup> May, 2019

**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, 2019

(₹ in lacs)

	Current year ended March 31, 2019	Previous year ended March 31, 2018
<b>A. Cash Flow From Operating Activities</b>		
Profit / (Loss) before Tax and after exceptional items	(15,367.71)	(25,666.06)
Adjustments For :		
Depreciation / Amortisation (Net)	10,160.80	10,735.98
Loss on Sale of Property, Plant & Equipment	417.96	1.84
Irrecoverable Debts and Advances Written off	210.57	17.29
Liabilities no longer required written back	(2,176.18)	(3,475.18)
Interest on Term Loans and Others	11,043.14	3,158.66
Provision for Diminution in the value of Investments	-	0.48
Provision for doubtful debts/(written back)	(337.50)	1,643.51
Dividend from long term Non Trade Investments	(0.46)	(1.35)
Loss on sale of long term Investments	-	6,921.47
(Profit) / Loss on Sale of Current Assets	-	0.82
Prior Period Expenditure (net)	57.24	54.05
Financial Lease Payment	10.14	10.14
Remeasurement (Gain)/Loss on net defined benefit Plans	32.28	405.79
(Profit) / Loss on Foreign Exchange Fluctuations (Net)	(7.44)	(376.55)
Interest Income	(823.13)	(186.99)
<b>Operating Profit / (Loss) Before Working Capital Changes</b>	<b>3,219.71</b>	<b>(6,756.11)</b>
Movements in Working Capital :		
Decrease / (Increase) in Trade Receivables	2,940.52	7,842.85
Increase in Loans and Advances and Other Current/Non Current Assets	(7,236.44)	(2,582.25)
Decrease / (Increase) in Inventories	(751.58)	(6,837.64)
Decrease in Trade Payables, Other Liabilities and Provisions	5,948.63	14,783.75
<b>Cash generated from Operating Activities</b>	<b>4,120.84</b>	<b>6,450.60</b>
Direct Taxes paid (net of refunds)	(91.04)	109.84
<b>Net Cash generated from Operating Activities</b>	<b>4,029.80</b>	<b>6,560.44</b>
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Property, Plant and Equipment	620.56	(3,180.77)
Proceeds from Sale of Property, Plant and Equipment	136.37	0.90
Purchase of Investments in Mutual Fund	-	(100.00)
Proceeds from sale of long term Investments	-	992.64
Proceeds from maturity of fixed deposits	(857.92)	742.93
Dividend from long term Investments (other than Trade)	0.46	1.35
Interest received	842.65	314.29
<b>Net Cash generated from/(used in) Investing Activities</b>	<b>742.12</b>	<b>(1,228.66)</b>



**Cash Flow Statement for the year ended March 31, 2019 (Contd.)**

	(₹ in lacs)	
	Current year ended March 31, 2019	Previous year ended March 31, 2018
<b>C. Cash Flow From Financing Activities</b>		
Money Received against share warrants	0.00	757.88
Proceeds from Non Current / Current Borrowings	13,570.99	4,316.94
Payment to Assets Reconstruction Companies	(1,222.00)	--
Financial Lease Payment	(10.14)	(10.14)
Interest Paid	(17,126.18)	(9,882.92)
Dividend Paid	(0.46)	(0.47)
<b>Net Cash generated (used in) Financing Activities</b>	<u>(4,787.79)</u>	<u>(4,818.71)</u>
<b>Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)</b>	<b>(15.87)</b>	513.07
<b>Cash and Cash Equivalents as at the beginning of the year</b>	<u>727.98</u>	<u>214.91</u>
<b>Cash and Cash Equivalents as at the end of the year</b>	<u><u>712.10</u></u>	<u><u>727.98</u></u>
<b>Components of cash and cash equivalents</b>		
Cash on hand	60.59	14.87
Cheques in hand	131.91	133.20
Balance with Scheduled Banks on:		
Current Account	519.61	573.45
Fixed Deposit Account	-	6.00
Unclaimed Dividend Account	-	0.46
<b>Cash and Cash Equivalents as at 31st March, 2019 (Refer Note 12)</b>	<u><u>712.10</u></u>	<u><u>727.98</u></u>

**Note:** The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS -7, 'Statement of Cash Flows'.

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

Previous year figures have been regrouped/rearranged wherever necessary to confirm to this year classification.

As per our report of even date

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

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

Place : Kolkata  
Date : 30<sup>th</sup> May, 2019

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



### Significant Accounting Policies and Notes to financial statements for the year ended March 31, 2019

#### 1 Corporate Information

Jai Balaji Industries Limited (JBIL) is engaged in the manufacturing of Iron and Steel products including Sponge Iron, Pig Iron, Ductile Iron Pipe, Ferro Chrome, Billet, TMT, Coke and Sinter with captive power plant. Jai Balaji Industries Limited has its registered office in Kolkata with manufacturing facilities located in Durgapur and Raniganj in West Bengal and Durg in Chhattisgarh.

Jai Balaji Industries Limited (JBIL) is a Public Limited Company with its shares listed on BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

#### 2 Significant Accounting Policies

##### a) Basis of Preparation of financial statements

###### a. Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013 (the 'Act') read with Companies (Indian Accounting Standards) Rules, as amended from time to time.

This Note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied for the year ended 31st March, 2019.

###### b. Historical Cost Convention

Financial Statements have been prepared on historical cost basis except for the following items:

- i. Certain financial assets and liabilities (including derivatives instruments) - measured at fair value
- ii. Defined benefit plans - Plan assets are measured at fair value

###### b) Use of estimates

In preparing the financial statements in conformity with Ind AS, management has made estimates, judgments and assumptions which affect the application of accounting policies and the reported amounts of assets and liabilities as at the date of financial statements and the reported amounts of revenues and expenses during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting are

recognized prospectively. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to financial statements.

#### Critical estimates and judgements

The areas involving critical estimates or judgements are as follows:

- **Estimated fair value of unlisted securities**

The fair value of financial instruments that are not traded in an active market is determined using valuation technique. The management uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

- **Estimation of defined benefit obligation**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- **Recognition of deferred tax assets for carried forward tax losses**

As the company has made substantial losses for the past years as well as this year, no new deferred tax asset has been accounted for. However, the management has made estimates regarding the probability that the future taxable profits will be available against which existing deferred tax assets up to 31.03.2015 can be used.

- **Recognition and measurement of provisions and contingencies**

The management has made key assumptions about the likelihood and magnitude of an outflow of resources.

- **Impairment of trade receivables**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

as well as forward looking estimates at the end of each reporting period.

#### c) Current and Non-Current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### d) IND AS 115: Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs issued, the Companies [Indian Accounting Standards] [Amendments] Rules, 2017, notifying Ind AS 115, 'Revenue from Contracts with Customers'. The Standard is applicable to the company with effect from 1<sup>st</sup> April, 2018.

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts, and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations. Specifically, the standard introduces a 5-step approach to revenue recognition.

- Step 1 : Identify the contract(s) with a customer.
- Step 2 : Identify the performance obligation in contract
- Step 3 : Determine the transaction price
- Step 4 : Allocate the transaction price to the performance obligations in the contract.
- Step 5 : Recognise revenue when [or as] the entity satisfies a performance obligation.

#### **Disaggregate revenue information :**

The disaggregated revenue of the Company best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

Refer Note No. 25 for Disaggregate revenue information.

#### **Other income**

Other income is comprised primarily of interest income, dividend income, gain /loss on investments and exchange gain. Dividend income is recognized when the right to receive payment is established.

#### e) Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the company. Free hold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Property, Plant and Equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. When a major inspection is performed, its cost is not recognised in the carrying amount of the plant and equipment as a replacement. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred. Property, Plant and Equipment includes spare parts, stand by equipments and servicing equipment which are expected to be used for a period more than twelve months and meets the recognition criteria of property, plant and equipment.

Based on technical assessment made by technical expert and Management estimate the entity depreciates items of property, plant and equipment over estimated useful lives which are same as prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

- Building: 5 - 60 years
- Office Equipments: 5 years
- Furniture and Fixtures: 10 years
- Vehicle: 8 years
- Plant and equipments: 15 - 25 years
- Computers: 3 -6 years

Depreciation on property, plant and equipment is provided on straight line basis to the extent of depreciable amount on pro-rata basis over the useful life of respective assets as prescribed under Schedule II to the Companies Act, 2013, except for Railway Wagons and Moulds as stated below.

Railway Wagons are depreciated over a period of 10 years because of the conditions prescribed in the agreement with Indian Railway Authorities.

Pig Moulds for Ductile Iron Foundry works are depreciated over a period of 4 years.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or

loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### f) Provisions & Contingent Liability

A provision is recognized if, as a result of a past event, the company has a present obligation (legal or constructive) that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are not recognized for future operating losses.

Where the effect of time value of money is material, provisions are measured at the present value of management's best estimate of the required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognized as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

#### g) Inventories

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

- i. Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.
- ii. Finished goods and work in progress: Cost of finished goods and work-in-progress comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.
- iii. Stores and spares: Cost is determined on weighted average basis.



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

iv. Scrap and By Products: At net realizable value.

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

#### h) Earnings per share

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

Diluted earnings per share is calculated by dividing 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.

#### i) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is predominantly engaged in a single reportable segment of "Iron and Steel" during the year. Chief operating decision making group consists of the Chairman & Managing Director, and the CFO.

#### j) Cash and bank balances

Cash and bank balances consists of:

##### 1. Cash and cash Equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits with an original maturity of three months or less net of outstanding bank overdrafts as they are considered an integral part of the company's cash management

##### 2. Other bank balances

This includes balances and deposits with bank that are restricted for withdrawal and usage having maturity of more than three years extending upto twelve years.

#### k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use or sale are

capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest costs.

#### l) Leases

##### As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

#### m) 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



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

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.

#### n) Financial Instruments

##### **Initial Recognition**

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, those are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date i.e., the date at which the company commits to purchase or sell the asset.

##### **Subsequent Measurement**

###### a. Non-derivative financial instruments

###### (i) Financial assets carried at amortized cost:

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

###### (ii) Financial assets at fair value through other comprehensive income:

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial

assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The company recognizes impairment losses and reversals and foreign exchange gain or loss in the Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

###### (iii) Financial assets at fair value through profit or loss:

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss. The company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL, which is thereafter irrevocable. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

###### (iv) Financial liabilities:

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. The company's financial liabilities include trade and other payables and loans and borrowings.

Loans and Borrowings- After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

##### **Derecognition of Financial Instruments**

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

#### Fair Value of Financial Instruments

In determining the fair value of its financial instruments, the company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously. This legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

#### o) Impairment

##### a. Financial assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

As a practical expedient, the company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are

analyzed. Considering a provision discount rates for delay risk are as under:

Ageing	Discount for Delay
0-6 months	0%
6-12 months	7%
12-24 months	13%
24-36 months	35%
Above 36 months	65%

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (Profit and Loss). This amount is reflected under the head 'other expenses' in the Profit and Loss.

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

##### b. Non-financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

**p) Foreign currencies**

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates (the functional currency). The company's financial statements are presented in Indian rupee (INR), which is also the company's financial currency.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction. Exchange differences are recognized in profit or loss, except exchange differences arising from the translation of the following items which are recognized in OCI:

- equity instruments at fair value through OCI (FVOCI);
  - a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
  - Qualifying cash flow hedges to the extent that the hedges are effective.
- a) Transactions in foreign exchange covered by forward contracts are accounted for at the contracted rates.
  - b) Transactions other than those covered by forward contracts are recognized at the exchange rates prevailing on the date of their occurrence.
  - c) Monetary assets and liabilities in foreign currency that are outstanding at the year end and not covered by forward contracts are translated at the year-end exchange rates.
  - d) The exchange differences arising from long term foreign currency monetary items relating to the acquisition of a depreciable asset are added to or deducted from the cost of the depreciable capital assets. Other exchange differences arising from long-term foreign currency monetary items are transferred to "Foreign currency monetary item translation difference account" to be amortized over the life of such monetary items but not beyond 31st March 2020. Other exchange

differences are recognized as income or expense in the profit and loss account.

**q) Fair value measurement**

The management measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The management uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the management determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**r) Employee benefits**

**i. Short term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**ii. Post-employment obligations**

The company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity; and
- (b) Defined contribution plans such as provident fund

***Gratuity obligations***

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

***Defined contribution plans***

The company pays provident fund contribution to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payment is available.

**iii. Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**iv. Bonus plans**

The company recognizes a liability and an expense for bonuses. The company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

**s) Taxes**

Tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

- **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

- **Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- ✦ temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- ✦ taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized using liability method, to the extent that it is probable that future taxable profits will be available against which they can be used. The company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

- **Recent Accounting Pronouncements**

On 30th March 2019, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 116, Leases and Appendix C of Ind As 12 “Uncertainty over Income Tax Treatment. The effective date for adoption of the same is financial periods beginning on or after 1st April 2019. The company is in the process of evaluating the effect on its adoption.



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

#### Note 3 : Property, plant and equipment

Particulars	(₹ in lacs)										Total
	Freehold Land	Leasehold Land	Factory Buildings	Railway Siding	Plant and Machinery	Electrical Installation	Furniture and Fixture	Office Equipment	Vehicle		
Gross carrying value as on April 1, 2018	4,103.89	871.86	40,853.14	4,354.18	175,942.72	24,781.24	120.19	1,095.46	184.37	252,307.05	
Additions	-	-	86.29	-	2,076.96	39.98	5.72	56.42	-	2,225.39	
Disposal	-	-	14.70	-	1,361.77	-	-	26.30	50.33	1,493.08	
Gross carrying value as on March 31, 2019	4,103.89	871.86	40,924.73	4,354.18	176,657.91	24,741.26	125.91	1,125.58	134.04	253,039.36	
Accumulated depreciation as on April 1, 2018	-	381.17	10,664.58	2,444.04	78,309.11	18,405.86	96.86	939.67	162.59	111,403.88	
Depreciation for the period	-	8.67	1,175.02	319.85	6,745.71	1,844.33	6.65	51.20	9.37	10,160.80	
Disposal/Adjustment	-	-	4.17	-	839.15	22.96	-	25.29	47.18	938.75	
Accumulated depreciation as on March 31, 2019	-	389.84	11,835.43	2,763.89	84,215.67	20,227.23	103.51	965.58	124.78	120,625.93	
Carrying value as on March 31, 2019	4,103.89	482.02	29,089.30	1,590.29	92,442.24	4,514.03	22.40	160.00	9.26	132,413.43	
Carrying value as on April 1, 2018	4,103.89	490.69	30,188.56	1,910.14	97,633.61	6,375.38	23.33	155.79	21.78	140,903.17	

Particulars	(₹ in lacs)										Total
	Freehold Land	Leasehold Land	Factory Buildings	Railway Siding	Plant and Machinery	Electrical Installation	Furniture and Fixture	Office Equipment	Vehicle		
Gross carrying value as on April 1, 2017	4,103.89	871.86	40,546.79	4,354.18	173,549.75	24,464.22	116.51	1,024.49	190.82	249,222.51	
Additions	-	-	306.35	-	2,392.97	317.02	3.68	70.97	6.45	3,090.99	
Disposal	-	-	-	-	-	-	-	-	-	6.45	
Gross carrying value as on March 31, 2018	4,103.89	871.86	40,853.14	4,354.18	175,942.72	24,781.24	120.19	1,095.46	184.37	252,307.05	
Accumulated depreciation as on April 1, 2017	-	372.50	9,474.74	2,124.19	71,256.23	16,306.11	89.78	892.16	155.89	100,671.60	
Depreciation for the period	-	8.67	1,189.84	319.85	7,052.88	2,099.75	7.08	47.51	10.41	10,735.99	
Disposal/Adjustment	-	-	-	-	-	-	-	-	3.71	3.71	
Accumulated depreciation as on March 31, 2018	-	381.17	10,664.58	2,444.04	78,309.11	18,405.86	96.86	939.67	162.59	111,403.88	
Carrying value as on March 31, 2018	4,103.89	490.69	30,188.56	1,910.14	97,633.61	6,375.38	23.33	155.79	21.78	140,903.17	
Carrying value as on April 01, 2017	4,103.89	499.36	31,072.05	2,229.99	102,293.52	8,158.11	26.73	132.33	34.93	148,550.91	



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

#### Note 4 : Capital Work-in-Progress and Pre-Operative Expenditure Pending Allocation

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
<b>A Capital Work-in-Progress</b>		
Buildings	1,270.07	1,469.08
Road	27.25	119.01
Railway Siding	359.01	359.01
Plant and Machinery*	2,698.73	2,941.29
Electrical Installations	379.17	688.28
Land	1,158.81	5,274.77
Computer Software	20.80	-
<b>Sub Total</b>	<u>5,913.84</u>	<u>10,851.44</u>
Less : Transferred to Fixed Assets	1,978.65	2,862.89
<b>Total A :</b>	<u>3,935.19</u>	<u>7,988.55</u>
<b>B Pre-operative Expenditure Pending Allocation</b>		
<b>Opening Balance</b>	3,921.23	3,917.07
<b>Additions</b>		
Rates and Taxes	-	0.08
Legal and Professional Charges	-	0.50
Miscellaneous Expenses	40.71	4.68
	<u>40.71</u>	<u>5.26</u>
Less : Transferred to Fixed Assets	-	1.10
<b>Total B :</b>	<u>3,961.94</u>	<u>3,921.23</u>
<b>Grand Total (A+B)</b>	<u>7,897.13</u>	<u>11,909.78</u>

\*Plant & Machinery includes DIP Mould of ₹ 33.27 Lacs (₹ Nil) and Iron Ore Crusher Plant Sponge Division of ₹ 12.40 lacs (₹ Nil) lying in transit.

#### Note 5 : Non Current Investment

(₹ in lacs)

	Number of shares	Face Value Per Share	As at March 31, 2019	As at March 31, 2018
<b>Trade Investment</b>				
<b>In Subsidiaries Companies</b>				
<b>Unquoted, Fully Paid up</b>				
<b>Investment in Equity Shares</b>				
<b>In Subsidiary Companies</b>				
Jai Balaji Energy (Purulia) Limited	50,000	10	5.00	5.00
Jai Balaji Steels (Purulia) Limited	50,000	10	5.00	5.00
<b>In Joint Venture Companies#</b>				
Andal East Coal Company Private Limited	319,290	10	3.19	3.19
Rohne Coal Company Private Limited	69,000	10	0.69	0.69
<b>Investment in Preference Shares</b>				
<b>In a Joint Venture Company#</b>				
1% Redeemable Preference Shares of				
Rohne Coal Company Private Limited	2,363,914	10	23.64	23.64
			<u>37.52</u>	<u>37.52</u>



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

#### Note 5 : Non Current Investment (Contd.)

(₹ in lacs)

	Number of shares	Face Value Per Share	As at March 31, 2019	As at March 31, 2018
Aggregate Value of Investments				
- Quoted			-	-
- Unquoted				
<b>#Refer note 50</b>			<b>37.52</b>	<b>37.52</b>
<b>(At Fair value through Other Comprehensive Income)</b>				
<b>Non Trade Investment</b>				
<b>Unquoted, Fully Paid up</b>				
<b>Investment in Equity Shares</b>				
Calcutta Stock Exchange Limited#	2,726	1	71.60	71.60
Nilachal Iron and Power Limited	600	10	0.01	0.01
[At cost less provision for other than temporary diminution Rs. 0.48 lacs (Rs. 0.48 lacs)]				
<b>In Government Securities</b>				
National Saving Certificate			7.32	7.32
(Deposited with Third Parties)				
			<u>78.93</u>	<u>78.93</u>
Aggregate Value of Investments				
- Quoted			-	-
- Unquoted			78.93	78.93
Aggregate provision for diminution in the value of Investments			0.48	0.48
Market Price-Quoted			-	-
<b>#Refer note 51</b>				

#### Note 6 : Non Current Loans

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Security Deposits	1,361.48	984.71
<b>Total</b>	<u>1,361.48</u>	<u>984.71</u>

#### Note 7 : Other Non Current Financial Assets

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
Margin Money with Banks with maturities more than 12 months	918.54	27.00
Interest Receivable on Deposits	4.39	7.84
<b>Total</b>	<u>922.94</u>	<u>34.84</u>



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

#### Note 8 : Deferred Tax Assets / (Liabilities) (Net)

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
<b>Deferred Tax Asset</b>		
Unabsorbed Depreciation and carry forward Business Losses	73,789.24	72,412.45
Expenses Allowed On Payment Basis/Other Timing Differences	7,138.71	7,146.12
<b>Sub Total (A)</b>	<u>80,927.95</u>	<u>79,558.56</u>
<b>Deferred Tax Liability</b>		
Timing Difference on Depreciable assets	19,459.15	19,750.34
<b>Sub Total (B)</b>	<u>19,459.15</u>	<u>19,750.34</u>
<b>Deferred Tax Assets / (Liabilities) (Net) (A-B)</b>	<u>61,468.80</u>	<u>59,808.23</u>
<b>Less: Deferred Tax Assets not recognised (refer note below)</b>	<u>(32,383.65)</u>	<u>(30,723.07)</u>
<b>Total</b>	<u>29,085.14</u>	<u>29,085.14</u>

Note :

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 realise the above figure.

#### Note 9 : Other Non Current Assets

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
Capital Advances	4,203.59	3,870.34
Mat Crdit Entitlement	4,709.71	4,709.71
<b>Total</b>	<u>8,913.30</u>	<u>8,580.05</u>

#### Note 10 : Inventories

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
Raw Materials	34,713.71	28,441.35
[Including in transit ₹ 6004.93 lacs (₹ 5460.23 lacs)]		
Stores and Spares	5,355.78	7,048.54
[Including in transit ₹ 369.09 lacs (₹ 675.87 lacs)]		
Work-in-Process	838.64	1,944.66
Finished Goods	6,124.62	9,532.32
Trading Goods	7.00	506.38
[Including in transit ₹ Nil (₹ 153.05 lacs)]		
By-Products and Scrap	2,561.33	1,376.25
<b>Total</b>	<u>49,601.08</u>	<u>48,849.50</u>



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

#### Note 11 : Trade Receivables (Current)

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good	39,411.44	39,939.27
Unsecured, considered doubtful	21,323.17	21,660.67
	<u>60,734.61</u>	<u>61,599.94</u>
Less: Allowance for Doubtful Debts (Refer note below)	21,323.17	21,660.67
<b>Total</b>	<u><u>39,411.44</u></u>	<u><u>39,939.27</u></u>

#### Note:

In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. There has been no significant change in the credit quality of receivables past due for more than 180 days.

#### Note 12 : Cash and Cash Equivalents

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
Balance with Banks :-		
On Current Accounts	519.61	573.45
Deposits With Original Maturity of Less Than 3 Months	-	6.00
Cash on hand	60.59	14.87
Cheques in hand	131.91	133.20
Unclaimed Dividend Account	-	0.46
<b>Total</b>	<u><u>712.10</u></u>	<u><u>727.98</u></u>

#### Note 13 : Bank Balances (Other Than Cash and Cash Equivalents)

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
Margin Money with Banks with maturities less than 12 months	34.36	67.98
<b>Total</b>	<u><u>34.36</u></u>	<u><u>67.98</u></u>

#### Note 14 : Current Loans

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
<b>Unsecured, considered good</b>		
Security Deposits	2,797.36	2,554.34
<b>Loans and advances to Related parties</b>		
Loans to Body Corporate (Receivable on demand)#	6,840.00	7,000.00
Advances to a Body Corporate #	733.19	945.25
	<u>7573.19</u>	<u>7945.25</u>
Advance recoverable in cash or in kind or for value to be received	198.94	228.31
<b>Total</b>	<u><u>10569.49</u></u>	<u><u>10,727.90</u></u>

#Refer note 39

#Loan given to a related party (on demand) was interest free during the previous year (2017-18)



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

#### Note 15 : Other Current Financial Assets

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
Interest Receivable on Deposits	0.53	16.60
<b>Total</b>	<b>0.53</b>	<b>16.60</b>

#### Note 16 : Other Current Assets

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
<b>Advances recoverable in cash or kind</b>		
Advances recoverable in cash or in kind or for value to be received [Net of Provision for Doubtful Advances ₹ 764.38 lacs (₹ 764.38 lacs)]	26,854.16	19,230.73
<b>Other Loans and Advances</b>		
Balance with Excise and other Government Authorities	234.95	450.52
Advance income tax (net of provisions)	140.67	49.62
Subsidies and Incentives Receivable	11,902.86	11,902.86
Sales Tax and Other Refunds Receivable	230.92	230.92
	<u>12,509.40</u>	<u>12,633.92</u>
<b>Total</b>	<b>39,363.56</b>	<b>31,864.65</b>

#### Note 17 : Share Capital

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
<b>Authorised capital</b>		
101,000,000 (101,000,000) Equity Shares of ₹ 10/- each	10,100.00	10,100.00
<b>Issued, subscribed and fully paid-up capital</b>		
96,386,486 (96,386,486) Equity Shares of ₹ 10/- each	9,638.65	9,638.65
Less: Calls unpaid ( Due from other than directors or officers)	0.39	0.39
<b>Total</b>	<b>9,638.26</b>	<b>9,638.26</b>

#### Reconciliation of the number of shares

##### Equity Shares :

	As at March 31, 2019		As at March 31, 2018	
	No of Shares	(₹ in lacs)	No of Shares	(₹ in lacs)
Equity Shares of Rs 10/- each				
At the beginning of the period	96,386,486	9,638.26	86,281,486	8,627.76
Issued during the period	-	-	10,105,000	1,010.50
At the end of the period	<u>96,386,486</u>	<u>9,638.26</u>	<u>96,386,486</u>	<u>9,638.26</u>

#### (i) Terms/rights attached to equity shares

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



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

#### (ii) 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	29th June, 2019
18.05.2016	40,00,000	17th August, 2019
25.07.2016	16,50,000	24th November, 2019
25.10.2016	28,50,000	24th February, 2020

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

	As at March 31, 2019		As at March 31, 2018	
	No of Shares	% holding in the class	No of Shares	% holding in the class
Enfield Suppliers Ltd.	11,221,233	11.64	11,221,233	11.64
Hari Management Ltd.	7,044,000	7.31	7,044,000	7.31
Jai Salasar Balaji Industries (P) Ltd	25,115,157	26.06	25,115,157	26.06
Mahesh Kumar Keyal (HUF)	6,500,000	6.74	6,500,000	6.74
	<u>49,880,390</u>	<u>51.75</u>	<u>49,880,390</u>	<u>51.75</u>

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

#### Note 18 : Other Equity

(₹ in lacs)

Particulars	Reserve & Surplus					Equity Instrument through OCI	Total
	Capital Reserve	Amalgamation Reserve	Securities Premium Account	General Reserve	Retained Earnings		
Balance as at 01.04.2018	6,408.50	4,400.00	50,017.50	10,325.00	(223,594.14)	143.01	(152,300.12)
Profit for the period	-	-	-	-	(15,367.71)	-	(15,367.71)
Movement during the year	-	-	-	-	10.14	-	10.14
Remeasurements of the net defined benefit plans	-	-	-	-	32.28	-	32.28
Total comprehensive income/(loss) for the period 31.03.19	-	-	-	-	(15,325.29)	-	(15,325.29)
Balance as at 31.03.2019	6,408.50	4,400.00	50,017.50	10,325.00	(238,919.43)	143.01	(167,625.41)

#### Nature and purpose of reserves

##### (a) Capital Reserve:

Amount received from West Bengal Industrial Development Corporation as a Capital Subsidy and amount forfeited against equity warrant application money is treated as a capital reserve.

##### (b) Amalgamation Reserve:

Amount arisen on Amalgamation of erstwhile Shri Ramrupai Balaji Steels Limited treated as an Amalgamation Reserve.

##### (c) Securities Premium Account:

The amount received in excess of face value of securities is recognised in Securities Premium Account.

##### (d) General Reserve:

The Company has transferred a portion of the net profit of the company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

- (e) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date.
- (f) **Equity Instruments through Other Comprehensive Income:** The fair value change of the equity instrument measured at fair value through other comprehensive income is recognised in Equity instruments through Other Comprehensive Income.
- (g) **Remeasurements of Net Defined Benefit Plans:** Differences between the interest income on plan assets and the return actually received and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

#### Note 19 : Non Current Borrowings

	(₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
<b>(Secured, unless otherwise stated)</b>		
Rupee Loan ARC (Refer Note 20)	155,200.00	-
Non-current maturities of Finance Lease Obligations (Refer Note 37)	58.89	58.89
<b>Unsecured Loan:</b>		
Debentures	6,126.69	5,672.86
Zero Coupon Non Convertible Debentures (Refer Note below)		
<b>Total:</b>	<u>161,385.58</u>	<u>5,731.75</u>

#### Note:

- The Company has issued 87,39,685 Zero Coupon Unsecured Unlisted Non Convertible Debentures at a price of ₹ 100 each. The Debenture shall be redeemable at par within three months from the expiry of twelve years from the date of allotment i.e 14th November, 2015.
- Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

#### Note 20 : Current Borrowings

	(₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
<b>(Secured, unless otherwise stated)</b>		
<b>Term Loans:</b>		
Rupee Loan from Financial Institutions	4,368.82	4,368.82
Rupee Loan from Bodies Corporate(Unsecured)	797.25	797.25
Rupee Loan ARC	137,181.01	154,404.45
<b>Loan Repayable on Demand</b>		
From Banks		
- Demand loan/Cash Credits	59,667.76	185,095.33
- From Bodies Corporate (Unsecured)	430.00	630.00
<b>Total:</b>	<u>202,444.84</u>	<u>345,295.85</u>



### Notes to financial statements for the year ended March 31, 2018 (Contd.)

#### Note:

#### 1. Rupee Loan from Banks and Financial Institution and Assets Reconstruction Company

- a) Rupee Term Loan from banks, financial institution and ARC are secured by 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 Ranigunj and Durgapur in the state of West Bengal and Durg in the state of Chattisgarh.

The above loans 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) Unsecured Loan from bodies corporate has been received from a promoter group company as per the CDR scheme.

#### 2. Rupee Loan repayable on Demand

- a) Rupee term loan from bank has been turned into NPA. Continuing on the routine compliance, lenders have initiated the recovery measure and already serve the call up notice for their exposure. Resulting in payment of entire exposure of the banks/financial institution due on immediate demand basis. All the Term Loans and Cash Credit from Banks have been classified As Loans Repayable on Demand from last financial year.

- b) 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  
c) Unsecured loan from others are interest bearing which is repayable within a credit period of 90 days.

#### Additional Disclosure

#### Assignment of Loans Taken Accounts and its Accounting Treatment

- 1 Axis Bank, UCO Bank (lead bank), Allahabad Bank and Union Bank of India and Bank of India have assigned their debts along with all its rights, title and interest in the financing documents, all agreements, deeds and documents related thereto and all primary and collateral and underlying security interests and/or pledges created to secure and/or guarantees issued in respect of the repayment of the loans for valuable consideration to Edelweiss Asset Reconstruction Company Limited. For repayment of said debts, company entered into a restructuring agreement with Edelweiss Asset Reconstruction Company Limited. As per terms of settlement, if all the terms & condition are fully complied by the company, it resulted in a debt write off by ` 88,836.00 lacs.
- 2 As per the terms of the said agreement, the amount of ` 1851.24 lacs paid to Edelweiss Asset Reconstruction Company Limited up to the balance sheet date, is shown as partial interest payment to Edelweiss Asset Reconstruction Company under moratorium period.
- 3 During the period under review, Bank of India has assigned their debt to Edelweiss Asset Reconstruction Company Limited. However, on account of non finalization of repayment terms and conditions, ` 1082.00 lacs paid to the said ARC up to the balance sheet date are shown as advance to Edelweiss Asset Reconstruction Company Limited.
- 4 United Bank of India and State Bank of India are also assigned their entire exposure along with all its rights, title and interest in the financing documents, all agreements, deeds and documents related thereto and all primary and collateral and underlying security interests and /or pledges created to secure and /or guarantees issued in respect of the repayment of the loans for valuable consideration to the Omkara Assets Reconstruction Private Limited (Omkara ARC).
- 5 On account of non finalization of repayment terms and conditions, the amount of ` 140.00 lacs paid to Omkara Assets Reconstruction Company Limited, up to the balance sheet date is considered as advance to Asset Reconstruction Company.
- 6 The balances of Canara Bank, Corporation Bank, IDBI Bank, Indian Overseas Bank, Oriental Bank of Commerce, Punjab National Bank, The Federal Bank Limited, Vijaya Bank & The West Bengal Infrastructure Development Finance Corporation Limited are not being reconciled with the borrowers, as these borrowers have treated the loan accounts as non-performing assets account.
- 7 All the lenders have stopped charging interest on debts, since the dues from the Company have been categorized as Non-Performing Asset. The Company is in active discussion/negotiation with its lenders to restructure its debts at a sustainable



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

level including waiver of unpaid interest. In view of the above, pending finalization of the any corrective action plan, the Company has stopped providing interest accrued and unpaid effective from 1st April, 2016 in its book. The amount of such accrued and unpaid interest not provided for the last year ended 31st March, 2019 stands at ₹ 42,092.48 lacs (₹ 43,744.25 lacs). The accumulated interest not provided till 31st March, 2019 stands at ₹ 125,381.29 lacs. Accordingly, the same has not been considered for compilation of results of the said year ended 31st March, 2019. The Statutory Auditors have qualified their Audit Report in respect of this matter.

#### Note 21 : Trade Payables

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
<b>Trade Payables</b>		
- Dues to Micro, Small and Medium enterprises	1,169.76	946.16
- Other than Micro, Small and Medium enterprises	65,847.57	63,196.10
<b>Total:</b>	<u>67,017.33</u>	<u>64,142.26</u>

Under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises, In regard to this, the company has received intimation from various parties and details are given refer note no-41

#### Note 22 : Other Financial Liabilities

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
Interest Accrued and due on Borrowings	4,964.36	11,501.23
Current maturities of Finance Lease Obligations	10.13	10.13
Temporary Book Overdraft	272.97	958.74
Capital Creditors	1,403.44	2,236.89
Due to Employees	1,420.23	1,435.90
Interest Others	13,875.34	12,319.96
Security Deposit	100.39	75.92
Investor Education and Protection Fund will be credited by the following amounts (as and when due)		
- Unclaimed Dividend	-	0.46
<b>Total:</b>	<u>22,046.86</u>	<u>28,539.23</u>

#### Note 23 : Other Current Liabilities

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
- Advance from Customer	9,741.61	7,227.98
- Statutory Dues Payable	14,678.62	14,638.71
- Other Miscellaneous	193.91	157.57
<b>Total:</b>	<u>24,614.14</u>	<u>22,024.26</u>

#### Note 24 : Current Provisions

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
<b>Provision for employee benefits:</b>		
Gratuity (Refer Note 40)	718.94	580.44
Leave Salary	161.89	156.09
<b>Total:</b>	<u>880.83</u>	<u>736.53</u>



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

#### Note 25 : Revenue from Operations

	Current year ended March 31, 2019	Previous year ended March 31, 2018
(₹ in lacs)		
<b>Sales of products</b>		
Finished Goods	283,474.14	225,659.61
By Products and Scraps	10,037.59	7,098.62
Raw Materials	9,900.06	8,463.55
<b>Other Operating Revenue</b>		
Conversion Charges	3,995.75	-
Subsidy on Sales Tax / Value Added Tax	-	1,084.96
Export Incentives	339.22	199.13
<b>Revenue from Operations (Gross)</b>	<b>307,746.76</b>	<b>242,505.87</b>

#### Note:

In compliance with Ind AS-18 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the reported revenue for the period upto 30th June, 2017 is inclusive of Excise Duty, Goods and Services Tax (GST) is made applicable w.e.f. 1st July, 2017 and as per Ind AS-18, revenue for the period thereafter is net of GST. Hence revenue from operations for the year ended 31st March, 2019 is not comparable with corresponding year ended 31st March, 2018.

#### Disaggregation of Revenue as per Ind AS-115

##### Sale of finished goods comprise\* :

	Current year ended March 31, 2019	Previous year ended March 31, 2018
(₹ in lacs)		
Sponge Iron	27,483.93	21,004.33
Pig Iron	68,731.57	51,357.91
Steel Bars/Rods	57,129.59	39,067.90
Billet/MS Ingots	30,511.07	15,777.49
Ferro Alloys	44,884.64	44,865.67
Ductile Iron Pipe	50,853.05	50,130.78
Low Ash Coke	-	1,198.93
Coal	-	687.39
Managanese Ore (Import)	71.87	-
TMT	815.25	-
Silico Managanese	12.00	-
M.S.Billet	2,981.17	1,569.21
	<b>283,474.14</b>	<b>225,659.61</b>

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

#### Note 26 : Other Income

	Current year ended March 31, 2019	Previous year ended March 31, 2018
(₹ in lacs)		
Interest on :		
(a) Fixed Deposits with Banks	21.27	20.26
[Gross, Tax deducted at source ₹ 2.44 lacs (₹ 2.08 lacs)]		
(b) Loans and Advances	801.87	165.05
[Gross, Tax deducted at source ₹ 3.45 lacs (₹ 3.70 lacs)]		
(c) Refund from Income Tax Department	-	1.68
Dividend from long term Investments (other than trade)	0.46	1.35
Insurance Claims	510.08	631.39
Liabilities no longer required written back	2,176.18	585.29
Provision for doubt debts no longer required written back	337.50	-
Gain on Foreign Exchange Fluctuations (Net)	7.44	376.55
Miscellaneous Income	141.43	10.94
<b>Total:</b>	<b>3,996.22</b>	<b>1,792.51</b>



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

#### Note 27 : Cost of Materials Consumed

(₹ in lacs)

	Current year ended March 31, 2019	Previous year ended March 31, 2018
Opening Stock	28,441.35	20,089.94
Purchases	239,040.26	193,901.14
	<u>267,481.61</u>	<u>213,991.08</u>
Less: Closing Stock	34,713.71	28,441.35
<b>Raw Materials Consumed</b>	<u><u>232,767.90</u></u>	<u><u>185,549.73</u></u>

#### Consumption of Raw Material :

(₹ in lacs)

	Current year ended March 31, 2019	Previous year ended March 31, 2018
Iron Ore /Pellets /Sinter	54,229.31	37,810.40
Manganese Ore	3,250.60	8,974.24
Sponge Iron	9,504.51	6,681.54
Billet/Ingot	32,995.30	22,689.53
Coke/Coal	102,438.70	85,341.28
Magnesium Metal	733.47	505.67
Pig Iron	3,800.26	1,759.20
Steel Scrap & Wastes	4,773.08	1274.51
Ferro Alloys	15,324.72	15,716.44
Quartzite, Limestone and Dolomite	5,717.94	4,796.92
	<u><u>232,767.90</u></u>	<u><u>185,549.73</u></u>

#### Note 28 : Purchase of Stock in Trade

(₹ in lacs)

	Current year ended March 31, 2019	Previous year ended March 31, 2018
Coal	-	687.38
Silico Manganese	12.95	-
TMT	787.52	-
Manganese Ore (Imported)	63.08	-
M. S. Billet [Including transit of ₹ Nil (₹ 153.05 lacs)]	2,462.99	2,068.32
	<u><u>3,326.55</u></u>	<u><u>2,755.70</u></u>



**Notes to financial statements for the year ended March 31, 2019 (Contd.)**

**Note 29 : Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade**

(₹ in lacs)

	Current year ended March 31, 2019	Previous year ended March 31, 2018
<b>Opening Stocks :</b>		
Work-in-Process	1,944.66	771.45
Finished Goods	10,038.70	15,921.67
By Products and Scrap	<u>1,376.25</u>	<u>565.82</u>
	<u>13,359.62</u>	<u>17,258.94</u>
<b>Less: Closing Stocks :</b>		
Work-in-Process	838.64	1,944.66
Finished Goods #	6,131.62	10,038.70
By Products and Scrap	<u>2,550.83</u>	<u>1,376.25</u>
	<u>9,521.09</u>	<u>13,359.61</u>
<b>Sub Total</b>	<u>3,838.53</u>	<u>3,899.33</u>
(Increase) / Decrease in excise duty and cess on stocks	-	(1,507.82)
<b>Total:</b>	<u><u>3,838.53</u></u>	<u><u>2,391.51</u></u>

# Finished goods stock include Trading Stock of ₹ 7.00 lacs ( ₹ 506.38 lacs)

**Stock of finished goods comprises:**

(₹ in lacs)

	Current year ended March 31, 2019	Previous year ended March 31, 2018
<b>Opening Stock :</b>		
Sponge Iron	746.96	1,178.41
Pig Iron	1104.04	1,126.46
Steel Bars/Rods	661.62	214.99
Billet/MS Ingots	971.09	19.49
Ferro Alloys	2778.42	904.87
Ductile Iron Pipe	3,335.99	4,234.26
Coke	<u>440.58</u>	<u>8,243.19</u>
<b>Total:</b>	<u><u>10,038.70</u></u>	<u><u>15,921.67</u></u>
<b>Closing Stock :</b>		
Sponge Iron	94.00	746.96
Pig Iron	633.16	1,104.04
Steel Bars/Rods	388.10	661.62
Billet/MS Ingot	657.26	971.09
Ferro Alloys	1,816.85	2,778.42
Ductile Iron Pipe	2,175.75	3,335.99
Coke	<u>366.50</u>	<u>440.58</u>
<b>Total:</b>	<u><u>6,131.62</u></u>	<u><u>10,038.70</u></u>



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

#### Note 30 : Excise Duty

(₹ in lacs)

	Current year ended March 31, 2019	Previous year ended March 31, 2018
Excise Duty	-	3572.58
	<u>-</u>	<u>3572.58</u>

#### Note 31 : Employee Benefits Expense

(₹ in lacs)

	Current year ended March 31, 2019	Previous year ended March 31, 2018
Salaries, Wages, Bonus & Other Benefits	7,510.08	6,193.31
Contribution to Provident Fund & other fund	410.65	425.93
Staff Welfare Expenses	260.74	271.47
<b>Total:</b>	<u>8,181.46</u>	<u>6,890.71</u>

#### Note 32 : Finance Costs

(₹ in lacs)

	Current year ended March 31, 2019	Previous year ended March 31, 2018
<b>Interest Expenses</b>		
On ARC	7,492.40	-
On Others	3,550.74	3,158.66
<b>Finance charges</b>	<u>115.45</u>	<u>232.74</u>
<b>Total:</b>	<u>11,158.59</u>	<u>3,391.40</u>

**Notes to financial statements for the year ended March 31, 2019 (Contd.)**

**Note 33 : Other Expenses**

(₹ in lacs)

	Current year ended March 31, 2019	Previous year ended March 31, 2018
Consumption of Stores and Spares	23,072.99	19,847.54
Labour Charges	6,488.53	7,087.69
Power and Fuel (Net)	16,345.21	12,799.88
Repairs and Maintenance:		
- Plant and Machinery	864.48	559.86
- Buildings	38.44	140.42
- Others	1,088.30	884.67
Water Charges	482.32	418.12
Equipment Hire Charges	3,659.19	3,199.13
Shifting Expenses	19.09	20.99
Freight and Transportation	1,738.82	1,226.40
Rent and Hire	64.88	69.06
Rates and Taxes	57.14	209.90
Insurance	282.78	235.44
Advertisement	92.12	69.42
Brokerage and Commission (Other than Sole Selling Agents)	385.19	275.03
Travelling and Conveyance	560.58	484.23
Telephone and Postage	52.48	60.25
Legal and Professional Charges ( Refer Note 49)	799.24	536.56
Director's Fees	1.80	1.60
Allowance for Doubtful Debts	-	-
Provision for Doubtful Debts and Advances	-	1,643.51
Provision for Diminution in the Value of Investments	-	0.48
Irrecoverable Debts and Advances Written off	210.57	17.29
Less: Adjusted against Provisions	-	-
Loss on sale of long term non trade Investments	-	57.51
Less: Adjusted against Provisions	-	-
Loss on Foreign Exchange Fluctuations (Net)	-	-
Charity and Donations	33.95	13.03
Security and Service Charges	574.60	610.83
Loss on Sale of Property, Plant & Equipment	417.96	1.84
Loss on Sale of Store Inventory	-	-
Miscellaneous Expenses	288.97	178.29
Prior period expenses (Net)	57.24	54.05
<b>Total:</b>	<b>57,676.85</b>	<b>50,703.02</b>

**Note 34 : Other Comprehensive Income**

(₹ in lacs)

	Current year ended March 31, 2019	Previous year ended March 31, 2018
<b>Other Comprehensive Income (Refer note 48)</b>		
(A) Items that will not be reclassified to profit or loss		
(I) Remeasurements of the defined benefit plans	32.28	405.79
	<b>32.28</b>	<b>405.79</b>



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

#### 35A Contingent liabilities

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an on-going basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

	As at March 31, 2019	As at March 31, 2018
a) Claims against the Company not acknowledged as debts		
i) Excise and Service Tax Demands under dispute/appeal	23,430.94	26,797.88
ii) Custom Demand on differential duty on imported Coal/Coke	376.36	213.28
iii) Sales Tax /VAT Tax matters under dispute/appeal	2,689.30	2,387.39
iv) Income Tax matters under dispute/appeal	6.85	6.85
b) Letters of Credit, Bills discounted and Bank Guarantees outstanding	945.56	690.61
c) Custom Duty on Import of Equipment and spare parts under EPCG Scheme	541.00	1,529.00
d) Guarantees and Counter guarantees given by the Company for loans obtained by other companies	Nil	900.00
e) Corporate Guarantee given to third party	1,331.00	1,331.00
f) Legal Case matters under dispute/appeal	3,101.85	16,237.29

#### 35B Capital and other commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for	7.10	75.03
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36 Due to unfavourable market conditions and other adverse industry scenario the company has incurred net loss during the year ended 31st March, 2019. This has impacted the net worth of the company. However, the management is confident that the improvement in market scenario will help in improving the financial health of the company. The financial statement for the year have been prepared by the management of the Company on a going concern basis as the company is continuing 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.

#### 37 Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee, because of the lease period of land 90 or more years then the fair value computation for finance lease will have no material difference comparing to its carrying value, so that the company considered as finance lease.

#### The Company as lessee

##### Finance Lease:

Finance Leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss over the period of the lease.



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

(₹ in lacs)

Particulars	Current year ended March 31, 2019	Previous year ended March 31, 2018
Payments recognised as a expenses	10.14	10.14
Future Minium Lease payments		
Not later than one year	10.14	10.14
Later than one year and not more than five years	40.55	40.55
Later than five years	655.17	665.31

38 During the year, the Company has not recognised any income under the scheme for the following subsidies/incentives receivable from the Government of West Bengal under West Bengal Incentive Scheme aggregating to ` Nil ( ` 1,084.96 lacs) : Pre Goods & Service Tax (GST), the company was enjoying certain benefits under Industrial Promotion Scheme of State Government Post GST, pending notifications by the State Government on prudent basis.

(₹ in lacs)

Sl. No.	Particulars	Account to which credited	Current year ended March 31, 2019	Previous year ended March 31, 2018
a)	Industrial Promotion Assistance	Subsidy on Sales Tax / Value Added Tax under Sales & Service	Nil	1,084.96

39 Loans and Advances includes the following balances

(₹ in lacs)

Name of the Company	As at March 31, 2019	Maximum Amount due at any time during year ended March 31, 2019	As at March 31, 2018	Maximum Amount due at any time during year ended March 31, 2018
<b>In terms of Regulation 34(3) of the SEBI (LODR) Regulations, 2015</b>				
Jai Balaji Jyoti Steels Ltd.	7,573.19	8,051.45	7,945.25	11,323.52

#### 40 Employee Benefits

##### 1. Disclosures for defined benefit plans based on actuarial reports

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 Indian Accounting Standard 19 '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, 2019	Previous year ended March 31, 2018
Current service cost	126.67	159.32
Interest cost on benefit obligation	44.11	57.34
Expected return on plan assets	-	(29.66)
Net actuarial loss/(gain) recognised in the year	-	-
Past Service cost	-	7.89
<b>Total Expenses</b>	<b>170.78</b>	<b>194.89</b>



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

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

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of Defined Benefits Obligation	(764.80)	(685.94)
Fair value of plan assets	45.86	105.51
	(718.94)	(580.44)
Less: Unrecognised past service cost	-	-
<b>Total Expenses</b>	<b>(718.94)</b>	<b>(580.44)</b>

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

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of Defined Benefits Obligation at the beginning of the year	685.94	1,020.33
Current Service Cost	126.67	159.32
Interest Cost	49.66	68.62
Settlement Cost	-	(29.66)
Benefits Paid	(64.94)	(134.57)
Actuarial Loss/(Gain)	(32.53)	(405.99)
Plan Amendments	-	7.89
<b>Present value of Defined Benefits Obligation at the year end</b>	<b>764.80</b>	<b>685.94</b>

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

Particulars	As at March 31, 2019	As at March 31, 2018
Fair Value of Plan Assets at the beginning of the year	105.51	218.99
Expected Return	(0.26)	(0.20)
Interest Income	5.55	11.28
Contribution by Employer	-	10.00
Benefits paid	(64.94)	(134.57)
Actuarial Gains/(Losses)	-	-
<b>Fair Value of Plan Assets at the year end</b>	<b>45.86</b>	<b>105.51</b>

#### V. Expenses recognised in Other Comprehensive Income (OCI) for Current Year (₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Actuarial(Gain)/Losses due to DBO Assumption changes	-	(323.40)
Actuarial(Gain)/Losses due to DBO experience	(32.53)	(82.59)
Return on Plan Assets(Greater)/Less than Discount Rate	0.26	0.20
<b>Net (Income)/Expense for the period recognized in OCI</b>	<b>(32.28)</b>	<b>(405.79)</b>



**Notes to financial statements for the year ended March 31, 2019 (Contd.)**

**VI. Balance Sheet Reconciliation**

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Net defined benefit asset/(liability) at end of prior period	(580.44)	(801.34)
Service cost	(126.67)	(137.55)
Net interest on net defined benefit liability/(asset)	(44.11)	(57.34)
Amount recognised in OCI	32.28	405.79
Employer contribution	-	10.00
<b>Amount recognised in Balance Sheet</b>	<b>(718.94)</b>	<b>(580.44)</b>

**VII. The principal actuarial assumptions as at the Balance Sheet date are set out as below :**

(₹ in lacs)

Particulars	Current year ended March 31, 2019	Previous year ended March 31, 2018
<b>Summary of Financial Assumptions</b>		
Discount Rate	7.60%	7.60%
Salary Escalation Rate	7.00%	7.00%
<b>Summary of Demographic Assumptions</b>		
Mortality Table	Indian Assured Life Mortality (2006-08) (modified) Ultimate	Indian Assured Life Mortality (2006-08) (modified) Ultimate
Withdrawal Rate	1.80% to 6.20%	1.80% to 6.20%
Retirement Age	60 Years	60 Years

Particulars	Change in Assumption	Gratuity year ended March 31, 2019	Gratuity year ended March 31, 2018
<b>Sensitivity Analysis</b>			
Changes in Defined Benefit Obligations			
Salary Escalation	1%	83.17	77.91
Salary Escalation	-1%	72.73	66.83
Discount Rates	1%	71.86	65.88
Discount Rates	-1%	84.83	78.18

**Note:**

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.

**2. Charge to the Statement of Profit and Loss on contributions**

(₹ in lacs)

Particulars	Current year ended March 31, 2019	Previous year ended March 31, 2018
Contribution to Provident Fund and other Funds	554.82	588.96



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

41. Trade payables includes amount due to Micro and Small Enterprises in terms of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as under:

Particulars	Current year ended March 31, 2019	Previous year ended March 31, 2018
a) Principal Amount remaining unpaid to the suppliers as at the end of the period	1169.76	946.16
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.	-	-

### 42 Segment Information

- (i) Business Segment : The Company's business activity primarily falls within a single business segment i.e. Iron & Steel Business and hence there are no disclosures to be made under Ind AS-108, other than those already provided in the financial statements.
- (ii) Geographical Segment : The Company's business activity primarily operates in India and therefore the analysis of geographical segment is based on the areas in which customers of the Company are located.

#### Information for Secondary Geographical Segments:

(₹ in lacs)

Particulars	Current year ended March 31, 2019	Previous year ended March 31, 2018
Domestic Revenues	296,571.60	232,105.45
Export Revenues (Including Export Benefits)	11,175.16	6,827.84
<b>Total Net Revenue</b>	<b>307,746.76</b>	<b>238,933.29</b>

(₹ in lacs)

Particulars	Current year ended March 31, 2019	Previous year ended March 31, 2018
Domestic Trade Receivables	38,846.23	39,391.63
Export Trade Receivables	565.21	547.64
<b>Total</b>	<b>39,411.44</b>	<b>39,939.27</b>

**Notes to financial statements for the year ended March 31, 2019 (Contd.)**

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

Particulars	Foreign Currency (FC)	As at March 31, 2019		As at March 31, 2018	
		in FC	₹ in lacs	in FC	₹ in lacs
<b>Receivables</b>					
(a) Trade Receivables	US\$	815,981	565.21	842.894	547.64
(b) Advances	US\$	248,206	169.32	71,853	46.55
	Euro	-	-	1,895	1.53
<b>Total</b>			<b>734.54</b>		<b>595.72</b>
<b>Payables</b>					
(a) Trade Payables	US\$	816,414	563.20	259,096	168.53
	Euro	172,692	134.19	112,434	90.65
(b) Advances	US\$	455,316	317.96	116,995	75.41
<b>Total</b>			<b>1,015.35</b>		<b>334.59</b>

44. Earnings per share (EPS) :

The following reflects the profit and share data used in the basic and diluted EPS computations :

Sl No.	Particulars		Current year ended March 31, 2019	Previous year ended March 31, 2018
A	Profit/(Loss) after Tax	₹ in lacs	(15,367.71)	(25,666.06)
B	Number of shares at the beginning of the year	Nos.	96,386,486	86,281,486
C	Total equity shares outstanding at the end of the year	Nos.	96,386,486	96,386,486
D	Weighted average number of equity shares outstanding at the end of the year	Nos.	96,386,486	93,393,801
E	Nominal Value of each Share	₹	10.00	10.00
F	Basic Earning per Share	₹	(15.94)	(27.48)
G	Diluted Earning per Share	₹	(15.94)	(27.48)

45. Related Party Disclosures

**a. Name of related parties and related party relationship**

<b>Subsidiary Companies</b>	Jai Balaji Steels (Purulia) Limited (JBSPL) Jai Balaji Energy (Purulia) Limited (JBEPL)
<b>Joint Venture Companies</b>	Rohne Coal Company Private Limited (RCCPL) Andal East Coal Company Private Limited (AECCPL)
<b>Key Management Personnel</b>	Mr. Aditya Jajodia, Chairman and Managing Director Mr. Sanjiv Jajodia, Wholetime Director and Chief Financial Officer Mr. Ajay Kumar Tantia, Company Secretary
<b>Relatives of Key Management Personnel</b>	Mr. Rajiv Jajodia, Brother of Wholetime Director Mr. Gaurav Jajodia, Nephew of Wholetime Director
<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>	Chandi Steel Industries Limited (CSIL) Jai Balaji Jyoti Steels Limited (JBJSL) Jai Salasar Balaji Industries Private Limited (JSBIPL) Balaji Ispat Udyog (BIU) Enfield Suppliers Limited (ESL) Hari Management Limited (HML) Jajodia Estate Private Limited (JEPL)



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

b. Related Party Transactions:

Relationship	Party	Sales	Purchases	Rent paid	Interest Received	Interest Paid	Director fee	Gross Salary & Perquisites#	Money Received against Share Warrants	Allotment of Equity Shares Warrants	Balance Receivable	Balance Payable	Guarantees Obtained #	Corporate Guarantee Given
<b>Key Management Personnel</b>	Aditya Jajodia	-	-	-	-	-	-	-	-	-	-	-	371,357.00	-
	Sanjiv Jajodia	-	-	-	-	-	-	-	-	-	-	-	(371,357.00)	-
	Aditya Jajodia	-	-	-	-	-	-	-	-	-	-	-	371,357.00	-
	Aditya Jajodia	-	-	-	-	-	-	-	-	-	-	-	(371,357.00)	-
<b>Relatives of Key Management Personnel</b>	Ajay Kumar Tantiya	-	-	-	-	-	-	38.83 (28.73)	-	-	-	-	-	-
	Rajiv Jajodia	-	-	-	-	-	0.20 (0.15)	-	-	-	-	-	371,357.00 (371,357.00)	-
<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>	CSIL	20.47 (17.71)	21.63 (47.77)	-	-	-	-	-	-	-	(1,076.95)	-	-	(900.00)
	JBSL	157.79 (354.94)	342.31 (4,062.47)	-	737.93	-	-	-	-	-	7,573.19 (7,945.25)	-	-	-
<b>Other Enterprises</b>	JSBPL	715.04 (1,329.66)	0.83 (499.77)	-	-	-	-	-	-	-	(677.55)	-	-	-
	JEPPL	-	-	0.80 (0.80)	-	-	-	-	-	-	-	-	-	-
	FSL	-	-	-	-	-	-	-	-	-	-	651.54 (651.54)	-	-
<b>Total</b>		893.30 (1,702.31)	364.77 (4,610.01)	0.80 (0.80)	737.93	-	0.40 (0.30)	38.83 (28.73)	-	-	7,573.19 (9,699.75)	1,084.30 (1,084.30)	371,357.00 (371,357.00)	- (900.00)

#The remuneration to the Key Managerial Personnel does not include the provisions made for gratuity as they are determined on an actuarial basis for the company as a whole.

##Guarantees were jointly obtained from Aditya Jajodia, Sanjiv Jajodia, Rajiv Jajodia & Gaurav Jajodia.



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

#### 46 Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

(₹ in lacs)

Sl No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
i	Equity share capital	9,638.26	9,638.26
ii	Other equity	(167,625.41)	(152,300.12)
	<b>Total Equity (a)</b>	<b>(157,987.14)</b>	<b>(142,661.86)</b>
i	Borrowings	363,830.41	351,027.60
ii	Interest accrued and due on borrowings	4,964.36	11,501.23
iii	Current maturity of long term debt	-	-
	<b>Total debt (b)</b>	<b>368,794.77</b>	<b>362,528.83</b>
	Cash and cash equivalents	712.10	727.98
	<b>Total cash</b>	<b>712.10</b>	<b>727.98</b>
	Net debt (b-c)	368,082.67	361,800.85
	Total capital (equity+ net debt)	210,095.52	219,138.99
	Net debt to equity ratio/Capital Gearing Ratio	(2.33)	(2.54)

#### 47 Fair Value Measurements

##### a) Financial instruments by category

(₹ in lacs)

	As at March 31, 2019			As at March 31, 2018		
	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
<b>Financial Assets</b>						
Investments	37.52	78.93	-	37.52	78.93	-
Trade receivables	39,411.44	-	-	39,939.27	-	-
Bank balance other than Cash and cash equivalents	34.36	-	-	67.98	-	-
Loans	11,930.97	-	-	11,712.61	-	-
Cash and cash equivalents	712.10	-	-	727.98	-	-
Other financial assets	923.46	-	-	51.44	-	-
<b>Total Financial Assets</b>	<b>53,049.86</b>	<b>78.93</b>	<b>-</b>	<b>52,536.80</b>	<b>78.93</b>	<b>-</b>
<b>Financial Liabilities:</b>						
Non Current Borrowings	161,385.58	-	-	5,731.75	-	-
Current Borrowings	202,444.84	-	-	345,295.85	-	-
Other financial Liabilities	22,046.86	-	-	28,539.23	-	-
Trade payables	67,017.33	-	-	64,142.26	-	-
<b>Total Financial Liabilities</b>	<b>452,894.60</b>	<b>-</b>	<b>-</b>	<b>443,709.09</b>	<b>-</b>	<b>-</b>



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

#### b) Fair value hierarchy

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below: ``

- level 1: quoted and unquoted prices (unadjusted) in active markets for identical assets or liabilities.
- level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

#### Financial Assets and Liabilities measured at fair value as at 31st March, 2019 (₹ in lacs)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Financial Investment	78.93	-	-	78.93
Security deposit			4,158.84	4,158.84
<b>Total</b>	<b>78.93</b>	<b>-</b>	<b>4,158.84</b>	<b>4,237.77</b>
<b>Financial Liabilities</b>				
Borrowings	-	-	161,385.58	161,385.58
<b>Total</b>	<b>-</b>	<b>-</b>	<b>161,385.58</b>	<b>161,385.58</b>

#### Financial Assets and Liabilities measured at fair value as at 31 March, 2018

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Financial Investment	78.93	-	-	78.93
Security deposit			3,539.05	3,539.05
<b>Total</b>	<b>78.93</b>	<b>-</b>	<b>3,539.05</b>	<b>3,617.98</b>
<b>Financial Liabilities</b>				
Borrowings	-	-	5,731.75	5,731.75
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5,731.75</b>	<b>5,731.75</b>

#### Notes

- (i) Current financial assets and liabilities are stated at amortised cost which is approximately equal to their fair value
- (ii) Non Current financial assets and liabilities measured at amortised cost have same fair value as at 31st March, 2019, 31st March, 2018.



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

#### 48 Other Comprehensive Income:

Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as 'Other Comprehensive Income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

#### 49. Auditors Remuneration (included in Legal and Professional Charges)

(₹ in lacs)

Payment to Auditor	Current year ended March 31, 2019		Previous year ended March 31, 2018	
As auditor:				
Audit fee	3.50		3.50	
Limited Review	7.50		7.50	
Tax Audit	0.50		0.50	
Out-of-pocket expenses	-	11.50	-	11.50
In other manner for Certification		0.04		0.28
<b>Total</b>		<b>11.54</b>		<b>11.78</b>

Out of above amount, paid to other auditor amounts to ₹0.50 lacs (₹ 0.50 lacs)

#### 50 (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.*	
Company's share in Joint Venture	32.79%	32.79%	6.90%	6.90%
Contry of Incorporation	India	India	India	India

\*The Hon'ble Supreme Court vide its Order dated 24 th 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. The company has prudently brought down the value of investment in joint venture companies to nominal value of ` 1 per share. However the company had submitted claims w.r.t the cancellation of coal blocks which are still pending.

#### 51 Fair Valuation of Investments:

Ind AS 101 provides an option on transition date to consider fair value of the investment in subsidiaries or joint venture as on the date of transition as the deemed cost as cost for the purpose of Para 10 of Ind AS 27. Accordingly the Company has valued as a deemed cost. The company has prudently brought down the value of its investments in two of its joint ventures viz Andal East Coal Co Pvt Ltd and Rohne Coal Co Pvt Ltd as on 1st April, 2016 with a corresponding impact on Other Equity (Retained earnings) and also fair valued its investment of equity shares calcutta stock exchange as on 1st April 2016 to arrive at the book value with a corresponding impact on Other Equity (retained earnings). However, provision for diminution in value is made to reconize a decline other than temporary in the value of the investments.



### Notes to financial statements for the year ended March 31, 2019 (Contd.)

52. 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:

Particulars	As at March 31, 2019	As at March 31, 2018
Total Number of Equity shares held by the promoter group	56,304,046	56,304,046
Total Number of Equity shares pledged by the promoter group	52,282,233	42,782,233
Percentage of total shares pledged to total shareholding of the promoter group	92.86%	75.98%
Percentage of total shares pledged to total outstanding shares of the Company	54.24%	44.39%

53. 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	75,170.38 (76,018.76)	32.29 (48.95)	1937.71 (1,146.02)	8.40 (9.71)
Indigenous	157,597.52 (109,530.97)	67.71 (51.05)	21,135.28 (18,701.52)	91.60 (90.29)
Total	232,767.90 (185,549.73)	100.00 (100.00)	23,072.99 (19,847.54)	100.00 (100.00)

54. Value of Imports (calculated on CIF basis)

Particulars	(` in lacs)	
	Current year ended March 31, 2019	Previous year ended March 31, 2018
Raw materials*	14,920.22	42,772.06
Components & Spare Parts	2,169.49	876.59
Capital Goods	829.05	459.61
<b>Total</b>	<b>17,918.76</b>	<b>44,108.26</b>

\*including high sea purchase of ` 13,920.81 lacs (` 42,096.38 lacs)

55. Expenditure in Foreign Currency (on accrual basis)

Particulars	(` in lacs)	
	Current year ended March 31, 2019	Previous year ended March 31, 2018
Professional Consultation Fees	5.27	-
Interest	-	-
Others	77.91	27.65
<b>Total</b>	<b>83.18</b>	<b>27.65</b>



**Notes to financial statements for the year ended March 31, 2019 (Contd.)**

56. Earnings in Foreign Currency (on accrual basis)

(₹ in lacs)

Particulars	Current year ended March 31, 2019	Previous year ended March 31, 2018
Exports at FOB Value	10,567.13	6,526.41

57. Amount remitted in foreign currency on account of dividends

(₹ in lacs)

Particulars	Current year ended March 31, 2019	Previous year ended March 31, 2016
i) Financial Year to which the dividend relates	2017-18	2016-17
ii) No. of non-resident shareholders	78	87
iii) No. of Shares held	9,373,603	9,820,015
iv) Amount remitted as dividend (₹ in lacs)*	Nil	Nil

\*No dividend was declared for the financial year 2017-18 and 2018-19

58. Balances of some parties (including of Trade Receivables and Trade Payables) and Loan & Advances are subject to Reconciliation/ confirmation from the respective parties. The management does not expect any material differences affecting the financial statement for the year.
59. Previous year figures have been reclassified/regrouped wherever necessary to confirm with financial statements prepared under Ind AS.
60. The financial statements are approved by the audit committee at its meeting held on 30<sup>th</sup> May, 2019 and by the Board of Directors on the same date.

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

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

Place : Kolkata  
Date : 30<sup>th</sup> May, 2019

**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



### INDEPENDENT AUDITOR'S REPORT

To The Members of

**JAI BALAJI INDUSTRIES LIMITED**

#### Report on the Audit of the Consolidated Financial Statements

##### Opinion

We have audited the accompanying Consolidated Financial Statements of **JAI BALAJI INDUSTRIES LIMITED** (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and jointly controlled entity which comprise the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us "except for the effects of the matter described in the Basis for Qualified Opinion section" and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries referred to below in the Other Matter section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

##### Basis for Qualified Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing

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

*The Company has not provided for interest amounting to Rs. 125,381.29 Lacs of which Rs. 42,092.48 Lacs pertains to the current financial year on various loans and credit facilities availed from banks and financial institution on the ground that same is being treated as Non-Performing Assets by the lenders. Due to this reason, loss for the current financial year has been understated by Rs. 42,092.48 Lacs and accordingly loss for the year ended 31st March, 2019 would've been Rs. 57460.51 Lacs instead of Rs.15368.03 Lacs*

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. NO.	THE KEY AUDIT MATTERS	HOW THE MATTER WAS ADRESSED IN OUR AUDIT
1	<b>LOAN CLASSIFIED AS Non Performing Assets (NPA), TRANSFERRED TO ASSET RECONSTRUCTION COMPANIES (ARC)</b>	<b>OUR AUDIT PROCEDURES INCLUDE THE FOLLOWING:</b>
	(Refer Note 20 to the Standalone Financial Statements) a) Rupee Loan from Banks and financial institutions had been classified as NPA and the lenders have served a call up notice for their exposure. Entire exposure of the lenders has fallen due on immediate demand basis. b) Axis Bank, UCO Bank, Allahabad Bank and Union Bank of India have already assigned their entire	1. We obtained the understanding of these asset reconstruction schemes through meetings with management and review of the minutes of the Board of Directors. 2. We reviewed the correspondence of the company with the relevant Asset reconstruction companies and we have examined the agreement made with them.



S. NO.	THE KEY AUDIT MATTERS	HOW THE MATTER WAS ADRESSED IN OUR AUDIT
	<p>exposure to the Assets Reconstruction Companies in previous years. During the current financial year, the following banks have also assigned their entire exposure in favour of Assets Reconstruction Companies:</p> <ul style="list-style-type: none"> <li>i. Bank of India has assigned its debts due by the Company in favour of Edelweiss Asset Reconstruction Company on 25th Jan, 2019. The Company had made payments of Rs.1082 lacs to the said ARC upto the balance sheet date which has not been adjusted against the liability and is shown as advances to the ARC.</li> <li>ii. United Bank of India and State Bank of India has assigned their debts due by the Company in favour of M/s Omkara Assets Reconstruction Private Limited on 29th Dec, 2018 and 28th Mar, 2019 respectively. An amount of Rs.140 lacs paid to the said ARC has been considered as an advance to the said ARC same as above</li> <li>iii. The WBIDFCL also assigned its debts due by the Company in favour of M/s Omkara Assets Reconstruction Private Limited on 25th April, 2019.</li> </ul> <p>c) The Company is in active negotiation with Canara Bank, Corporation Bank, IDBI Bank, Indian Overseas Bank, Oriental Bank of Commerce, Punjab National Bank, The Federal Bank Limited and Vijaya Bank to restructure its debts. The finalisation of any corrective plan is still pending.</p>	
2	<p><b>THE COMPANY'S EXPOSURE TO LITIGATION RISK</b></p>	<p><b>OUR AUDIT PROCEDURES INCLUDE THE FOLLOWING:</b></p>
	<p>(Refer Note 35A to the Standalone Financial Statements)</p> <p>The Company is exposed to different laws, regulations and interpretations thereof and hence, there is a litigation risk.</p> <p>Consequently, the Company has significant litigation cases pending with Custom Authorities, Excise Authorities, Service tax Authorities and Income tax Authorities.</p> <p>Given the nature and amounts involved in such cases and the appellate forums at which these are pending, the ultimate outcome and the resultant accounting in the financial statements is subject to significant judgement, which can change over time as new facts emerge and each legal case progresses, and therefore, we have identified this as key audit matter.</p>	<ol style="list-style-type: none"> <li>1. We obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management.</li> <li>2. We examined the assumptions used in estimating the tax provision and the possible outcome of the disputes.</li> <li>3. We considered legal precedence and other rulings in evaluating management's position on these tax positions.</li> </ol>



S. NO.	THE KEY AUDIT MATTERS	HOW THE MATTER WAS ADRESSED IN OUR AUDIT
3	ACCURACY OF RECOGNITION, MEASUREMENT, PRESENTATION AND DISCLOSURES OF REVENUES AND OTHER RELATED BALANCES IN VIEW OF ADOPTION OF IND AS 115 "REVENUE FROM CONTRACTS WITH CUSTOMERS"	OUR AUDIT PROCEDURES INCLUDE THE FOLLOWING:
	(Refer to Note 25 to the Standalone Financial Statements) The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.	<ol style="list-style-type: none"> <li>1. We assessed the procedures applied by management for the identification of the changes required in the financial statements due to application new IND AS 115</li> <li>2. We considered the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements.</li> </ol>

### Emphasis of Matter

1. We draw attention to Note - 36 of the financial statements, the Company has been incurring losses and its net worth has completely eroded, also its current liability exceeds current assets by Rs.177308.94 Lacs. However, the financial statements of the Company have been prepared on a going concern basis because the management is confident that the improvement in market scenario will help in improving the financial health of the company and accordingly Deferred Tax Assets amounting to Rs.29,085.14 Lacs created up to 31st March 2015 have been carried forward.
2. We also draw attention to Note No. 20 of the accompanying Standalone Financial Statements in respect of treatment in the books of accounts of the assignment / settlement of Debts of various Banks and the Financial Institutions.
3. We draw attention to Note No. 52 to the financial statements in relation to outstanding balances of trade receivables, trade payables and loans and advances which are subject to confirmation and subsequent adjustments, if any.
4. As explained in Note - 2(b)(vi) of the consolidated financial statement, consolidation of two jointly controlled entities viz. Andar 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 not been received.
  - b. In case of Andar East Coal Company Pvt Ltd there is a severe long-term restriction on transfer of funds by the entity to the Holding company.

Our opinion is not qualified in respect of above matters.

### Information Other than the Financial Statements and Auditor's Report thereon

The Parent's Board of Directors is responsible for the other information. The other information comprises Board's Report, Report on Corporate governance and Business Responsibility report but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the financial statement of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the



preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with Ind AS and other accounting principles generally accepted in India. 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 its subsidiaries 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 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 Consolidated 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 Parent, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to

fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities or business activities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in



aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

### Other Matters

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs.2.77 lacs as at 31st March, 2019, total revenues of Rs. Nil and net cash outflows amounting to Rs.0.22 lacs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, and our report in terms of sub-section (3) 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 above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on separate financial statements of subsidiary

companies and jointly controlled entity incorporated in India, referred in the Other Matters paragraph above 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 including other comprehensive income, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity 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 Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled entity none of the directors of the Group company is disqualified as on 31st March, 2019 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' reports of the Parent and subsidiary companies and jointly controlled entity incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as



amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no such sum which needs to be transferred to the Investor Education and Protection Fund by the Company
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of

India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

**(J. K. CHOUDHURY)**

Partner

Membership No: 009367

Place : Kolkata  
Dated : May 30, 2019

## Annexure "A" To The Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting of **Jai Balaji Industries Limited** ("the Company" or "the Parent") and its subsidiary companies and its jointly controlled entity, which are incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, and its subsidiary companies and jointly controlled entity, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company, and its subsidiary companies and jointly controlled entity, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected



depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and jointly controlled entity, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company, its subsidiary companies and jointly controlled entity, which are companies incorporated in India.

### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and jointly controlled entity, which are companies incorporated in India, 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, 2019, based on the criteria for internal control over financial reporting established by the respective companies 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  
Firm's Registration No-306033E

**(J. K. CHOUDHURY)**

Partner

Membership No: 009367

Place : Kolkata  
Dated : May 30, 2019



## **Annexure -B 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 2019. 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 program 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 program, 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.
- (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, 2019 for a period of more than six months from the date they became payable: -

<b>Name of statute</b>	<b>Nature of Dues</b>	<b>Amount Outstanding (₹ in Lacs)</b>	<b>Period to which amount relates</b>
Income Tax Act, 1961	TDS	381.78	April'17 to September'18
Finance Act, 1994	Service Tax	95.95	December'16 to June'17
The Central Excise Act, 1944	Excise Duty	803.32	June'16 to May'17
Provident Fund Act, 1952	Provident Fund	784.27	May'16 to September'18
Finance Act, 1994	Swachh Bharat Cess	10.22	September'16 to June'17
Finance Act, 1994	Krishi Kalyan Cess	10.16	September'16 to June'17
Punjab Value Added Tax Act	Value Added Tax	53.57	September'13 to February'14



(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 (₹ in lacs)	Financial year to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty	22,494.80	2007-08 to 2018-19	CESTAT, Commissioner (Appeals)
Finance Act, 1994	Service Tax	936.14	2010-11 to 2018-19	CESTAT, Commissioner (Appeals)
Custom Act, 1962	Custom Duty	917.36	2012-13, 2016-17 2017-18, 2018-19	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	1018.13	2006-07 to 2016-17	West Bengal Appellate & Revisional Board
The West Bengal Value Added Tax Act, 2003	Value Added Tax	1667.58	2005-06 to 2016-17	West Bengal Appellate & Revisional Board
The Income Tax Act, 1961	Income Tax	6.85	2008-09	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 as given below: -

(₹ in lacs)

Banks	Default of Amount (Principal and Interest)
Canara Bank	3,332.30
Corporation Bank	2,152.78
Federal Bank	403.21
IDBI Bank	1,056.94
Indian Overseas Bank	18,950.01
Oriental Bank of Commerce	26,459.60
Punjab National Bank	2,826.42
Vijaya Bank	8,154.96
Grand Total	54,453.28

Financial Institution	Default of Principal and Interest
WBIDFC	4950.45

\* above figures don't include interest amounting to Rs. 125,381.29 lacs of which Rs 42,092.48 Lacs pertains to financial year 2018-19, Rs. 43,744.25 lacs pertain to financial year 2017-18 and Rs. 39,544.56 lacs for the financial year 2016-17, as interest has not been provided in the books as mentioned in Note - 20 of the financial statements.

\*\*The lenders have initiated the recovery procedures and have already served the call up notice for their exposure. Therefore, instead of structured repayment schedule, the entire exposure of the banks/financial institution has fallen due on immediate basis.



- 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 has not paid remuneration over and above the limits prescribed under section 197, read with Schedule - V of the act to executive director.
- 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 Indian Accounting Standards.
- xiv. According to the information and explanations give to us and based on our examination of the records, the Company has not made any private placement of shares during the year under review.
- 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 and hence provisions of section 192 of companies Act, 2013 are not applicable to the company.
- 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, 2019



### Consolidated Balance Sheet as at March 31, 2019

	Notes	As at March 31, 2019	As at March 31, 2018
(₹ in lacs)			
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant and equipment	3	132,413.43	140,903.17
Capital Work in Progress and Pre-Operative Expenditure			
Pending Allocation	4	7,897.13	11,909.78
<b>Financial Assets</b>			
i) Investments	5	106.45	106.45
ii) Loans	6	1,361.48	984.71
iii) Other	7	922.94	34.84
Deferred Tax Assets (Net)	8	29,085.14	29,085.14
Other Non Current Assets	9	8,913.30	8,580.05
<b>Sub Total</b>		<b>180,699.87</b>	<b>191,604.14</b>
<b>Current Assets</b>			
Inventories	10	49,601.08	48,849.50
<b>Financial Assets</b>			
i) Trade Receivable	11	39,411.44	39,939.27
ii) Cash and cash equivalents	12	714.88	731.00
iii) Bank balance (other than Cash and cash equivalents)	13	34.36	67.98
iv) Loans	14	10,569.49	10,727.90
v) Others	15	0.53	16.60
Other Current Assets	16	39,363.56	31,864.65
<b>Sub Total</b>		<b>139,695.34</b>	<b>132,196.90</b>
<b>TOTAL ASSETS</b>		<b>320,395.21</b>	<b>323,801.04</b>
<b>EQUITY AND LIABILITIES</b>			
Equity Share Capital	17	9,638.26	9,638.26
Other Equity	18	(167,632.91)	(152,307.29)
<b>Sub Total</b>		<b>(157,994.65)</b>	<b>(142,669.03)</b>
<b>Non Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	19	161,385.58	5,731.75
<b>Sub Total</b>		<b>161,385.58</b>	<b>5,731.75</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
i) Borrowings	20	202,444.84	345,295.85
ii) Trade Payables	21		
a) total outstanding dues of micro and small enterprises		1,169.76	946.16
b) total outstanding dues other than micro and small enterprises		65,847.74	63,196.21
iii) Others	22	22,046.88	28,539.24
Other Current Liabilities	23	24,614.23	22,024.33
Provisions	24	880.83	736.53
<b>Sub Total</b>		<b>317,004.28</b>	<b>460,738.32</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>320,395.21</b>	<b>323,801.04</b>
<b>Significant Accounting Policies</b>	2		

The accompanying notes are an integral part of the 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 : 30<sup>th</sup> May, 2019



### Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(₹ in lacs)

	Notes	Current year ended March 31, 2019	Previous year ended March 31, 2018
<b>INCOME</b>			
Revenue from Operations	25	307,746.76	242,505.87
Other Income	26	3,996.22	1,792.51
<b>Total Income (I)</b>		<b>311,742.98</b>	<b>244,298.38</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	27	232,767.90	185,549.73
Purchase of Stock in Trade [including transit of ₹ Nil (₹ 153.05 lacs)]	28	3,326.55	2,755.70
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	29	3,838.53	2,391.51
Excise Duty	30	–	3,572.58
Employee Benefits Expense	31	8,181.46	6,890.71
Finance Costs	32	11,158.59	3,391.40
Depreciation and Amortisation Expense	3	10,160.80	10,735.98
Other Expenses	33	57,677.18	50,703.33
<b>Total Expenses (II)</b>		<b>327,111.01</b>	<b>265,990.94</b>
<b>Profit / (Loss) before exceptional items and Tax (I-II)</b>		<b>(15,368.03)</b>	<b>(21,692.54)</b>
<b>Exceptional Item</b>		–	3,973.81
<b>Profit / (Loss) before Tax (I-II)</b>		<b>(15,368.03)</b>	<b>(25,666.35)</b>
<b>Tax Expenses:</b>			
Current Tax		–	–
Less : MAT Credit Entitlement		–	–
Provision (Write back) relating to earlier years		–	–
Deferred tax charge / (credit)		–	–
<b>Total tax expense / (credit)</b>		<b>–</b>	<b>–</b>
<b>Profit / (Loss) for the period</b>		<b>(15,368.03)</b>	<b>(25,666.35)</b>
<b>Other Comprehensive Income:</b>			
Items that will not be reclassified subsequently to Profit & Loss:	34		
Remeasurement (Gain)/Loss on net defined benefit Plans		32.28	405.79
		<b>32.28</b>	<b>405.79</b>
<b>Total Comprehensive income for the period</b>		<b>(15,335.75)</b>	<b>(25,260.56)</b>
<b>Earnings per Equity Share:(Nominal Value per Share ` 10)</b>			
Basic & Diluted	44	(15.94)	(27.48)
<b>Significant Accounting Policies</b>	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 : 30<sup>th</sup> May, 2019

For and on behalf of the Board of Directors

**Aditya Jajodia**  
Chairman & Managing  
Director  
DIN : 00045114

**Sanjiv Jajodia**  
Wholetime Director & Chief  
Financial Officer  
DIN : 00036339

**Rajiv Jajodia**  
Director  
DIN : 00045192

**Ajay Kumar Tantia**  
Company Secretary



### Consolidated statement of changes in equity for the year ended March 31, 2019

#### A. Equity Share Capital

(₹ in lacs)

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	(Rs. in lacs)	No. of Shares	(Rs. in lacs)
Balance at the beginning of the year	96,386,486	9,638.26	86,281,486	8,627.76
Changes in equity share capital during the year	-	-	10,105,000	1,010.50
Balance at the end of the year	<u>96,386,486</u>	<u>9,638.26</u>	<u>96,386,486</u>	<u>9,638.26</u>

#### B. Other Equity

(₹ in lacs)

	Reserve & Surplus					Equity Instrument through OCI	Total
	Capital Reserve	Amalgamation Reserve	Securities Premium Account	General Reserve	Retained Earnings		
<b>Balance as at 01.04.2018</b>	6,408.50	4,400.00	50,017.50	10,325.00	(223,601.31)	143.01	(152,307.29)
Profit for the period	-	-	-	-	(15,368.03)	-	(15,368.03)
Movement during the year	-	-	-	-	10.14	-	10.14
Remeasurements of the net defined benefit Plans	-	-	-	-	32.28	-	32.28
Total comprehensive income/(loss) for the period 31.03.19	-	-	-	-	<b>(15,325.62)</b>	-	<b>(15,325.62)</b>
<b>Balance as at 31.03.2019</b>	<b>6,408.50</b>	<b>4,400.00</b>	<b>50,017.50</b>	<b>10,325.00</b>	<b>(238,926.93)</b>	<b>143.01</b>	<b>(167,632.91)</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

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

Place : Kolkata  
Date : 30<sup>th</sup> May, 2019

**Aditya Jajodia**  
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DIN : 00036339

**Rajiv Jajodia**  
Director  
DIN : 00045192

**Ajay Kumar Tantia**  
Company Secretary



### Consolidated Cash Flow Statement for the year ended March 31, 2019

(₹ in lacs)

	Current year ended March 31, 2019	Previous year ended March 31, 2018
<b>A. Cash Flow From Operating Activities</b>		
Profit / (Loss) before Tax and after exceptional items	(15,368.03)	(25,666.35)
Adjustments For :		
Depreciation / Amortisation (Net)	10,160.80	10,735.98
Loss on Sale of Property, Plant & Equipment	417.96	1.84
Irrecoverable Debts and Advances Written off	210.57	17.29
Liabilities no longer required written back	(2,176.18)	(3,475.18)
Interest on Term Loans and Others	11,043.14	3,158.66
Provision for Diminution in the value of Investments	-	0.48
Provision for doubtful debts/(written back)	(337.50)	1,643.51
Dividend from long term Non Trade Investments	(0.46)	(1.35)
Loss on sale of long term Investments	-	6,921.47
(Profit) / Loss on Sale of Current Assets	-	0.82
Prior Period Expenditure (net)	57.24	54.05
Financial Lease Payment	10.14	10.14
Remeasurement (Gain)/Loss on net defined benefit Plans	32.28	405.79
(Profit) / Loss on Foreign Exchange Fluctuations (Net)	(7.44)	(376.55)
Interest Income	(823.13)	(186.99)
<b>Operating Profit / (Loss) Before Working Capital Changes</b>	<b>3,219.38</b>	<b>(6,756.40)</b>
Movements in Working Capital :		
Decrease / (Increase) in Trade Receivables	2,940.51	7,842.84
Increase in Loans and Advances and Other Current / Non Current Assets	(7,236.45)	(2,582.25)
Decrease/ (Increase) in Inventories	(751.58)	(6,837.64)
Decrease in Trade Payables, Other Liabilities and Provisions	5,948.73	14,783.78
<b>Cash generated from Operating Activities</b>	<b>4,120.59</b>	<b>6,450.33</b>
Direct Taxes paid (net of refunds)	(91.04)	109.84
<b>Net Cash generated from Operating Activities</b>	<b>4,029.55</b>	<b>6,560.17</b>
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Property, Plant and Equipment	620.56	(3,180.77)
Proceeds from Sale of Property, Plant and Equipment	136.37	0.90
Purchase of Investments in Mutual Fund	-	(100.00)
Proceeds from sale of long term Investments	-	992.64
Proceeds from maturity of fixed deposits	(857.92)	742.93
Dividend from long term Investments (other than Trade)	0.46	1.35
Interest received	842.65	314.29
<b>Net Cash generated from/(used in) Investing Activities</b>	<b>742.12</b>	<b>(1,228.66)</b>



**Consolidated Cash Flow Statement for the year ended March 31, 2019 (Contd.)**

	(₹ in lacs)	
	Current year ended March 31, 2019	Previous year ended March 31, 2018
<b>C. Cash Flow From Financing Activities</b>		
Money Received against share warrants	0.00	757.88
Proceeds from Non Current / Current Borrowings	13,570.99	4,316.94
Payment to Assets Reconstruction Companies	(1,222.00)	--
Financial Lease Payment	(10.14)	(10.14)
Interest Paid	(17,126.18)	(9,882.92)
Dividend Paid	(0.46)	(0.47)
<b>Net Cash generated (used in) Financing Activities</b>	<b>(4,787.79)</b>	<b>(4,818.72)</b>
<b>Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)</b>	<b>(16.12)</b>	<b>512.79</b>
<b>Cash and Cash Equivalents as at the beginning of the year</b>	<b>731.00</b>	<b>218.20</b>
<b>Cash and Cash Equivalents as at the end of the year</b>	<b>714.88</b>	<b>731.00</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	60.65	14.96
Cheques in hand	131.91	133.20
Balance with Scheduled Banks on:		
Current Account	522.32	576.38
Fixed Deposit Account	--	6.00
Unclaimed Dividend Account	--	0.46
<b>Cash and Cash Equivalents as at 31st March, 2019 (Refer Note 12)</b>	<b>714.88</b>	<b>731.00</b>

**Note:** The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS -7, 'Statement of Cash Flows'.

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

Previous year figures have been regrouped/rearranged wherever necessary to confirm to this year classification.

As per our report of even date

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

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

Place : Kolkata  
Date : 30<sup>th</sup> May, 2019

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



### Significant Accounting Policies and Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

#### 1 Corporate Information

These consolidated financial statements comprise the company and its subsidiaries (referred to collectively as the 'Jai Balaji Group') and the group's interest in Joint Venture Companies. The Company is one of the largest steel producers in the private sector in Eastern India. JBIL is an Integrated Steel Plant with five manufacturing facilities located in Durgapur and Raniganj in West Bengal and Durg in Chhattisgarh manufacturing different products in steel sector such as Sponge Iron, Pig Iron, Ductile Iron Pipe, Ferro Chrome, Billet, TMT, Coke and Sinter with captive power plant.

#### 2 Significant Accounting Policies

##### a. Basis of Preparation of financial statements

###### a) Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013 (the 'Act') read with Companies (Indian Accounting Standards) Rules, as amended from time to time.

This Note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied for the year ended March 31, 2019.

###### b) Basis of Consolidation

- i) The Consolidated Financial Statements which relate to Jai Balaji Industries Limited ("the Company") and its subsidiaries (collectively referred as "the Group") have been prepared on the following basis:
- ii) 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, 2019	As at March 31, 2018
Jai Balaji Steels (Purulia) Limited	India	100%	100%
Jai Balaji Energy (Purulia) Limited	India	100%	100%

- iii) In terms of Indian Accounting Standard 110- 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India, the financial statements of the Company and its Subsidiary are combined on a line- by-line basis by adding together the book values of like items of assets, liabilities, income and expenditure, after fully eliminating intra-group balances, intra-

group transactions and any unrealized profit/loss included therein. The difference of the cost to the Company 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.

- iv) 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.
- v) 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, 2019	As at March 31, 2018
Rohne Coal Company Private Ltd.*	India	6.90%	6.90%
Andal East Coal Company Private Ltd.	India	32.79%	32.79%

\* Refer Note no 2 (b)(vi) below

- vi) 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 not received by the Company.



### Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

vii) 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.

viii) 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, 2019 .

#### c) **Historical Cost Convention**

Financial Statements have been prepared on historical cost basis except for the following items:

- i. Certain financial assets and liabilities (including derivatives instruments) - measured at fair value
- ii. Defined benefit plans - Plan assets are measured at fair value

#### b. **Use of estimates**

In preparing the financial statements in conformity with Ind AS, management has made estimates, judgments and assumptions which affect the application of accounting policies and the reported amounts of assets and liabilities as at the date of financial statements and the reported amounts of revenues and expenses during the period. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting are recognized prospectively. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to financial statements.

#### **Critical estimates and judgments**

The areas involving critical estimates or judgments are as follows:

##### ● **Estimated fair value of unlisted securities**

The fair value of financial instruments that are not traded in an active market is determined using valuation technique. The management uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

##### ● **Estimation of defined benefit obligation**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these

assumptions. All assumptions are reviewed at each reporting date.

##### ● **Recognition of deferred tax assets for carried forward tax losses**

As the company has made substantial losses for the past years as well as this year, no new deferred tax asset has been accounted for. However, the management has made estimates regarding the probability that the future taxable profits will be available against which existing deferred tax assets up to 31.03.2015 can be used.

##### ● **Recognition and measurement of provisions and contingencies**

The management has made key assumptions about the likelihood and magnitude of an outflow of resources.

##### ● **Impairment of trade receivables**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The management uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

#### c. **Current and Non-Current classification**

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.



### Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

#### d. IND AS 115: Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs issued, the Companies [Indian Accounting Standards] [Amendments] Rules, 2017, notifying Ind AS 115, 'Revenue from Contracts with Customers'. The Standard is applicable to the company with effect from 1<sup>st</sup> April, 2018.

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts, and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations. Specifically, the standard introduces a 5-step approach to revenue recognition.

- Step1: Identify the contract(s) with a customer.
- Step2: Identify the performance obligation in contract
- Step3: Determine the transaction price
- Step4: Allocate the transaction price to the performance obligations in the contract.
- Step5: Recognise revenue when [or as] the entity satisfies a performance obligation

#### **Disaggregate revenue information :**

The disaggregated revenue of the Company best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

Refer Note No. 25 for Disaggregate revenue information.

#### **Other income**

Other income is comprised primarily of interest income, dividend income, gain / loss on investments and exchange gain. Dividend income is recognized when the right to receive payment is established.

#### e. Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the company. Free hold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct

labor, any other costs directly attributable to bringing the item to working condition for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. When a major inspection is performed, its cost is not recognised in the carrying amount of the plant and equipment as a replacement. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred. Property, plant and equipment includes spare parts, stand by equipments and servicing equipment which are expected to be used for a period more than twelve months and meets the recognition criteria of property, plant and equipment.

On transition to Ind AS, the company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Based on technical assessment made by technical expert and Management estimate the entity depreciates items of property, plant and equipment over estimated useful lives which are same as prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

- Building: 5 - 60 years
- Office Equipments: 5 years
- Furniture and Fixtures: 10 years
- Vehicle: 8 years
- Plant and equipments: 15 - 25 years
- Computers: 3 - 6 years

Depreciation on property, plant and equipment is provided on straight line basis to the extent of depreciable amount on pro-rata basis over the useful life of respective assets as prescribed under Schedule II to the Companies Act, 2013, except for Railway Wagons and Moulds as stated below.

Railway Wagons are depreciated over a period of 10 years because of the conditions prescribed in the agreement with Indian Railway Authorities.



### Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

Pig Moulds for Ductile Iron Foundry works are depreciated over a period of 4 years.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

#### f. Provisions & Contingent Liability

A provision is recognized if, as a result of a past event, the company has a present obligation (legal or constructive) that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are not recognized for future operating losses.

Where the effect of time value of money is material, provisions are measured at the present value of management's best estimate of the required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognized as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

#### g. Inventories

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

i. Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to

their present location and condition. Cost is determined on a weighted average basis.

ii. Finished goods and work in progress: Cost of finished goods and work-in-progress comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Trading stock valued at cost.

iii. Stores and spares: Cost is determined on weighted average basis.

iv. Scrap and By Products: At net realizable value.

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

#### h. Earnings per share

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

Diluted earnings per share is calculated by dividing 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.

#### i. Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is predominantly engaged in a single reportable segment of "Iron and Steel" during the year. Chief operating decision making group consists of the Chairman & Managing Director, and the CFO.

#### j. Cash and bank balances

Cash and bank balances consist of:

##### 1. Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits with an original maturity of three months or less net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

##### 2. Other bank balances

This includes balances and deposits with bank that are restricted for withdrawal and usage having maturity of more than three years extending up to twelve years.



### Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

#### k. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest costs.

#### l. Leases

##### As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

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

#### n. Financial Instruments

##### Initial Recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, those are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date i.e., the date at which the company commits to purchase or sell the asset.

##### Subsequent Measurement

###### a. Non-derivative financial instruments

###### (i) Financial assets carried at amortized cost:

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

###### (ii) Financial assets at fair value through other comprehensive income:

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



### Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

The company recognizes impairment losses and reversals and foreign exchange gain or loss in the Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

(iii) Financial assets at fair value through profit or loss:

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss. The company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL, which is thereafter irrevocable. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

(iv) Financial liabilities:

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. The company's financial liabilities include trade and other payables and loans and borrowings.

**Loans and Borrowings-** After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

#### Derecognition of Financial Instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original

liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

#### Fair Value of Financial Instruments

In determining the fair value of its financial instruments, the company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously. This legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

#### o. Impairment

##### a. Financial assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

As a practical expedient, the company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. Considering a provision discount rates for delay risk are as under:

Ageing	Discount for Delay
0-6 months	0%
6-12 months	7%
12-24 months	13%
24-36 months	35%
Above 36 months	65%



### Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the Profit and Loss.

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

#### b. Non-financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

#### p. Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates (the functional currency). The company's financial statements are presented in Indian rupee (INR), which is also the company's financial currency.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction. Exchange

differences are recognized in profit or loss, except exchange differences arising from the translation of the following items which are recognized in OCI:

- equity instruments at fair value through OCI (FVOCI);
  - a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
  - Qualifying cash flow hedges to the extent that the hedges are effective.
- a) Transactions in foreign exchange covered by forward contracts are accounted for at the contracted rates.
  - b) Transactions other than those covered by forward contracts are recognized at the exchange rates prevailing on the date of their occurrence.
  - c) Monetary assets and liabilities in foreign currency that are outstanding at the year end and not covered by forward contracts are translated at the year-end exchange rates.
  - d) The exchange differences arising from long term foreign currency monetary items relating to the acquisition of a depreciable asset are added to or deducted from the cost of the depreciable capital assets. Other exchange differences arising from long-term foreign currency monetary items are transferred to "Foreign currency monetary item translation difference account" to be amortized over the life of such monetary items but not beyond 31st March 2020. Other exchange differences are recognized as income or expense in the profit and loss account.

#### q. Fair value measurement

The management measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate



### Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The management uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the management determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### r. Employee benefits

##### i. Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

##### ii. Post-employment obligations

The company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity; and
- (b) Defined contribution plans such as provident fund

##### *Gratuity obligations*

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The

defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

##### *Defined contribution plans*

The company pays provident fund contribution to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payment is available.

##### iii. Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in



### Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### iv. Bonus plans

The company recognizes a liability and an expense for bonuses. The company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

#### s. Taxes

Tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

##### ● Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

##### ● Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial

recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized using liability method, to the extent that it is probable that future taxable profits will be available against which they can be used. The company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

##### ● Recent Accounting Pronouncements

On 30th March 2019, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 116, Leases and Appendix C of Ind As 12 “**Uncertainty over Income Tax Treatment**”. The effective date for adoption of the same is financial periods beginning on or after 1st April 2019. The company is in the process of evaluating the effect on its adoption.



Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

Note 3 : Property, plant and equipment

Particulars	(₹ in lacs)										Total
	Freehold Land	Leasehold Land	Factory Buildings	Railway Siding	Plant and Machinery	Electrical Installation	Furniture and Fixture	Office Equipment	Vehicle		
Gross carrying value as on April 1, 2018	4,103.89	871.86	40,853.14	4,354.18	175,942.72	24,781.24	120.19	1,095.46	184.37		252,307.05
Additions			86.29		2,076.96		5.72	56.42	-		2,225.39
Disposal			14.70		1,361.77	39.98		26.30	50.33		1,493.08
Gross carrying value as on March 31, 2019	4,103.89	871.86	40,924.73	4,354.18	176,657.91	24,741.26	125.91	1,125.58	134.04		253,039.36
Accumulated depreciation as on April 1, 2018	-	381.17	10,664.58	2,444.04	78,309.11	18,405.86	96.86	939.67	162.59		111,403.88
Depreciation for the period		8.67	1,175.02	319.85	6,745.71	1,844.33	6.65	51.20	9.37		10,160.80
Disposal/ Adjustment			4.17		839.15	22.96		25.29	47.18		938.75
Accumulated depreciation as on March 31, 2019	-	389.84	11,835.43	2,763.89	84,215.67	20,227.23	103.51	965.58	124.78		120,625.93
Carrying value as on March 31, 2019	4,103.89	482.02	29,089.30	1,590.29	92,442.24	4,514.03	22.40	160.00	9.26		132,413.43
Carrying value as on April 1, 2018	4,103.89	490.69	30,188.56	1,910.14	97,633.61	6,375.38	23.33	155.79	21.78		140,903.17

Particulars	(₹ in lacs)										Total
	Freehold Land	Leasehold Land	Factory Buildings	Railway Siding	Plant and Machinery	Electrical Installation	Furniture and Fixture	Office Equipment	Vehicle		
Gross carrying value as on April 1, 2017	4,103.89	871.86	40,546.79	4,354.18	173,549.75	24,464.22	116.51	1,024.49	190.82		249,222.51
Additions			306.35		2,392.97	317.02	3.68	70.97	6.45		3,090.99
Disposal											6.45
Gross carrying value as on March 31, 2018	4,103.89	871.86	40,853.14	4,354.18	175,942.72	24,781.24	120.19	1,095.46	184.37		252,307.05
Accumulated depreciation as on April 1, 2017	-	372.50	9,474.74	2,124.19	71,256.23	16,306.11	89.78	892.16	155.89		100,671.60
Depreciation for the period		8.67	1,189.84	319.85	7,052.88	2,099.75	7.08	47.51	10.41		10,735.99
Disposal/ Adjustment									3.71		3.71
Accumulated depreciation as on March 31, 2018	-	381.17	10,664.58	2,444.04	78,309.11	18,405.86	96.86	939.67	162.59		111,403.88
Carrying value as on March 31, 2018	4,103.89	490.69	30,188.56	1,910.14	97,633.61	6,375.38	23.33	155.79	21.78		140,903.17
Carrying value as on April 01, 2017	4,103.89	499.36	31,072.05	2,229.99	102,293.52	8,158.11	26.73	132.33	34.93		148,550.91



### Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

#### Note 4 : Capital Work-in-Progress and Pre-Operative Expenditure Pending Allocation

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
<b>A Capital Work-in-Progress</b>		
Buildings	1,270.07	1,469.08
Road	27.25	119.01
Railway Siding	359.01	359.01
Plant and Machinery*	2,698.73	2,941.29
Electrical Installations	379.17	688.28
Land	1,158.81	5,274.77
Computer Software	20.80	-
<b>Sub Total</b>	<u>5,913.84</u>	<u>10,851.44</u>
Less : Transferred to Fixed Assets	1,978.65	2,862.89
<b>Total A :</b>	<u>3,935.19</u>	<u>7,988.55</u>
<b>B Pre-operative Expenditure Pending Allocation</b>		
<b>Opening Balance</b>	3,921.23	3,917.07
<b>Additions</b>		
Rates and Taxes	-	0.08
Legal and Professional Charges	-	0.50
Miscellaneous Expenses	40.71	4.68
	<u>40.71</u>	<u>5.26</u>
Less : Transferred to Fixed Assets	-	1.10
<b>Total B :</b>	<u>3,961.94</u>	<u>3,921.23</u>
<b>Grand Total (A+B)</b>	<u>7,897.13</u>	<u>11,909.78</u>

\*Plant & Machinery includes DIP Mould of ₹ 33.27 Lacs (₹ Nil) and Iron Ore Crusher Plant Sponge Division of ₹ 12.40 lacs (₹ Nil) lying in transit.

#### Note 5 : Non Current Investment

(₹ in lacs)

	Number of shares	Face Value Per Share	As at March 31, 2019	As at March 31, 2018
<b>Trade Investment</b>				
<b>In Joint Venture Companies#</b>				
Andal East Coal Company Private Limited	319,290	10	3.19	3.19
Rohne Coal Company Private Limited	69,000	10	0.69	0.69
<b>Investment in Preference Shares</b>				
<b>In a Joint Venture Company#</b>				
1% Redeemable Preference Shares of Rohne Coal Company Private Limited	2,363,914	10	23.64	23.64
			<u>27.52</u>	<u>27.52</u>



### Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

#### Note 5 : Non Current Investment

(₹ in lacs)

	Number of shares	Face Value Per Share	As at March 31, 2019	As at March 31, 2018
Aggregate Value of Investments				
- Quoted			-	-
- Unquoted			27.52	27.52
<b>#Refer note 50</b>				
<b>(At Fair Value through Other Comprehensive Income)</b>				
<b>Non Trade Investment</b>				
<b>Unquoted, Fully Paid up</b>				
<b>Investment in Equity Shares</b>				
Calcutta Stock Exchange Limited#	2,726	1	71.60	71.60
Nilachal Iron and Power Limited	600	10	0.01	0.01
[At cost less provision for other than temporary diminution Rs. 0.48 lacs (Rs. 0.48 lacs)]				
<b>In Government Securities</b>				
National Saving Certificate (Deposited with Third Parties)			7.32	7.32
			<u>78.93</u>	<u>78.93</u>
			<u>78.93</u>	<u>78.93</u>
Aggregate Value of Investments				
- Quoted			-	-
- Unquoted			78.93	78.93
Aggregate provision for diminution in the value of Investments			0.48	0.48
<b>#Refer note 51</b>				

#### Note 6 : Non Current Loans

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Security Deposits	1,361.48	984.71
<b>Total</b>	<u>1,361.48</u>	<u>984.71</u>

#### Note 7 : Other Non Current Financial Assets

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
Margin Money with Banks with maturities more than 12 months	918.54	27.00
Interest Receivable on Deposits	4.39	7.84
<b>Total</b>	<u>922.94</u>	<u>34.84</u>



**Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)**

**Note 8 : Deferred Tax Assets / (Liabilities) (Net)**

	(₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
<b>Deferred Tax Asset</b>		
Unabsorbed Depreciation and carry forward Business Losses	73,789.23	72,412.44
Expenses Allowed On Payment Basis/Other Timing Differences	7,138.71	7,146.12
<b>Sub Total (A)</b>	<u>80,927.94</u>	<u>79,558.55</u>
<b>Deferred Tax Liability</b>		
Timing Difference on Depreciable assets	19,459.15	19,750.34
<b>Sub Total (B)</b>	<u>19,459.15</u>	<u>19,750.34</u>
<b>Deferred Tax Assets / (Liabilities) (Net) (A-B)</b>	<u>61,468.79</u>	<u>59,808.22</u>
<b>Less: Deferred Tax Assets not recognised (refer note below)</b>	<u>(32,383.65)</u>	<u>(30,723.07)</u>
<b>Total</b>	<u>29,085.14</u>	<u>29,085.14</u>

As the group has made substantial losses for the past few 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 coorrective action to improve the working so as to enable them realise the above figure.

**Note 9 : Other Non Current Assets**

	(₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
Capital Advances	4,203.59	3,870.34
Mat Crdit Entitlement	4,709.71	4,709.71
<b>Total</b>	<u>8,913.30</u>	<u>8,580.05</u>

**Note 10 : Inventories**

	(₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
Raw Materials	34,713.71	28,441.35
[Including in transit ₹ 6004.93 lacs (₹ 5460.23 lacs)]		
Stores and Spares	5,355.78	7,048.54
[Including in transit ₹ 369.09 lacs (₹ 675.87 lacs)]		
Work-in-Process	838.64	1,944.66
Finished Goods	6,124.62	9,532.32
Trading Goods	7.00	506.38
[Including in transit Rs. Nil (₹ 8,153.05 lacs )]		
By-Products and Scrap	2,561.33	1,376.25
<b>Total</b>	<u>49,601.08</u>	<u>48,849.50</u>



### Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

#### Note 11 : Trade Receivables (Current)

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good	39,411.44	39,939.27
Unsecured, considered doubtful	21,323.17	21,660.67
	<u>60,734.61</u>	<u>61,599.94</u>
Less: Allowance for Doubtful Debts (Refer note below)	21,323.17	21,660.67
<b>Total</b>	<u><u>39,411.44</u></u>	<u><u>39,939.27</u></u>

#### Note:

In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. There has been no significant change in the credit quality of receivables past due for more than 180 days.

#### Note 12 : Cash and Cash Equivalents

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
Balance with Banks :-		
On Current Accounts	522.32	576.38
Deposits With Original Maturity of Less Than 3 Months	-	6.00
Cash on hand	60.65	14.96
Cheques in hand	131.91	133.20
Unclaimed Dividend Account	-	0.46
<b>Total</b>	<u><u>714.88</u></u>	<u><u>731.00</u></u>

#### Note 13 : Bank Balances (Other Than Cash and Cash Equivalents)

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
Margin Money with Banks with maturities less than 12 months	34.36	67.98
<b>Total</b>	<u><u>34.36</u></u>	<u><u>67.98</u></u>

#### Note 14 : Current Loans

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Security Deposits	2,797.36	2,554.34
Loans and advances to Related parties#		
Loans to Body Corporate #	6,840.00	7,000.00
Advances to a Body Corporate #	733.19	945.25
	<u>7573.19</u>	<u>7945.25</u>
Advance recoverable in cash or in kind or for value to be received	198.94	228.31
<b>Total</b>	<u><u>10569.49</u></u>	<u><u>10,727.90</u></u>

Loan given to a related party (on demand) was interest free during the previous year ending March 31, 2018

#Refer note 39

**Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)**

**Note 15 : Other Current Financial Assets**

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
Interest Receivable on Deposits	0.53	16.60
<b>Total</b>	<b>0.53</b>	<b>16.60</b>

**Note 16 : Other Current Assets**

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
<b>Advances recoverable in cash or kind</b>		
Advances recoverable in cash or in kind or for value to be received [Net of Provision for Doubtful Advances ₹ 764.38 lacs (₹ 764.38 lacs)]	26,854.16	19,230.73
<b>Sub Total</b>	<b>26,854.16</b>	<b>19,230.73</b>
<b>Other Loans and Advances</b>		
Balance with Excise and other Government Authorities	234.95	450.52
Advance income tax (net of provisions)	140.67	49.62
Subsidies and Incentives Receivable	11,902.86	11,902.86
Sales Tax and Other Refunds Receivable	230.92	230.92
<b>Sub Total</b>	<b>12,509.40</b>	<b>12,633.92</b>
<b>Total</b>	<b>39,363.56</b>	<b>31,864.65</b>

**Note 17 : Share Capital**

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
<b>Authorised capital</b>		
101,000,000 (101,000,000) Equity Shares of ₹ 10/- each	10,100.00	10,100.00
<b>Issued, subscribed and fully paid-up capital</b>		
96,386,486 (96,386,486) Equity Shares of ₹ 10/- each	9,638.65	9,638.65
Less: Calls unpaid ( Due from other than directors or officers)	0.39	0.39
<b>Total</b>	<b>9,638.26</b>	<b>9,638.26</b>

**Reconciliation of the number of shares**

**Equity Shares :**

	As at March 31, 2019		As at March 31, 2018	
	No of Shares	(₹ in lacs)	No of Shares	(₹ in lacs)
Equity Shares of Rs 10/- each				
At the beginning of the period	96,386,486	9,638.26	86,281,486	8,627.76
Issued during the period	-	-	10,105,000	1,010.50
At the end of the period	<b>96,386,486</b>	<b>9,638.26</b>	<b>96,386,486</b>	<b>9,638.26</b>

**(i) Terms/rights attached to equity shares**

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



### Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

#### (ii) 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	29th June, 2019
18.05.2016	40,00,000	17th August, 2019
25.07.2016	16,50,000	24th November, 2019
25.10.2016	28,50,000	24th February, 2020

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

	As at March 31, 2019		As at March 31, 2018	
	No of Shares	% holding in the class	No of Shares	% holding in the class
Enfield Suppliers Ltd.	11,221,233	11.64	11,221,233	11.64
Hari Management Ltd.	7,044,000	7.31	7,044,000	7.31
Jai Salasar Balaji Industries (P) Ltd	25,115,157	26.06	25,115,157	26.06
Mahesh Kumar Keyal (HUF)	6,500,000	6.74	6,500,000	6.74
	<u>49,880,390</u>	<u>51.75</u>	<u>49,880,390</u>	<u>51.75</u>

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

#### Note 18 : Other Equity

(₹ in lacs)

Particulars	Reserve & Surplus					Equity Instrument through OCI	Total
	Capital Reserve	Amalgamation Reserve	Securities Premium Account	General Reserve	Retained Earnings		
Balance as at 01.04.2018	6,408.50	4,400.00	50,017.50	10,325.00	(223,601.31)	143.01	(152,307.29)
Profit for the period	-	-	-	-	(15,368.03)	-	(15,368.03)
Remeasurements of the net defined benefit plans	-	-	-	-	32.28	-	32.28
Movement during the year	-	-	-	-	10.14	-	10.14
Total comprehensive income/(loss) for the period 31.03.19	-	-	-	-	(15,325.62)	-	(15,325.62)
Balance as at 31.03.2019	6,408.50	4,400.00	50,017.50	10,325.00	(238,926.93)	143.01	(167,632.91)

#### Nature and purpose of reserves

##### (a) Capital Reserve:

Amount received from West Bengal Industrial Development Corporation as a Capital Subsidy and amount forfeited against equity warrant application money is treated as a capital reserve.

##### (b) Amalgamation Reserve:

Amount arisen on Amalgamation of erstwhile Shri Ramrupai Balaji Steels Limited treated as an Amalgamation Reserve.

##### (c) Securities Premium Account:

The amount received in excess of face value of securities is recognised in Securities Premium Account.

##### (d) General Reserve:

The Company has transferred a portion of the net profit of the company before declaring dividend to General Reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.



### Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

- (e) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date.
- (f) **Equity Instruments through Other Comprehensive Income:** The fair value change of the equity instrument measured at fair value through other comprehensive income is recognised in Equity instruments through Other Comprehensive Income.
- (g) **Remeasurements of Net Defined Benefit Plans:** Differences between the interest income on plan assets and the return actually received and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

#### Note 19 : Non Current Borrowings

	(₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
<b>(Secured, unless otherwise stated)</b>		
Rupee Loan ARC (Refer Note 20)	155,200.00	-
Non-current maturities of Finance Lease Obligations (Refer Note 37)	58.89	58.89
Debentures	6,126.69	5,672.86
Zero Coupon Non Convertible Debentures (Refer Note below)		
<b>Total:</b>	<u>161,385.58</u>	<u>5,731.75</u>

#### Note:

- The Company has issued 87,39,685 Zero Coupon Unsecured Unlisted Non Convertible Debentures at a price of ₹ 100 each. The Debenture shall be redeemable at par within three months from the expiry of twelve years from the date of allotment i.e 14th November, 2015.
- Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

#### Note 20 : Current Borrowings

	(₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
<b>(Secured, unless otherwise stated)</b>		
<b>Term Loans:</b>		
Rupee Loan from Financial Institutions	4,368.82	4368.82
Rupee Loan from Bodies Corporate (Unsecured)	797.25	797.25
Rupee Loan ARC	137,181.01	154,404.45
<b>Loan Repayable on Demand</b>		
From Banks		
- Demand loan/Cash Credits	59,667.76	185,095.33
- From Bodies Corporate (Unsecured)	430.00	630.00
<b>Total:</b>	<u>202,444.84</u>	<u>345,295.85</u>



### Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

#### Note:

#### 1. Rupee Loan from Banks and Financial Institution and Assets Reconstruction Company

- a). Rupee Term Loan from banks, financial institution and ARC are secured by 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 Ranigunj and Durgapur in the state of West Bengal and Durg in the state of Chattisgarh.

The above loans 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). Unsecured Loan from bodies corporate has been received from a promoter group company as per the CDR scheme.

#### 2. Rupee Loan repayable on Demand

- a) Rupee term loan from bank has been turned into NPA. Continuing on the routine compliance, lenders have initiated the recovery measure and already serve the call up notice for their exposure. Resulting in payment of entire exposure of the banks/financial institution due on immediate demand basis. All the Term Loans and Cash Credit from Banks have been classified as Loans Repayable on Demand from last financial year.

- b). 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 Ranigunj 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
- c) Unsecured loan from others are interest bearing which is repayable within a credit period of 90 days.

#### Additional Disclosure

#### Assignment of Loans Taken Accounts and its Accounting Treatment

- 1 Axis Bank, UCO Bank (lead bank), Allahabad Bank and Union Bank of India and Bank of India have assigned their debts along with all its rights, title and interest in the financing documents, all agreements, deeds and documents related thereto and all primary and collateral and underlying security interests and/or pledges created to secure and/or guarantees issued in respect of the repayment of the loans for valuable consideration to Edelweiss Asset Reconstruction Company Limited. For repayment of said debts, company entered into a restructuring agreement with Edelweiss Asset Reconstruction Company Limited. As per terms of settlement, if all the terms & condition are fully complied by the company, it resulted in a debt write off by ₹ 88,836.00 lacs.
- 2 As per the terms of the said agreement, the amount of ₹ 1851.24 lacs paid to Edelweiss Asset Reconstruction Company Limited up to the balance sheet date, is shown as partial interest payment to Edelweiss Asset Reconstruction Company under moratorium period.
- 3 During the period under review, Bank of India has assigned their debt to Edelweiss Asset Reconstruction Company Limited. However, on account of non finalization of repayment terms and conditions, ₹ 1082.00 lacs paid to the said ARC up to the balance sheet date are shown as advance to Edelweiss Asset Reconstruction Company Limited.
- 4 United Bank of India and State Bank of India are also assigned their entire exposure along with all its rights, title and interest in the financing documents, all agreements, deeds and documents related thereto and all primary and collateral and underlying security interests and /or pledges created to secure and /or guarantees issued in respect of the repayment of the loans for valuable consideration to the Omkara Assets Reconstruction Private Limited (Omkara ARC).
- 5 On account of non finalization of repayment terms and conditions, The amount of ₹ 140.00 lacs paid to Omkara Assets Reconstruction Company Limited, up to the balance sheet date is considered as advance to Asset Reconstruction Company.
- 6 The balances of Canara Bank, Corporation Bank, IDBI Bank, Indian Overseas Bank, Oriental Bank of Commerce, Punjab National Bank, The Federal Bank Limited, Vijaya Bank & The West Bengal Infrastructure Development Finance Corporation Limited are not being reconciled with the borrowers, as these borrowers have treated the loan accounts as non-performing assets account.
- 7 All the lenders have stopped charging interest on debts, since the dues from the Company have been categorized as Non-Performing Asset. The Company is in active discussion/negotiation with its lenders to restructure its debts at a



### Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

sustainable level including waiver of unpaid interest. In view of the above, pending finalization of the any corrective action plan, the Company has stopped providing interest accrued and unpaid effective from 1st April, 2016 in its book. The amount of such accrued and unpaid interest not provided for the last year ended 31st March, 2019 stands at ₹ 42,092.48 lacs (₹ 43,744.25 lacs). The accumulated interest not provided till 31st March, 2019 stands at ₹ 125,381.29 lacs. Accordingly, the same has not been considered for compilation of results of the said year ended 31st March, 2019. The Statutory Auditors have qualified their Audit Report in respect of this matter.

#### Note 21 : Trade Payables

	(₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
<b>Trade Payables</b>		
- Dues to Micro and Small enterprises	1,169.76	946.16
- Other than Micro and Small enterprises	65,847.74	63,196.21
<b>Total:</b>	<u>67,017.50</u>	<u>64,142.37</u>

Under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises, In regard to this, the company has received intimation from various parties and details are given refer note no-41

#### Note 22 : Other Financial Liabilities

	(₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
Interest Accrued and due on Borrowings	4,964.37	11,501.23
Current maturities of Finance Lease Obligations	10.13	10.13
Temporary Book Overdraft	272.97	958.74
Capital Creditors	1,403.44	2,236.89
Due to Employees	1,420.24	1,435.90
Interest Others	13,875.34	12,319.97
Security Deposit	100.39	75.92
Investor Education and Protection Fund will be credited by the following amounts (as and when due)		
- Unclaimed Dividend	-	0.46
<b>Total:</b>	<u>22,046.88</u>	<u>28,539.24</u>

#### Note 23 : Other Current Liabilities

	(₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
- Advance from Customer	9,741.61	7,227.98
- Statutory Dues Payable	14,678.72	14,638.76
- Other Miscellaneous	193.90	157.59
<b>Total:</b>	<u>24,614.23</u>	<u>22,024.33</u>

#### Note 24 : Current Provisions

	(₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
<b>Provision for employee benefits:</b>		
Gratuity (Refer Note 40)	718.94	580.44
Leave Salary	161.89	156.09
<b>Total:</b>	<u>880.83</u>	<u>736.53</u>



### Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

#### Note 25 : Revenue from Operations

(₹ in lacs)

	Current year ended March 31, 2019	Previous year ended March 31, 2018
<b>Sales of products</b>		
Finished Goods	283,474.14	225,659.61
By Products and Scraps	10,037.59	7,098.62
Raw Materials	9,900.06	8,463.55
<b>Other Operating Revenue</b>		
Conversion Charges	3,995.75	-
Subsidy on Sales Tax / Value Added Tax	-	1,084.96
Export Incentives	339.22	199.13
<b>Revenue from Operations (Gross)</b>	<b>307,746.76</b>	<b>242,505.87</b>

#### Note:

The reported revenue for the period upto 30th June, 2017 is inclusive of Excise Duty. Goods and Services Tax (GST) is made applicable w.e.f. 1st July, 2017 and revenue for the period thereafter is net of GST. Hence revenue from operations for the year ended 31st March, 2019 is not comparable with corresponding year ended 31st March, 2018.

#### Disaggregation of Revenue as per Ind AS-115

##### Sale of finished goods comprise\* :

(₹ in lacs)

	Current year ended March 31, 2019	Previous year ended March 31, 2018
Sponge Iron	27,483.93	21,004.33
Pig Iron	68,731.57	51,357.91
Steel Bars/Rods	57,129.59	39,067.90
Billet/MS Ingots	30,511.07	15,777.49
Ferro Alloys	44,884.64	44,865.67
Ductile Iron Pipe	50,853.05	50,130.78
Low Ash Coke	-	1,198.93
Coal	-	687.39
Managanese Ore (Import)	71.87	-
TMT	815.25	-
Silico Managanese	12.00	-
M.S.Billet	2,981.17	1,569.21
	<b>283,474.14</b>	<b>225,659.61</b>

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

#### Note 26 : Other Income

(₹ in lacs)

	Current year ended March 31, 2019	Previous year ended March 31, 2018
Interest on :		
(a) Fixed Deposits with Banks	21.27	20.26
[Gross, Tax deducted at source ₹ 2.44 lacs (₹ 2.08 lacs)]		
(b) Loans and Advances	801.87	165.05
[Gross, Tax deducted at source ₹ 3.45 lacs (₹ 3.70 lacs)]		
(c) Refund from Income Tax Department	-	1.68
Dividend from long term Investments (other than trade)	0.46	1.35
Insurance Claims	510.08	631.39
Liabilities no longer required written back	2,176.18	585.29
Provision for doubt debts no longer required written back	337.50	-
Gain on Foreign Exchange Fluctuations (Net)	7.44	376.55
Miscellaneous Income	141.43	10.94
<b>Total:</b>	<b>3,996.22</b>	<b>1,792.51</b>



**Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)**

**Note 27 : Cost of Materials Consumed**

(₹ in lacs)

	Current year ended March 31, 2019	Previous year ended March 31, 2018
Opening Stock	28,441.35	20,089.94
Purchases	239,040.26	193,901.14
	<u>267,481.61</u>	<u>213,991.08</u>
Less: Closing Stock	34,713.71	28,441.35
<b>Raw Materials Consumed</b>	<u><u>232,767.90</u></u>	<u><u>185,549.73</u></u>

**Consumption of Raw Material :**

(₹ in lacs)

	Current year ended March 31, 2019	Previous year ended March 31, 2018
Iron Ore / Pellets / Sinter	54,229.31	37,810.40
Manganese Ore	3,250.60	8,974.24
Sponge Iron	9,504.51	6,681.54
Billet/Ingot	32,995.30	22,689.53
Coke/Coal	102,438.70	85,341.28
Magnesium Metal	733.47	505.67
Pig Iron	3,800.26	1,759.20
Steel Scrap & Wastes	4,773.08	1274.51
Ferro Alloys	15,324.72	15,716.44
Quartzite, Limestone and Dolomite	5,717.94	4,796.92
	<u><u>232,767.90</u></u>	<u><u>185,549.73</u></u>

**Note 28 : Purchase of Stock in Trade**

(₹ in lacs)

	Current year ended March 31, 2019	Previous year ended March 31, 2018
Coal	-	687.38
M. S. Billet [Including transit of ₹ Nil (₹ 153.05 lacs)]	2,462.99	2,068.32
Silico Manganese	12.95	-
TMT	787.52	-
Manganese Ore (Imported)	63.08	-
	<u><u>3,326.55</u></u>	<u><u>2,755.70</u></u>



### Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

#### Note 29 : Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

(₹ in lacs)

	Current year ended March 31, 2019	Previous year ended March 31, 2018
<b>Opening Stocks :</b>		
Work-in-Process	1,944.66	771.45
Finished Goods	10,038.70	15,921.67
By Products and Scrap	1,376.25	565.82
	<u>13,359.62</u>	<u>17,258.94</u>
<b>Less: Closing Stocks :</b>		
Work-in-Process	838.64	1,944.66
Finished Goods #	6,131.62	10,038.70
By Products and Scrap	2,550.83	1,376.25
	<u>9,521.09</u>	<u>13,359.62</u>
<b>Sub Total</b>	<u>3,838.53</u>	<u>3,899.33</u>
(Increase) / Decrease in excise duty and cess on stocks	-	(1,507.82)
<b>Total:</b>	<u><u>3,838.53</u></u>	<u><u>2,391.51</u></u>

# Finished goods stock include Trading Stock of ₹ 7.00 lacs ( ₹ 506.38 lacs)

#### Stock of finished goods comprises:

(₹ in lacs)

	Current year ended March 31, 2019	Previous year ended March 31, 2018
<b>Opening Stock :</b>		
Sponge Iron	746.96	1,178.41
Pig Iron	1104.04	1,126.46
Steel Bars/Rods	661.62	214.99
Billet/MS Ingots	971.09	19.49
Ferro Alloys	2778.42	904.87
Ductile Iron Pipe	3,335.99	4,234.26
Coke	440.58	8,243.19
<b>Total:</b>	<u>10,038.70</u>	<u>15,921.67</u>
<b>Closing Stock :</b>		
Sponge Iron	94.00	746.96
Pig Iron	633.16	1,104.04
Steel Bars/Rods	388.10	661.62
Billet/MS Ingot	657.26	971.09
Ferro Alloys	1,816.85	2,778.42
Ductile Iron Pipe	2,175.75	3,335.99
Coke	366.50	440.58
<b>Total:</b>	<u><u>6,131.62</u></u>	<u><u>10,038.70</u></u>



**Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)**

**Note 30 : Excise Duty**

(₹ in lacs)

	<b>Current year ended March 31, 2019</b>	<b>Previous year ended March 31, 2018</b>
Excise Duty	-	3572.58
	<u>-</u>	<u>3572.58</u>

**Note 31 : Employee Benefits Expense**

(₹ in lacs)

	<b>Current year ended March 31, 2019</b>	<b>Previous year ended March 31, 2018</b>
Salaries, Wages, Bonus & Other Benefits	7,510.08	6,193.31
Contribution to Provident Fund & other fund	410.65	425.93
Staff Welfare Expenses	260.74	271.47
<b>Total:</b>	<u>8,181.46</u>	<u>6,890.71</u>

**Note 32 : Finance Costs**

(₹ in lacs)

	<b>Current year ended March 31, 2019</b>	<b>Previous year ended March 31, 2018</b>
<b>Interest Expenses</b>		
On ARC	7,492.40	-
On Others	3,550.74	3,158.66
<b>Finance charges</b>	<u>115.45</u>	<u>232.74</u>
<b>Total:</b>	<u>11,158.59</u>	<u>3,391.40</u>



### Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

#### Note 33 : Other Expenses

(₹ in lacs)

	Current year ended March 31, 2019	Previous year ended March 31, 2018
Consumption of Stores and Spares	23,072.99	19,847.54
Labour Charges	6,488.53	7,087.69
Power and Fuel (Net)	16,345.21	12,799.88
Repairs and Maintenance:		
- Plant and Machinery	864.48	559.86
- Buildings	38.44	140.42
- Others	1,088.30	884.67
Water Charges	482.32	418.12
Equipment Hire Charges	3,659.19	3,199.13
Shifting Expenses	19.09	20.99
Freight and Transportation	1,738.82	1,226.40
Rent and Hire	64.88	69.06
Rates and Taxes	57.23	210.01
Insurance	282.78	235.44
Advertisement	92.12	69.42
Brokerage and Commission (Other than Sole Selling Agents)	385.19	275.03
Travelling and Conveyance	560.58	484.23
Telephone and Postage	52.48	60.25
Legal and Professional Charges ( Refer Note 49)	799.44	536.74
Director's Fees	1.80	1.60
Allowance for Doubtful Debts	-	1,643.51
Provision for Doubtful Debts and Advances	-	0.48
Provision for Diminution in the Value of Investments	-	-
Irrecoverable Debts and Advances Written off	210.57	17.29
Less: Adjusted against Provisions	-	17.29
Loss on sale of long term non trade Investments	-	57.51
Less: Adjusted against Provisions	-	57.51
Charity and Donations	33.95	13.03
Security and Service Charges	574.60	610.83
Loss on Sale of Property, Plant & Equipment	417.96	1.84
Miscellaneous Expenses	288.99	178.31
Prior period expenses (Net)	57.24	54.05
<b>Total:</b>	<b>57,677.18</b>	<b>50,703.33</b>

#### Note 34 : Other Comprehensive Income

(₹ in lacs)

	Current year ended March 31, 2019	Previous year ended March 31, 2018
<b>Other Comprehensive Income (Refer note 48)</b>		
(A) Items that will not be reclassified to profit or loss		
(I) Remeasurements of the defined benefit plans	32.28	405.79
	<b>32.28</b>	<b>405.79</b>



### Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

#### 35A Contingent liabilities

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an on-going basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

	As at March 31, 2019	As at March 31, 2018
		(₹ in lacs)
a) Claims against the Company not acknowledged as debts		
i) Excise and Service Tax Demands under dispute/appeal	23,430.94	26,797.88
ii) Custom Demand on imported Coke/Coal	376.36	213.28
iii) Sales Tax /VAT Tax matters under dispute/appeal	2,689.30	2,387.39
iv) Income Tax matters under dispute/appeal	6.85	6.85
b) Bank Guarantees outstanding	945.56	690.61
c) Custom Duty on Import of Equipment and spare parts under EPCG Scheme	541.00	1,529.00
d) Guarantees and Counter guarantees given by the Company for loans obtained by other companies	Nil	900.00
e) Corporate Guarantee given to third party	1,331.00	1,331.00
f) Legal Case matters under dispute/appeal	3,101.85	16,237.29
<b>35B Capital and other commitments</b>		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for	7.10	75.03

36 Due to unfavourable market conditions and other adverse industry scenario the company has incurred net loss during the year ended 31 st March, 2019. This has impacted the net worth of the company. However, the management is confident that the improvement in market scenario will help in improving the financial health of the company. The financial statement for the year have been prepared by the management of the Company on a going concern basis as the company is continuing its normal manufacturing during the current year and has not written off Deferred tax Assets amounting to ₹ 29,085.14 lacs provided upto 31 st March, 2015.

#### 37 Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee, because of the lease period of land 90 or more years then the fair value computation for finance lease will have no material difference comparing to its carrying value, so that the company considered as finance lease.

#### The Company as lessee

##### Finance Lease:

Finance Leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss over the period of the lease.



### Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

(₹ in lacs)

Particulars	Current year ended March 31, 2019	Previous year ended March 31, 2018
Payments recognised as a expenses	10.14	10.14
Future Minium Lease payments		
Not later than one year	10.14	10.14
Later than one year and not more than five years	40.55	40.55
Later than five years	655.17	665.31

38 During the year, the Company has not recognised any income under the scheme for the following subsidies/incentives receivable from the Government of West Bengal under West Bengal Incentive Scheme aggregating to ₹ Nil (₹ 1,084.96 lacs) : Pre Goods & Service Tax (GST), the company was enjoying certain benefits under Industrial Promotion Scheme of State Government Post GST, pending notifications by the State Government on prudent basis.

(₹ in lacs)

Sl. No.	Particulars	Account to which credited	Current year ended March 31, 2019	Previous year ended March 31, 2018
a)	Industrial Promotion Assistance	Subsidy on Sales Tax / Value Added Tax under Sales & Service	Nil	1,084.96

39 Loans and Advances includes the following balances

(₹ in lacs)

Name of the Company	As at March 31, 2019	Maximum Amount due at any time during year ended March 31, 2019	As at March 31, 2018	Maximum Amount due at any time during year ended March 31, 2018
<b>In terms of Regulation 34(3) of the SEBI (LODR) Regulations, 2015</b>				
Jai Balaji Jyoti Steels Ltd.	7,573.19	8,051.45	7,945.25	11,323.52

40 Employee Benefits

**I. Disclosures for defined benefit plans based on actuarial reports**

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 Indian Accounting Standard 19 '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, 2019	Previous year ended March 31, 2018
Current service cost	126.67	159.32
Interest cost on benefit obligation	44.11	57.34
Expected return on plan assets	-	(29.66)
Net actuarial loss/(gain) recognised in the year	-	-
Past Service cost	-	7.89
<b>Total Expenses</b>	<b>170.78</b>	<b>194.89</b>



### Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

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

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of Defined Benefits Obligation	(764.80)	(685.94)
Fair value of plan assets	45.86	105.51
	(718.94)	(580.44)
Less: Unrecognised past service cost	-	-
<b>Total Expenses</b>	<b>(718.94)</b>	<b>(580.44)</b>

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

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of Defined Benefits Obligation at the beginning of the year	685.94	1,020.33
Current Service Cost	126.67	159.32
Interest Cost	49.66	68.62
Settlement Cost	-	(29.66)
Benefits Paid	(64.94)	(134.57)
Actuarial Loss/(Gain)	(32.53)	(405.99)
Plan Amendments	-	7.89
<b>Present value of Defined Benefits Obligation at the year end</b>	<b>764.80</b>	<b>685.94</b>

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

Particulars	As at March 31, 2019	As at March 31, 2018
Fair Value of Plan Assets at the beginning of the year	105.51	218.99
Expected Return	(0.26)	(0.20)
Interest Income	5.55	11.28
Contribution by Employer	-	10.00
Benefits paid	(64.94)	(134.57)
Actuarial Gains/(Losses)	-	-
<b>Fair Value of Plan Assets at the year end</b>	<b>45.86</b>	<b>105.51</b>

#### V. Expenses recognised in Other Comprehensive Income (OCI) for Current Year (₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Actuarial(Gain)/Losses due to DBO Assumption changes	-	(323.40)
Actuarial(Gain)/Losses due to DBO experience	(32.53)	(82.59)
Return on Plan Assets(Greater)/Less than Discount Rate	0.26	0.20
<b>Net (Income)/Expense for the period recognized in OCI</b>	<b>(32.28)</b>	<b>(405.79)</b>

**Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)**

**VI. Balance Sheet Reconciliation**

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Net defined benefit asset/(liability) at end of prior period	(580.44)	(801.34)
Service cost	(126.67)	(137.55)
Net interest on net defined benefit liability/(asset)	(44.11)	(57.34)
Amount recognised in OCI	32.28	405.79
Employer contribution	-	10.00
<b>Amount recognised in Balance Sheet</b>	<b>(718.94)</b>	<b>(580.44)</b>

**VII. The principal actuarial assumptions as at the Balance Sheet date are set out as below :**

(₹ in lacs)

Particulars	Current year ended March 31, 2019	Previous year ended March 31, 2018
<b>Summary of Financial Assumptions</b>		
Discount Rate	7.60%	7.60%
Salary Escalation Rate	7.00%	7.00%
<b>Summary of Demographic Assumptions</b>		
Mortality Table	Indian Assured Life Mortality (2006-08) (modified) Ultimate	Indian Assured Life Mortality (2006-08) (modified) Ultimate
Withdrawal Rate	1.80% to 6.20%	1.80% to 6.20%
Retirement Age	60 Years	60 Years

Particulars	Change in Assumption	Gratuity year ended March 31, 2019	Gratuity year ended March 31, 2018
<b>Sensitivity Analysis</b>			
Changes in Defined Benefit Obligations			
Salary Escalation	1%	83.17	77.91
Salary Escalation	-1%	72.73	66.83
Discount Rates	1%	71.86	65.88
Discount Rates	-1%	84.83	78.18

**Note:**

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.

**II. Charge to the Statement of Profit and Loss on contributions**

(₹ in lacs)

Particulars	Current year ended March 31, 2019	Previous year ended March 31, 2018
Contribution to Provident Fund and other Funds	554.82	588.96



### Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

41. Trade payables includes amount due to Micro and Small Enterprises in terms of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as under:

Particulars	Current year ended March 31, 2019	Previous year ended March 31, 2018
a) Principal Amount remaining unpaid to the suppliers as at the end of the period	1169.76	946.16
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.	-	-

#### 42 Segment Information

- (i) Business Segment : The Company's business activity primarily falls within a single business segment i.e. Iron & Steel Business and hence there are no disclosures to be made under Ind AS-108, other than those already provided in the financial statements.
- (ii) Geographical Segment : The Company's business activity primarily operates in India and therefore the analysis of geographical segment is based on the areas in which customers of the Company are located.

#### Information for Secondary Geographical Segments:

(₹ in lacs)

Particulars	Current year ended March 31, 2019	Previous year ended March 31, 2018
Domestic Revenues	296,571.60	232,105.45
Export Revenues (Including Export Benefits)	11,175.16	6,827.84
<b>Total Net Revenue</b>	<b>307,746.76</b>	<b>238,933.29</b>

(₹ in lacs)

Particulars	Current year ended March 31, 2019	Previous year ended March 31, 2018
Domestic Trade Receivables	38,846.23	39,391.63
Export Trade Receivables	565.21	547.64
<b>Total</b>	<b>39,411.44</b>	<b>39,939.27</b>



### Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

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

Particulars	Foreign Currency (FC)	As at March 31, 2019		As at March 31, 2018	
		in FC	₹ in lacs	in FC	₹ in lacs
<b>Receivables</b>					
(a) Trade Receivables	US\$	815,981	565.21	842,894	547.64
(b) Advances	US\$	248,206	169.32	71,853	46.55
	Euro	-	-	1,895	1.53
<b>Total</b>			<b>734.54</b>		<b>595.72</b>
<b>Payables</b>					
(a) Trade Payables	US\$	816,414	563.20	259,096	168.53
	Euro	172,692	134.19	112,434	90.65
(b) Advances	US\$	455,316	317.96	116,995	75.41
<b>Total</b>			<b>1,015.35</b>		<b>334.59</b>

44. Earnings per share (EPS) :

The following reflects the profit and share data used in the basic and diluted EPS computations :

Sl No.	Particulars		Current year ended March 31, 2019	Previous year ended March 31, 2018
A	Profit/(Loss) after Tax	₹ in lacs	(15,368.03)	(25,666.35)
B	Number of shares at the beginning of the year	Nos.	96,386,486	86,281,486
C	Total equity shares outstanding at the end of the year	Nos.	96,386,486	96,386,486
D	Weighted average number of equity shares outstanding at the end of the year	Nos.	96,386,486	93,393,801
E	Nominal Value of each Share	₹	10.00	10.00
F	Basic Earning per Share	₹	(15.94)	(27.48)
G	Diluted Earning per Share	₹	(15.94)	(27.48)

45. Related Party Disclosures

**a. Name of related parties and related party relationship**

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



Notes to Consolidated financial statements for the year ended March 31, 2019 (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 Share	Money Received against share Warrants	Allotment of Equity Shares Warrants	Loan Taken	Balance Receivable	Balance Payable	Guarantees Obtained ##	Corporate Guarantee Given
<b>Key Management Personnel</b>	Aditya Jajodia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	371,357.00	-
	Sanjiv Jajodia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(371,357.00)	-
	Ajay Kumar Tania	-	-	-	-	-	-	38.83 (28.73)	-	-	-	-	-	-	-	-	-	-
	Rajiv Jajodia	-	-	-	-	-	0.20 (0.15)	-	-	-	-	-	-	-	-	-	371,357.00	-
<b>Relatives of Key Management Personnel</b>	Gaurav Jajodia	-	-	-	-	-	0.20 (0.15)	-	-	-	-	-	-	-	-	-	371,357.00	-
	CSIL	2047 (17.71)	2163 (47.77)	-	-	-	-	-	-	-	-	-	-	-	(1,076.95)	-	-	(900.00)
<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>	JBSL	157.79 (54.94)	342.31 (4,062.47)	-	737.93	-	-	-	-	-	-	-	-	-	7,573.19 (7,945.25)	-	-	-
	JSBIPL	715.04 (1,329.66)	0.83 (499.77)	-	-	-	-	-	-	-	-	-	-	-	(677.55)	-	-	-
	JEPL	-	-	0.80 (0.80)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	ESL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	651.54 (651.54)	-	-
	HML	-	-	-	-	-	-	-	-	-	-	-	-	-	-	432.76 (432.76)	-	-
<b>Total</b>		893.30 (1,702.31)	364.77 (4,610.01)	0.80 (0.80)	737.93	-	0.40 (0.30)	38.83 (28.73)	-	-	-	-	-	-	7,573.19 (9,699.75)	1,084.30 (1,084.30)	371,357.00 (371,357.00)	(900.00)

#The remuneration to the Key Managerial Personnel does not include the provisions made for gratuity as they are determined on an actuarial basis for the company as a whole.

##Guarantees were jointly obtained from Aditya Jajodia, Sanjiv Jajodia, Rajiv Jajodia & Gaurav Jajodia.



### Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

#### 46 Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Sl No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
i	Equity share capital	9,638.26	9,638.26
ii	Other equity	(167,632.91)	(152,307.29)
	<b>Total Equity (a)</b>	<b>(157,994.65)</b>	<b>(142,669.03)</b>
i	Borrowings	363,830.42	351,027.60
ii	Interest accrued and due on borrowings	4,964.37	11,501.23
iii	Current maturity of long term debt	-	-
	<b>Total debt (b)</b>	<b>368,794.79</b>	<b>362,528.83</b>
	Cash and cash equivalents	714.88	731.00
	<b>Total cash</b>	<b>714.88</b>	<b>731.00</b>
	Net debt (b-c)	368,079.91	361,797.83
	Total capital (equity+ net debt)	210,085.26	219,128.80
	Net debt to equity ratio/Capital Gearing Ratio	(2.33)	(2.54)

#### 47 Fair Value Measurements

##### a) Financial instruments by category

	As at March 31, 2019			As at March 31, 2018		
	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
<b>Financial Assets</b>						
Investments	27.52	78.93	-	27.52	78.93	-
Trade receivables	39,411.44	-	-	39,939.27	-	-
Bank balance other than Cash and cash equivalents	34.36	-	-	67.98	-	-
Loans	11,930.97	-	-	11,712.61	-	-
Cash and cash equivalents	714.88	-	-	731.00	-	-
Other financial assets	923.47	-	-	51.44	-	-
<b>Total Financial Assets</b>	<b>53,042.64</b>	<b>78.93</b>	<b>-</b>	<b>52,529.82</b>	<b>78.93</b>	<b>-</b>
<b>Financial Liabilities:</b>						
Non Current Borrowings	161,385.58	-	-	5,731.75	-	-
Current Borrowings	202,444.84	-	-	345,295.85	-	-
Other financial Liabilities	22,046.88	-	-	28,539.23	-	-
Trade payables	67,017.50	-	-	64,142.37	-	-
<b>Total Financial Liabilities</b>	<b>452,894.80</b>	<b>-</b>	<b>-</b>	<b>443,709.20</b>	<b>-</b>	<b>-</b>



### Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

#### b) Fair value hierarchy

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

- level 1: quoted and unquoted prices (unadjusted) in active markets for identical assets or liabilities.
- level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

#### Financial Assets and Liabilities measured at fair value as at 31st March, 2019 (₹ in lacs)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Financial Investment	78.93	-	-	78.93
Security deposit			4,158.84	4,158.84
<b>Total</b>	<b>78.93</b>	<b>-</b>	<b>4,158.84</b>	<b>4,237.77</b>
<b>Financial Liabilities</b>				
Borrowings	-	-	161,385.58	161,385.58
<b>Total</b>	<b>-</b>	<b>-</b>	<b>161,385.58</b>	<b>161,385.58</b>

#### Financial Assets and Liabilities measured at fair value as at 31 March, 2018

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Financial Investment	78.93	-	-	78.93
Security deposit			3,539.05	3,539.05
<b>Total</b>	<b>78.93</b>	<b>-</b>	<b>3,539.05</b>	<b>3,617.98</b>
<b>Financial Liabilities</b>				
Borrowings	-	-	5,731.75	5,731.75
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5,731.75</b>	<b>5,731.75</b>

#### Notes

- (i) Current financial assets and liabilities are stated at amortised cost which is approximately equal to their fair value
- (ii) Non Current financial assets and liabilities measured at amortised cost have same fair value as at 31st March, 2019, and 31st March, 2018.



### Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

#### 48 Other Comprehensive Income:

Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as 'Other Comprehensive Income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

#### 49. Auditors Remuneration (included in Legal and Professional Charges)

(₹ in lacs)

Payment to Auditor	Current year ended March 31, 2019		Previous year ended March 31, 2018	
<b>Holding Company</b>				
As auditor:				
Audit fee	3.50		3.50	
Limited Review	7.50		7.50	
Tax Audit	0.50		0.50	
Out-of-pocket expenses	-	11.50	-	11.50
In other manner for Certification		0.04		0.28
<b>Total*</b>		<b>11.54</b>		<b>11.78</b>
<b>Subsidiary Companies</b>				
As Auditor				
Audit fee	0.12		0.12	
Tax Audit	-		-	
Out-of-pocket expenses	-	0.12	-	0.12
In other manner for Certification		-		-
<b>Total</b>		<b>0.12</b>		<b>0.12</b>

\*Out of above amount, paid to other auditor amounts to ₹ 0.50 lacs (₹ 0.50 lacs)

#### 50 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.*	
Company's share in Joint Venture	32.79%	32.79%	6.90%	6.90%
Contry of Incorporation	India	India	India	India

\*The Hon'ble Supreme Court vide its Order dated 24<sup>th</sup> 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. The company has prudently brought down the value of investment in joint venture companies to nominal value of ₹ 1 per share. However the company had submitted claims w.r.t the cancellation of coal blocks which are still pending.

#### 51 Fair Valuation of Investments:

Ind AS 101 provides an option on transition date to consider fair value of the investment in subsidiaries or joint venture as on the date of transition as the deemed cost as cost for the purpose of Para 10 of Ind AS 27. Accordingly the Company has valued as a deemed cost. The company has prudently brought down the value of its investments in two of its joint ventures viz Andal East Coal Co Pvt Ltd and Rohne Coal Co Pvt Ltd as on 1st April, 2016 with a corresponding impact on Other Equity (Retained earnings) and also fair valued its investment of equity shares The Calcutta Stock Exchange as on 1st April 2016 to arrive at the book value with a corresponding impact on Other Equity (retained earnings). However, provision for diminution in value is made to reconize a decline other than temporary in the value of the investments.



### Notes to Consolidated financial statements for the year ended March 31, 2019 (Contd.)

52. Balances of some parties (including of Trade Receivables and Trade Payables) and Loan & Advances are subject to Re-conciliation/confirmation from the respective parties. The management does not expect any material differences affecting the financial statement for the year.
53. Previous year figures have been reclassified/regrouped wherever necessary to confirm with financial statements prepared under Ind AS.
54. The financial statements are approved by the audit committee at its meeting held on 30th May, 2019 and by the Board of Directors on the same date.

As per our report of even date

For and on behalf of the Board of Directors

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

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

Place : Kolkata  
Date : 30<sup>th</sup> May, 2019

**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*





## Corporate Information

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### Board of Directors

**Shri Aditya Jajodia**  
*Chairman & Managing Director*

**Shri Sanjiv Jajodia**  
*Whole-time Director &  
Chief Financial Officer*

**Shri Rajiv Jajodia**

**Shri Gaurav Jajodia**

**Shri Amit Kumar Majumdar**

**Shri Ashim Kumar Mukherjee**

**Shri Shailendra Kumar Tamotia**

**Ms. Seema Chowdhury**

**Ms. Swati Agarwal**

**Ms. Rakhi Bajoria**

**Ms. Swati Bajaj**

### 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

**Agrawal Tondon & Co.**  
**Chartered Accountants**  
**Room No - 7, 1st Floor**  
**59, Bentinck Street**  
**Kolkata - 700 069**

### 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](mailto:jaibalaji@jaibalajigroup.com)  
Website: [www.jaibalajigroup.com](http://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](mailto: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

**Canara Bank**

**Corporation Bank**

**Edelweiss Asset Reconstruction  
Company Limited**

**Indian Overseas Bank**

**JM Financial Asset Reconstruction  
Company Limited**

**Omkara Asset Reconstruction  
Private Limited**

**Oriental Bank of Commerce**

**Punjab National Bank**

**The Federal Bank Limited**

**Vijaya Bank**

### WEBSITE

[www.jaibalajigroup.com](http://www.jaibalajigroup.com)

### INVESTORS' E-MAIL ID

[jaibalaji@jaibalajigroup.com](mailto:jaibalaji@jaibalajigroup.com)



## **Jai Balaji Industries Limited**

**5, Bentinck Street, Kolkata - 700 001, West Bengal, India**

**Phone: 91-33-2248 9808, Fax: 91-33-2243 0021**

**CIN: L27102WB1999PLC089755**