



# JAI BALAJI INDUSTRIES LIMITED

Ref : JBIL/SE/2018-19

Date: 1<sup>st</sup> October, 2018

To,  
The Manager  
Listing Department,  
**National Stock Exchange of India Limited**  
"EXCHANGE PLAZA", C-1, Block G,  
Bandra- Kurla Complex, Bandra (E)  
Mumbai- 400 051  
(Company's Scrip Code: JAIBALAJI)

Dear Sir,

Sub: **Annual Report for the Financial Year 2017-18**

Kindly find enclosed herewith the Annual Report of the Company for the Financial Year 2017-18.  
The same is for your kind information and record.

Thanking you.

Yours faithfully,  
for **JAI BALAJI INDUSTRIES LIMITED**

  
**AJAY KUMAR TANTIA**  
Company Secretary

cc: The Manager  
**BSE Ltd.**  
(Company's Scrip Code: 532976)  
cc: The Listing Department  
**The Calcutta Stock Exchange Ltd.**  
(Company's Scrip Code: 10020253)

Encl.: as above

**Regd. Office :** 5, Bentinck Street, 1st Floor, Kolkata- 700 001.

Phone : +91-33-2248 9808, 2248 8173, Fax : +91-33-2243 0021/2210 7893/2242 6263

E-mail : [info@jaibalajigroup.com](mailto:info@jaibalajigroup.com), Website : [www.jaibalajigroup.com](http://www.jaibalajigroup.com)

CIN - L27102WB1999PLC089755



**Jai Balaji Industries Limited**

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**INSPIRED BY STEEL**

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**19th Annual Report  
2017-18**

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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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<b>Contents</b>	
Notice	<b>1</b>
Directors’ Report	<b>18</b>
Corporate Governance Report	<b>47</b>
Management Discussion and Analysis Report	<b>68</b>
Auditors’ Report	<b>73</b>
Balance Sheet	<b>80</b>
Statement of Profit & Loss	<b>81</b>
Cash Flow Statement	<b>82</b>
Notes to Financial Statements	<b>84</b>
Consolidated Accounts	<b>122</b>

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### Notice to the Shareholders

**NOTICE IS HEREBY GIVEN THAT** the Nineteenth Annual General Meeting of the Members of Jai Balaji Industries Limited will be held on Thursday, 20<sup>th</sup> September, 2018 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 31<sup>st</sup> March, 2018 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 31<sup>st</sup> March, 2018 and the Auditors' Report thereon.

##### **Item No. 2**

To appoint a Director in place of Shri Rajiv Jajodia (DIN – 00045192), who retires by rotation and being eligible, offers himself for re-appointment.

##### **Item No. 3**

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

#### **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 ₹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 13<sup>th</sup> August, 2018 payable to Mondal & Associates, Proprietor Mr. Amiya Mondal, being the Cost Auditor of the Company, having office at 45, Akhil Mistry Lane, Kolkata – 700 009 for conducting the audit of the cost records of the Company and providing Cost Audit Report and all such reports, annexures, records, documents etc., for the financial year 2018-19, 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 an **ORDINARY RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR / Listing Regulations), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, Ms. Swati Bajaj (DIN – 01180085), who has been appointed by the Board as an Additional Director of the Company with effect from 13<sup>th</sup> August, 2018 based on the recommendation of the Nomination and Remuneration Committee, in terms of Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member of the Company under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for a period of 5 (Five) years with effect from 13<sup>th</sup> August, 2018.”

##### **Item No. 6**

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

**“RESOLVED THAT** pursuant to the recommendation of the Nomination and Remuneration Committee, and approval of the Board and pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and also subject to the approval of the necessary statutory authorities, if required, approval of the members of the Company be and is hereby accorded to the appointment of Shri Sanjiv Jajodia (holding DIN: 00036339), as Whole-time Director of the Company for a period of 5 (Five) years with effect from 30<sup>th</sup> June, 2018 to 29<sup>th</sup> June, 2023 upon the terms and conditions of appointment and remuneration as set out in the agreement of the appointment, as approved by the Board of Directors of the Company and the Nomination and Remuneration Committee and as set out in the Explanatory Statement annexed hereto.



### Notice to the Shareholders (Contd.)

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

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to file necessary forms with the Registrar of Companies and to take further steps to give effect to this resolution and to do all such act, deeds and things as may be necessary and incidental thereto for the said purpose."

#### 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 recommendation of the Nomination and Remuneration Committee, and approval of the Board and pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and also subject to the approval of the necessary statutory authorities, if required, approval of the members of the Company be and is hereby accorded to the re-appointment of Shri Amit Kumar Majumdar (holding DIN: 00194123), as Executive Director of the Company for a period of two years with effect from 14<sup>th</sup> August, 2018 to 13<sup>th</sup> August, 2020 upon the terms and conditions of re-appointment and remuneration as set out in the agreement of the reappointment, as approved by the Board of Directors of the Company and the Nomination and Remuneration Committee and as set out in the Explanatory Statement annexed hereto.

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

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to file necessary forms with the Registrar of Companies and to take further steps to give effect to this resolution and to do all such act, deeds and things as may be necessary and incidental thereto for the said purpose."

#### Item No. 8

To consider and, if thought fit, to pass, with or without

modification(s), the following Resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT**, in accordance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any amendment thereto or modification thereof, this Meeting hereby approves the re-appointment of 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 1<sup>st</sup> April, 2019, or till such earlier date as may be determined by any applicable statutes, rules, regulations or guidelines."

**"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. 9

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 Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and other applicable provisions if any, consent of members of the Company be and is hereby accorded for continuation of Directorship of Shri Ashim Kumar Mukherjee who was appointed as Independent Director of the Company for a term of 5 (Five) years with effect from 2<sup>nd</sup> December, 2015 at the 17<sup>th</sup> Annual General Meeting of the Company held on 20<sup>th</sup> September, 2016 and who has attained the age of 75 years, for the remaining period of his existing term of Directorship as Independent Director of the Company."

**"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."

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

Place : Kolkata  
Date : 13<sup>th</sup> August, 2018

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

Sd/-  
**Ajay Kumar Tania**  
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 to be transacted at the Nineteenth Annual General Meeting ('the meeting') is annexed hereto and forms part of the Notice.
2. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Friday, 14<sup>th</sup> September, 2018 to Thursday, 20<sup>th</sup> September, 2018 (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 2017-18, circulated to the members of the Company, is also uploaded on the Company's website "www.jaibalajigroup.com".
7. Members holding shares in physical mode are requested to intimate any change in their address to the Registrar and Share Transfer Agent, Maheshwari Datamatics Private Limited, at their Corporate Office 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700 001 and members holding shares in demat mode are requested to intimate any change in their address or bank mandates to their respective Depository Participants. Any such changes effected by the Depository Participants will automatically reflect in the Company's subsequent records.

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

8. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order 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.
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 Company's Registrar and Share



### Notice to the Shareholders (Contd.)

Transfer Agent, 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 2017-18 and the Notice of the Nineteenth 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 Nineteenth 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 Nineteenth 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 Central Depository Services (India) Limited (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 thereunder, 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 no. 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. The same will be effective from December 05, 2018.
17. Details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting forms integral part of the notice. Requisite declarations/consent have been received from the Directors for his/her appointment/re-appointment.
18. Members wishing to claim dividend, which remains



### Notice to the Shareholders (Contd.)

unclaimed are requested to correspond with the Company Secretary, at the Company's Registered Office. Members are requested to note that dividends not encashed or claimed within 7 (Seven) years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the fund established by the Central Government, namely the Investor Education and Protection Fund (IEPF). Further, once the unclaimed dividend is transferred to IEPF, no further claim shall be entertained by the Company in respect thereof. Details of dividend remaining unclaimed by the members for the past year which have not yet been transferred to IEPF are readily available for view by the members on the Company's Website.

The Shareholders may note that Unclaimed/Unpaid Dividend till the financial year 2009-10 has already been transferred by the Company to the IEPF within the stipulated time as prescribed under the applicable provisions of the Companies Act, 2013 and the dividend for the year 2010-11 is lying with the Company.

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

Financial Year ended	Date of Declaration of Dividend	Unclaimed/ Unpaid Amount (in ₹)	Last Date for Claiming Un-Paid/ Unclaimed Dividend
31.03.2011	21.09.2011	46,231.60	25.10.2018

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, including the statutory modification(s) or re-enactment(s) thereof, for the time being in force ("IEPF Rules, 2016"), equity shares of the Company in respect of which dividend amounts have not been claimed/encashed for the last seven consecutive years or more are required to be transferred by the Company to the Demat Account of the Investor Education and Protection Fund Authority ("IEPFA"). Accordingly, equity shares which were/ are due to be so transferred, have been/ shall be transferred by the Company to the Demat Account of IEPFA. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to the Demat Account of IEPFA and 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 be transferred to the Demat Account of IEPFA have been uploaded by the Company on its website at [www.jaibalajigroup.com](http://www.jaibalajigroup.com)

19. Section 72 of Companies Act, 2013 extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders holding share certificate in physical form and willing to avail this facility may make nomination in Form SH-13 as per Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 which may be sent on request. In case of demat holding, the shareholders should approach their respective Depository Participant for their nomination. Blank forms will be made available on request. The same can also be downloaded from the Company's website under the head 'Investor Relations'.
20. a) In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments made thereto, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is pleased to provide the facility to members to exercise their right to vote on the resolutions proposed to be passed at the Annual General Meeting as stated in the Notice by electronic means from a place other than venue of the meeting i.e. remote e-voting. The facility of casting the votes by the members using an electronic voting system from a place other than venue of Annual General Meeting (remote e-voting) will be provided by CDSL.

**The detailed process for exercising the e-voting facility is enclosed and is being sent as a part of the Notice. Members are requested to carefully read the instructions of e-voting before exercising their vote.**

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

Commencement of e-voting: From 10:00 a.m. on Monday, 17<sup>th</sup> September, 2018.

End of e-voting: Up to 5:00 p.m. on Wednesday, 19<sup>th</sup> September, 2018

**Members holding shares either in physical or dematerialized mode as on the cut-off date viz., Thursday, 13<sup>th</sup> September, 2018 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, 13<sup>th</sup> September, 2018**, he/she may write to the Registrar requesting





### Notice to the Shareholders (Contd.)

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, 13<sup>th</sup> September, 2018**.
- h) A person who is not a member as on cut-off date should treat this notice for the information purpose only.
- i) The Board of Directors has appointed Ms. Priti Todi, Partner of P.S. & Associates, Practising Company Secretaries, (Membership No. ACS: 14611) (Address: 225D, AJC Bose Road, 3<sup>rd</sup> Floor, Kolkata - 700 020), as the Scrutinizer to scrutinize the e-voting process and voting at the AGM in a fair and transparent manner.
- j) The scrutinizer shall after the conclusion of meeting count the votes cast at the meeting, thereafter unblock the votes cast by remote e-voting in the presence of at least 2 (Two) witnesses not in employment of the Company and within a period not exceeding 3 (Three) days from the conclusion of the meeting submit a

consolidated scrutinizer's report of total votes cast (e-voting & ballot) in favour or against it to the Chairman of the meeting or any person authorized by the Chairman. The Chairman of the meeting or any person authorized by the Chairman shall counter-sign the same and shall declare the results of voting forthwith.

- k) The results of e-voting will be communicated to the Stock Exchanges where equity shares of the Company are listed viz. BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited. Further, the results so declared along with the Scrutinizer's Report shall also be placed on the website of the Company as well as on the website of CDSL immediately after declaration of results by the Chairman or any person authorized by him in writing.
- l) M/s. S. K. Agrawal & Co., Chartered Accountants (Firm Registration No. 306033E), were appointed as Statutory Auditors of the Company to hold office from the conclusion of 16<sup>th</sup> Annual General Meeting of the Company held on 21<sup>st</sup> September, 2015 till the conclusion of the 21<sup>st</sup> Annual General Meeting of the Company, subject to ratification by members every year as prescribed under the then prevailing provisions of the Companies Act 2013.

However, the ratification of such appointment is not proposed henceforth in terms of the Companies (Amendment) Act, 2017 whereunder the first proviso to Section 139(1), relating to ratification of statutory auditors has been omitted with effect from 7th of May, 2018.

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

Place : Kolkata  
Date : 13<sup>th</sup> August, 2018

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 13<sup>th</sup> August, 2018 has approved the re-appointment of the Cost Auditors of the Company, Mondal & Associates, Proprietor Mr. Amiya Mondal, to conduct audit of the cost records of the Company and providing Cost Audit Report and all such reports, annexures, records, documents etc., for the financial year 2018-19, 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.

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

Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditors of the Company for the Financial Year 2018-19.

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**

Graduate with Honours in Accountancy, Ms. Swati Bajaj, aged about 43 years, is a Company Secretary in Practice and possesses experience of over 15 years in handling Company Law, SEBI Laws and FEMA matters. Ms. Bajaj is enrolled as an Insolvency Professional with the Insolvency and Bankruptcy Board of India. She is an Assistant Editor for 'Guide to Company law Procedures, Rules, Compliance and Governance under Companies Act, 2013, by M.C. Bhandari, 23<sup>rd</sup> Edition' and also a faculty with Institute of Company Secretaries of India. She is also an Ex-Committee Member of Institute of Company Secretaries of India.

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Swati Bajaj (DIN - 01180085), as an Additional Director (Category -Non Executive Independent Director) of the Company with effect from 13<sup>th</sup> August, 2018, in terms of Sections 149 and 161(1) of the Companies Act, 2013 to hold office upto the date of this Annual General Meeting and further recommended her appointment based on the recommendation of the Nomination and Remuneration Committee, as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of 5 years from the date of her appointment, in terms of the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013, and the rules made therein (as amended from time to time) read with Schedule IV of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR / Listing Regulations), including any statutory modification(s) or re-enactment(s) thereof for the time being in force. The Board is highly optimistic that her association will render benefits to the Company.

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

The Company has received consent in writing from Ms. Swati Bajaj to act as a Director of the Company along with the

requisite disclosures and a declaration to the effect that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

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

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

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

### **Item No. 6**

The Board of Directors of the Company ("the Board") at its meeting held on 30<sup>th</sup> June, 2018 has approved the appointment of Shri Sanjiv Jajodia (holding DIN: 00036339) as Whole-time Director of the Company in accordance with the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable provisions, if any, and subject to approval of the members and such other authorities as may be required, for a period of 5 (Five) years commencing from 30<sup>th</sup> day of June, 2018 at a proposed remuneration of ₹6,00,000 per month on the basis of recommendation of Nomination and Remuneration Committee. However, in view of the losses, Shri Sanjiv Jajodia has waived off his remuneration.

### **BRIEF PROFILE**

Shri Sanjiv Jajodia is presently on the Board of the flagship company of our group, Jai Balaji Industries Limited as a Whole-time Director. He is a Commerce Graduate and has more than two decades experience in Steel Industry. He has expertise in Corporate Finance, Accounts, Taxation, Corporate Governance, Statutory Compliance, Planning, System & Procedures, Audit, internal and Statutory Audit and Control. Shri Sanjiv Jajodia, son of Late Keshar Deo Jajodia joined Jai Balaji Industries Limited in 2002. He has been instrumental in shaping the corporate profile of the Company and in establishing the Company as a major Corporate House in the steel sector.

## Annexure to the Notice (Contd.)

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

I. GENERAL INFORMATION					
1)	Nature of Industry	Iron & Steel Industry			
2)	Date or expected date of commencement of commercial production	9 <sup>th</sup> April, 2000			
3)	In case of new Company, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable			
4)	Financial performance based on given indicators	Particulars	Financial Year ended 31 <sup>st</sup> March, 2018	Financial Year ended 31 <sup>st</sup> March, 2017	Financial Year ended 31 <sup>st</sup> March, 2016
		Total Income	244,298.38	171,130.22	122,845.81
		Profit/ (Loss) before tax	(25,666.06)	(23,608.61)	(66,612.42)
		Profit/ (Loss) after tax	(25,666.06)	(23,608.61)	(66,612.42)
		Note: The figures for the year ended March 31, 2018 and March 31, 2017 presented here are Ind AS compliant			
5)	Foreign investments or collaborators	NIL			
II. INFORMATION ABOUT SHRI SANJIV JAJODIA					
1)	Background details	Shri Sanjiv Jajodia, son of Late Keshar Deo Jajodia, is presently the Whole-time Director and Chief Financial Officer of the company. He is a commerce graduate and has more than two decades of experience in steel industry. He joined Jai Balaji Industries Limited in 2002. He has been instrumental in shaping the corporate profile of the Company and in establishing the Company as a major Corporate House in the steel sector.			
2)	Past Remuneration	NIL			
3)	Recognition or awards	Shri Sanjiv Jajodia is well known among industry circle as a highly successful entrepreneur.			
4)	Job profile and his suitability	Shri Sanjiv Jajodia has expertise in Corporate Finance, Accounts, Taxation, Corporate Governance, Statutory Compliance, Planning, System & Procedures, Audit, Internal and Statutory Audit and Control. He has been instrumental in shaping the corporate profile of the Company and in establishing the Company as a major Corporate House in the steel sector.			
5)	Remuneration proposed	₹600,000 per month (However, in view of the losses, Shri Sanjiv Jajodia has waived off his remuneration.)			
6)	Comparative remuneration profile with respect to industry, size of the Company, profile of position and person	Shri Sanjiv Jajodia is not drawing any remuneration from the Company.			
7)	Pecuniary relationship directly or indirectly with the Company or relationship with the Managerial Personnel	Shri Sanjiv Jajodia holds 27,79,433 equity shares of the Company.			
III. OTHER INFORMATION					
1)	Reasons of inadequate profits or loss	The loss is mainly attributable to the fall in demand in the steel product, high cost of raw material and cost of production, rising imports from other countries at cheaper rates and other economic factors			
2)	Steps taken or to be taken for improvement	Continuous efforts are being taken by the Management to improve the profitability and enhance productivity, cost reduction and sales growth.			
3)	Expected increase in productivity and profits in measurable terms	The management expects that with the continuous efforts the productivity and profits will grow at a realistic rate.			



### Annexure to the Notice (Contd.)

An abstract of the main terms and conditions of the re-appointment of Shri Sanjiv Jajodia, as the Whole-time Director of the Company and memorandum of concern or interest of the directors are given below:

#### Terms and Conditions of Re-appointment:

##### a) SALARY:

₹6,00,000/- (Rupees Six lac only) per month. (Annual increment of amount not exceeding ₹1,20,000/- per month, subject to the approval of the Board.)

##### b) PERQUISITES AND ALLOWANCES:

###### i) Housing

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

###### ii) Education

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

###### iii) Special Allowance

Special Allowance of ₹1,25,000/- per month.

###### iv) Medical Benefits

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

###### v) Personal accident insurance

For self and family as per rules of the Company.

###### vi) Leave travel concession

For self and family as per rules of the Company.

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

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

###### viii) Gratuity

Payable as per rules of the Company.

###### ix) Leave

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

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

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

###### xi) Watchman/Gardener/Cleaner/ Servants' Salary

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

##### xii) Club fees

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

##### c) AMENITIES:

###### i) Conveyance Facilities

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

###### ii) Telephone and other communication facilities

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

##### D) OTHER BENEFITS

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

##### E) REIMBURSEMENT OF EXPENSES

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

##### F) OVERALL REMUNERATION

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

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

Except Shri Sanjiv Jajodia and his brother Shri Rajiv Jajodia, none of the other Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

##### Item No. 7

The Board of Directors of the Company ("the Board") at its meeting held on 13th August, 2018 has approved the re-appointment of Shri Amit Kumar Majumdar (holding DIN: 00194123) as Executive Director of the Company in accordance with the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable provisions, if any, and subject to approval of the members and such other



## Annexure to the Notice (Contd.)

authorities as may be required, for a further period of 2 (two) years with effect from 14th August, 2018 at a proposed remuneration of Rs.75,000 per month on the basis of recommendation of Nomination and Remuneration Committee. However, in view of the losses, Shri Amit Kumar Majumdar has waived off his remuneration

### BRIEF PROFILE

Shri Amit Kumar Majumdar, aged about 80 years, is a B.Sc (Allahabad University) and B.Sc (Metallurgical Engineering) from Banaras Hindu University which has honoured him with its distinguished Alumnus Award and First NP Gandhi Memorial Professorship in Metallurgical Engineering in application of his contribution to the industry over the years. He is a well known and reputed metallurgist and steel industry professional of the industry over the years. He has extensive professional experience spanning over five decades in the operations and management of iron and steel plants. He has held key positions in Steel Authority of India Limited, where he worked for 30 years across three plants and its corporate headquarters in Delhi where as head of the Chairman's Secretariat, he was responsible for Corporate Planning and Total Quality and advising the Chairman in matter relating to Technical and Production in the plants. As Chief Executive he is credited with turning around SAIL's ailing speciality steel plant, Visvesvaraya Iron & Steel Co. Ltd., in Bhadravati, Karnataka. He has been the architect of setting up the Aparant Iron and Steel Plant in Goa for the reputed industrial house

of Dempo Group, of which he was the Managing Director till 2002. Widely regarded for his foresight and knowledge, he is an acknowledged expert in matters related to the iron and steel industry, a fact borne out by the fact that, in 1992, he was chosen by the Government of Karnataka to be its Chief Technical Expert for advising the government for selecting the futuristic "COREX" technology. Also, he was the only Indian to be nominated as the "Lifetime Achievement Award Finalist" at the 2016 PLATTS - GLOBAL METALS AWARDS in London, England.

The Board of your Company believe that his expertise and knowledge will help the company in long run and will add value to the organisation. The Board based on the recommendation of the Nomination and Remuneration Committee proposes to re-appoint Shri Amit Kumar Majumdar, who is more than seventy years of age, as an Executive director of the Company as per Section 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and subject to the approval of such authorities as may be required, on such terms and conditions as set out in the Agreement dated 13th August, 2018 entered into between the Company and Shri Amit Kumar Majumdar for a period of 2 (two) years from 14th August, 2018 for obtaining such services as may be beneficial for the working of the Company, including any advisory services.

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

I. GENERAL INFORMATION					
1)	Nature of Industry	Iron & Steel Industry			
2)	Date or expected date of commencement of commercial production	9 <sup>th</sup> April, 2000			
3)	In case of new Company, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable			
4)	Financial performance based on given indicators	Particulars	Financial Year ended 31 <sup>st</sup> March, 2018 (₹ in lacs)	Financial Year ended 31 <sup>st</sup> March, 2017 (₹ in lacs)	Financial Year ended 31 <sup>st</sup> March, 2016 (₹ in lacs)
		Total Income	244,298.38	171,130.22	122,845.81
		Profit/ (Loss) before tax	(25,666.06)	(23,608.61)	(66,612.42)
		Profit/ (Loss) after tax	(25,666.06)	(23,608.61)	(66,612.42)
		Note: The figures for the year ended March 31, 2018 and March 31, 2017 presented here are Ind AS compliant			
5)	Foreign investments or collaborators	NIL			

## Annexure to the Notice (Contd.)

II. INFORMATION ABOUT SHRI AMIT KUMAR MAJUMDAR		
1) Background details	Shri Amit Kumar Majumdar is a B.Sc (Allahabad University) and B.Sc (Metallurgical Engineering) from Banaras Hindu University. He is well known and reputed metallurgist and steel industry professional of the industry over the years. He has an extensive professional experience spanning nearly five decades in the operations and management of iron and steel plants.	
2) Past Remuneration	<b>Period</b>	<b>Remuneration paid (Amount in ₹)</b>
	14 <sup>th</sup> August 2015 to 31 <sup>st</sup> March, 2016	5,68,548
	1 <sup>st</sup> April 2016 to 31 <sup>st</sup> March, 2017	6,75,000
	1 <sup>st</sup> April 2017 to 31 <sup>st</sup> March, 2018	NIL
	1 <sup>st</sup> April 2018 to 13 <sup>th</sup> August, 2018	NIL
	<b>TOTAL</b>	<b>12,43,548</b>
3) Recognition or awards	<p>He had received numerous national level awards for professional &amp; business excellence:</p> <ul style="list-style-type: none"> <li>Received "National Unity Award" and "Bharat Udyog Award" in 1993.</li> <li>Received the First NP Gandhi Memorial Professorship in Metallurgical Engineering in Banaras Hindus University in 2011.</li> <li>Received "Distinguished Alumnus Award" from Banaras Hindu University in 2012.</li> <li>He has held key positions in Steel Authority of India Limited, where he worked for 30 years across three plants and its Corporate Office.</li> <li>As Chief Executive he is credited with turning around SAIL's ailing speciality steel plant, Visvesvaraya Iron &amp; Steel Co. Ltd., in Bhadravati, Karnataka.</li> <li>He has been the architect of setting up the Aparant Iron and Steel Plant in Goa for the reputed industrial house of Dempo Group, of which he was the Managing Director till 2002.</li> <li>He was chosen by the Government of Karnataka to be its Chief Technical Expert for advising the government for selecting the futuristic "COREX" technology.</li> <li>He was the only Indian to be nominated as the "Lifetime Achievement Award Finalist" at the 2016 PLATTS - GLOBAL METALS AWARDS in London, England.</li> </ul>	
4) Job profile and his suitability	Shri Amit Kumar Majumdar has an extensive professional experience spanning over five decades in the operations and management of iron and steel plants. Taking this into consideration, the Board has entrusted him with the responsibility of managing all the factories of the Organisation and all the acts & compliances relating thereto; exercising and performing all such powers & duties as the Board may determine from time to time, except matters related to finance.	
5) Remuneration Proposed	₹75,000 per month (However, in view of the losses, Shri Amit Kumar Majumdar has waived off his remuneration.)	
6) Comparative remuneration profile with respect to industry, size of the Company, profile of position and person	At Present, Shri Amit Kumar Majumdar is not drawing any remuneration.	
7) Pecuniary relationship directly or indirectly with the Company or relationship with the Managerial Personnel	Besides the remuneration, Shri Amit Kumar Majumdar does not have any Pecuniary relationship directly or indirectly with the Company or with the Managerial Personnel	

## Annexure to the Notice (Contd.)

### III. OTHER INFORMATION

1) Reasons of inadequate profits or loss	The loss is mainly attributable to the fall in demand in the steel product, high cost of raw material and cost of production, rising imports from other countries at cheaper rates and other economic factors
2) Steps taken or to be taken for improvement	Continuous efforts are being taken by the Management to improve the profitability and enhance productivity, cost reduction and sales growth.
3) Expected increase in productivity and profits in measurable terms	The management expects that with the continuous efforts the productivity and profits will grow at a realistic rate.

#### Terms and Conditions of Re-appointment:

**A. Salary:** ₹75,000 per month

#### **B. Other terms and conditions:**

- The Executive Director shall throughout the said term, devote his sufficient time, attention and abilities to the business of the Company and shall obey the orders, from time to time, of the Board and in all respects confirm to and comply with the directions and regulations made by the Board, and shall faithfully serve the Company and use his utmost endeavours to promote the interests of the Company.
- The Executive Director shall not, during the continuance of his employment with the Company, divulge or disclose to any person, firm, company or body corporate whomsoever or make any use whatever for his own or for whatever purpose, of any confidential information or knowledge obtained by him during his employment as to the business or affairs of the company or its subsidiary or associate companies or customer or client as to any trade secrets or secret processes of the company.
- Any property of the Company or relating to the business of the Company, including memorandum, notes, records, reports, plates, sketches, plans or other documents which may be in possession of or under the control of the Executive Director or the Executive Director has, at any time access to, shall, at the time of termination of his employment be delivered by the Executive Director to the Company and the Executive Director shall not be entitled to the copyright in any such document which he hereby acknowledges to be vested in the Company or its assign and binds himself not to retain copies of any of them.

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

Except Shri Amit Kumar Majumdar, none of the other

Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

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

The Members at the 15th Annual General Meeting held on 27<sup>th</sup> September, 2014 approved the appointment of Shri Shailendra Kumar Tamotia as an Independent Director of the Company from the date of 15th Annual General Meeting till 31<sup>st</sup> March, 2019.

The Board of Directors of the Company ('the Board') at the meeting held on 13<sup>th</sup> August, 2018, on the recommendation of the Nomination and Remuneration Committee, recommended for the approval of the Members, the re-appointment of Shri Shailendra Kumar Tamotia as an Independent Director of the Company for a period of 5 (Five) years with effect from 1<sup>st</sup> April, 2019, 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 ('Listing Regulations 2015'), or any amendment thereto or modification thereof.

The Board is of the view that the continued association of Shri Shailendra Kumar Tamotia would benefit the Company, given his knowledge, experience and performance, and contribution to Board processes by him. Declaration has been received from Shri Shailendra Kumar Tamotia that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015. In the opinion of the Board, Shri Shailendra Kumar Tamotia fulfils the conditions specified in the Act, the Rules thereunder and the Listing Regulations 2015 for re-appointment as an Independent Director and that he is independent of the management of the Company.

Consent of the Members by way of Special Resolution is required for re-appointment of Shri Shailendra Kumar Tamotia, in terms of Section 149 of the Act. Further, in terms of the recently notified Securities and Exchange Board of

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

India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, consent of the Members by way of Special Resolution is also required for continuation of a Non-Executive Director beyond the age of seventy five years. Shri Shailendra Kumar Tamotia shall have attained the age of seventy nine years on 1st April, 2019. This Special Resolution, once passed, shall also be deemed as your approval under the aforesaid Regulations, for continuation of Shri Shailendra Kumar Tamotia as an Independent Director beyond the age of seventy five years.

An Engineer by Profession, Shri Shailendra Kumar Tamotia, aged about 79 years, is associated with the company as an Independent Director. He has wide and varied experience in ferrous & non-ferrous metals sector spanning over 50 years with an impressive track record in management and implementation. He has worked with several Government / Public Sector Companies like Bhilai Steel Plant, Hindustan Steel Works Construction Limited & Kudremukh Iron Ore Company Limited. He has made professional contribution in the Aluminium Industry being Director (Production) CMD of National Aluminium Co. (NALCO) which improved the productivity and upgraded the technologies. He, as a President & CEO of Indian Aluminium Company Limited (INDAL), led the Company to achieve growth in profits and doubling sales and exports. Presently working as Vice Chairman of Bhavan's Centre for communication and Management & Vice Chairman of Bhartiya Vidya Bhavan, Bhubaneswar Kendra. Over the years, he has received numerous national level awards for professional & business excellence including National Metallurgist Merit Award, Life Time Achievement Award presented by Various Authorities & Indo-Nepal Gold Star Award Economic growth Society of India.

Requisite Notice under Section 160 of the Act proposing the re-appointment of Shri Shailendra Kumar Tamotia has been received by the Company, and consent has been filed by Shri Shailendra Kumar Tamotia pursuant to Section 152 of the Act.

Shri Shailendra Kumar Tamotia and his relatives are interested in this Resolution. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution.

The Board of directors recommends the resolution mentioned in Item no. 8 to be passed as Special Resolution.

### **Item No. 9**

As per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), with effect from 1st April, 2019, no

listed Company shall appoint or continue the Directorship of a Non-Executive Director who has attained the age of 75 years, unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment.

Shri Ashim Kumar Mukherjee, who was appointed as an Independent Director of the Company at the 17th Annual General Meeting of the Company held on 20th September, 2016 for a term of 5 years with effect from 2nd December, 2015, is more than 75 years of age and accordingly their continuation as Non-Executive Independent Directors with effect from 1st April, 2019 shall require approval of shareholders by way of special resolution.

In view of the said provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board of Directors of the Company ('the Board') at the meeting held on 13th August, 2018, on the recommendation of the Nomination and Remuneration Committee, discussed the matter and recommended for the approval of the Members the continuation of Directorship of Shri Ashim Kumar Mukherjee for the remaining period of his term.

Shri Ashim Kumar Mukherjee, aged about 77 years, is a B.E (Mining) from Calcutta University and also the holder of First Class Mine Manager's Certificate of Competency to manage a Metalliferous Mine (Restricted). He possesses a rich experience of over 53 years in various capacities and areas in Mining of Ferrous Minerals. He is a member of Mining Engineering Association of India and Society of Geo-Science and Allied Technology, Bhubaneswar.

Shri Ashim Kumar Mukherjee and his relatives are interested in this Resolution. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution.

The Board of directors recommends the resolution mentioned in Item no. 9 to be passed as Special Resolution.

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

Place : Kolkata  
Date : 13<sup>th</sup> August, 2018

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

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



## Annexure to the Notice (Contd.)

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

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

Name of Director	Shri Rajiv Jajodia	Shri Gourav Jajodia
DIN	00045192	00028560
Date of Birth	03.04.1965	26.09.1980
Date of Appointment as Director	01.07.1999	20.09.2013
Qualification	B.Com (Hons.)	B.Com (Hons.)
Expertise in Specific functional areas	Wide experience in Steel Industry.	Wide experience in Steel Industry
Member of the Committees of the Board of Directors of the Company	Nomination and Remuneration Committee - <b>Member</b> Corporate Social Responsibility Committee- <b>Member</b>	Stakeholder Relationship Committee - <b>Member</b>
Directorship held in any other listed entity	NIL	NIL
Membership in the Committees of the Board of Directors of other Listed Entity in which he is a Director	NIL	NIL
No. of Equity Shares held in the Company	15,68,333	1,19,666
Inter-se Relation-ships between Director	Shri Rajiv Jajodia is the brother of Shri Sanjiv Jajodia. Shri Aditya Jajodia and Shri Gourav Jajodia are their brother's son.	Shri Gourav Jajodia is the Cousin Brother of Shri Aditya Jajodia and the Nephew of Shri Sanjiv Jajodia and Shri Rajiv Jajodia

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 - Chairman	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 Gourav Jajodia are his brother's Son.



### Annexure to the Notice (Contd.)

Name of Director	Shri Shailendra Kumar Tamotia	Ms. Swati Bajaj	Shri Ashim Kr Mukherjee
DIN	01419527	01180085	00047844
Date of Birth	25.09.1939	14.12.1975	01.01.1942
Date of Appointment as Director	15.05.2013	13.08.2018	02.12.2015
Qualification	B.E. (Hons.), Civil Engineering M.E. (Soil Mech. & Foundation Engg.) & D. Engg. (Hons.)	B. Com (Hons.), ACS from Institute of Company Secretaries of India, Diploma in Business Finance from Institute of Chartered Financial Analysts of India and enrolled as an Insolvency Professional with the Insolvency and Bankruptcy Board of India	B.E (Mining) and First Class Mine Manager's Certificate of competency to manage a Metalliferous Mine (Restricted).
Expertise in Specific functional areas	Over 50 years of experience in ferrous & non-ferrous metals industry	Wide experience in all Company Law related matters, NCLT representations, SEBI Laws, Foreign Company and incorporation of subsidiary in India, FEMA and Insolvency and Bankruptcy Code, 2016	He has over 53 years of experience in various capacities and areas in Mining of Ferrous Minerals. He is a member of Mining Engineering Association of India and Society of Geo-Science and Allied Technology, Bhubaneswar.
Member of the Committees of the Board of Directors of the Company	Audit Committee - <b>Member</b> Nomination and Remuneration Committee - <b>Member</b> Stakeholder Relationship Committee - <b>Chairperson</b>	NIL	Audit Committee- <b>Chairperson</b>  Nomination and Remuneration Committee- <b>Chairperson</b>
Directorship held in any other listed entity	NIL	NIL	Orissa Sponge Iron and Steel Limited
Membership in the Committees of the Board of Directors of other Listed Entity in which he is a Director	NIL	NIL	Orissa Sponge Iron and Steel Limited Audit Committee - <b>Member</b> Nomination and Remuneration Committee - <b>Member</b>
No. of Equity Shares held in the Company	NIL	NIL	NIL
Inter-se Relation-ships between Director	None	None	None

### Process and manner of e-voting

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

- Email contains your user ID and PAN/ Sequence No. for e-voting.
- Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- Now click on "Shareholders" tab to cast your votes.
- Now Enter your User ID  
For CDSL : 16 digits beneficiary ID,  
For NSDL : 8 Character DP ID followed by 8 Digits Client ID,  
For Members holding shares in Physical Form: Members should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.



### Annexure to the Notice (Contd.)

vii) If you are a first time user, follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <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 OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <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.

xvi) Repeat the voting process for all the resolutions on which you intend to vote.

xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xviii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xix) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

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

### Annexure to the Notice (Contd.)

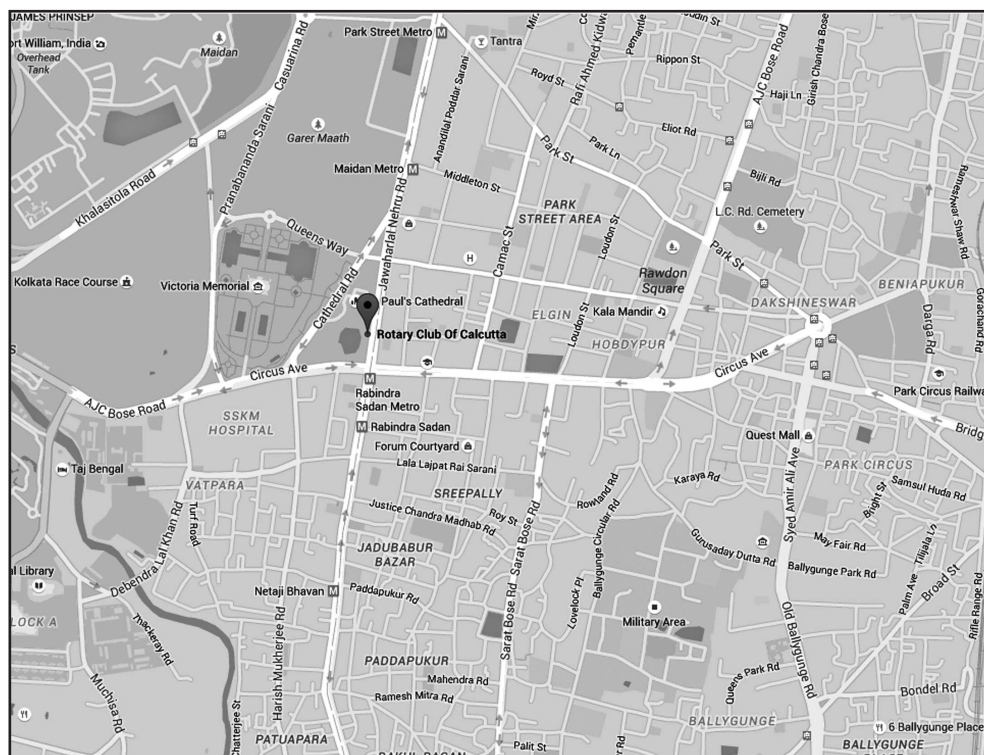
xxi) Note for Non-Individual Shareholders and Custodians:

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [https:// www.evotingindia.com](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: 18002005533.



### Route Map of the AGM Venue



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





### Directors' Report

*Dear Members*

Your Directors are pleased to present the Nineteenth Annual Report of your Company together with the Standalone and Consolidated Audited Financial Statements for the year ended 31<sup>st</sup> March, 2018.

#### FINANCIAL RESULTS

(₹ in lacs)

Particulars	Standalone		Consolidated	
	Financial Year ended 31 <sup>st</sup> March, 2018	Financial Year ended 31 <sup>st</sup> March, 2017	Financial Year ended 31 <sup>st</sup> March, 2018	Financial Year ended 31 <sup>st</sup> March, 2017
Revenue from Operations	2,42,505.87	1,69,050.74	2,42,505.87	1,84,526.31
Other Income	1,792.51	2,079.48	1,792.51	2,114.62
<b>Total Revenue</b>	<b>2,44,298.38</b>	<b>1,71,130.22</b>	<b>2,44,298.38</b>	<b>1,86,640.93</b>
Profit/Loss before Finance Cost, Depreciation and Amortization expenses and tax	(7,564.87)	(7,923.58)	(7,565.16)	(9,165.14)
Less: Finance Costs	3,391.40	4,494.71	3,391.40	4,648.53
Less: Depreciation and Amortization Expenses	10,735.98	11,190.32	10,735.98	11,756.45
<b>Profit/(Loss) before exceptional items and Tax</b>	<b>(21,692.25)</b>	<b>(23,608.61)</b>	<b>(21,692.54)</b>	<b>(25,570.12)</b>
Add : Exceptional items	(3,973.81)	-	(3,973.81)	-
<b>Profit/(Loss) before Tax</b>	<b>(25,666.06)</b>	<b>(23,608.61)</b>	<b>(25,666.35)</b>	<b>(25,570.12)</b>
Less : Tax expense				
Current Tax	-	-	-	-
Deferred Tax	-	-	-	-
<b>Profit/Loss after tax</b>	<b>(25,666.06)</b>	<b>(23,608.61)</b>	<b>(25,666.35)</b>	<b>(25,570.12)</b>
Other Comprehensive Income	405.79	102.23	405.79	105.61
<b>Total Comprehensive Income</b>	<b>(25,260.27)</b>	<b>(23,506.38)</b>	<b>(25,260.56)</b>	<b>(25,464.51)</b>
Earnings per share (Nominal value per share Rs. 10/-)				
Basic and Diluted	(27.48)	(28.23)	(27.48)	(30.58)

#### APPLICABILITY OF INDIAN ACCOUNTING STANDARDS

The Ministry of Corporate Affairs (MCA), vide its notification dated 16th February, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Being applicable, your Company has adopted Ind AS from April 1, 2017 and accordingly, the transition was carried out, from the Accounting Principles generally accepted in India as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (previous GAAP) to Ind AS 101 "First time adoption of Indian Accounting Standard".

The reconciliation and descriptions of the effect of the transition from Indian GAAP to Ind AS have been provided in Note 52 of the notes forming part of financial statements.

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

The Standalone Total Revenue of the Company (comprising of sales and other income) for the financial year under review was ₹2,44,298.38 lacs as compared to ₹1,71,130.22 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 ₹2,44,298.38 lacs as compared to ₹1,86,640.93 lacs during the previous financial year.

Your Company's continuous efforts for reduction of production cost and improvement in operational efficiency



### Directors' Report (Contd.)

has resulted in increase in revenue from operations of the Company during the year. Your company is committed to its vision to emerge as an efficient producer of iron and steel products. 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.

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

#### OPERATIONS

##### Installed Capacity and Actual Production

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

Product	Annual Installed Capacity (M.T.)		Actual Production (M.T.)	
	2017-18	2016-17	2017-18	2016-17
Sponge Iron	345,000	345,000	178,568	197,546
Pig Iron	509,250	509,250	370,271	368,920
Steel Bars/Rods	260,000	260,000	118,153	97,818
Billet/MS Ingot	906,230	906,230	105,056	113,164
Ferro Alloys	106,618	106,618	68,769	30,774
Ductile Iron Pipe	240,000	240,000	121,016	113,159
Power	101.10 (MW/hr)	101.10 (MW/hr)	338.64 (MU)	319.69 (MU)
Sinter	608,000	608,000	394,637	540,100
Coke	350,000	350,000	298,455	295,510

#### DIVIDEND

In view of the losses incurred by your company, your directors have not recommended any dividend for the financial year ended 31st March, 2018.

#### 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, 2018.

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

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

During the year under review, the company has converted 1,01,05,000 warrants into Equity Shares by way of allotment of equivalent number of Equity Shares of ₹10/- each on receipt of balance 75% of the consideration i.e.

₹7.50 per warrant in respect of 1,01,05,000 warrants on different dates amounting to ₹757.88 lacs. Details of conversion are tabled hereunder:

Date of Conversion	No. of equity shares allotted on conversion of equivalent no. of warrants
30.05.2017	19,00,000
23.06.2017	46,00,000
14.09.2017	36,05,000

Subsequent to the aforesaid conversions, no warrants are remaining outstanding as on 31st March, 2018. The Company's paid up share capital as at 31st March, 2018 stands at ₹96,38,64,860. The Company's Authorized Share capital as at 31st March, 2018 stands at ₹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, 2018. Subsequently, no default has been made in repayment of deposits or payment of interest thereon during the year.

#### SUBSIDIARIES AND JOINT VENTURE COMPANIES

##### Subsidiaries

As on the date of reporting, your Company has two wholly



### Directors' Report (Contd.)

owned subsidiaries namely Jai Balaji Steels (Purulia) Limited & Jai Balaji Energy (Purulia) Limited.

#### ■ 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 ₹15,119 during the year under review. The net loss for the year 2017-18 is ₹15,119.

#### ■ 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 ₹15,075 during the year under review. The net loss for the year 2017-18 is ₹15,075.

#### Note:

Nilachal Iron and Power Limited (NIPL) ceases to be a subsidiary of the Company subsequent to invocation of pledge of 100% Equity Shares of NIPL by a lender of the Company.

#### 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, 2018.

#### ■ 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.

#### Consolidated Financial Statements

While consolidating the accounts of the Company, the financials of its joint venture companies namely Andal East

Coal Company Pvt. Ltd.(AECCPL) 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. 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 ₹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 Rajiv Jajodia (DIN: 00045192) and Shri Gourav Jajodia (DIN: 00028560), are liable to retire by rotation at the 19th Annual General Meeting and being eligible offers themselves for re-appointment.

At the 18th Annual General Meeting of the Company held on 14th September, 2017, the shareholders have reappointed Shri Aditya Jajodia (DIN: 00045114) as Managing Director of the Company for a period of 5 years with effect from 22nd July, 2017 to 21st July, 2022.

Pursuant to the provisions of the Act, based on the recommendations of the Nomination and Remuneration Committee,

- The board of directors at its meeting held on 30th June, 2018 has re-appointed Mr. Sanjiv Jajodia (DIN:00036339) as the Whole Time Director of the Company with effect from 30th June, 2018 for a period of 5 years subject to approval of the members at the forthcoming Annual General Meeting.
- Mr. Amit Kumar Majumdar (DIN:00194123) has been re-appointed by the Board as the Executive Director of the Company with effect from 14th August, 2018 for a period of 2 years subject to approval of the members at the



### Directors' Report (Contd.)

forthcoming Annual General Meeting.

- The board of directors at its meeting held on 13th August, 2018 has appointed Ms Swati Bajaj (DIN:01180085) as an Additional Independent Director of the Company for a period of 5 (Five) years with effect from 13th August, 2018 subject to approval of the members at the forthcoming Annual General Meeting.

During the year, Shri Chandra Kant Bhartia (DIN: 00192694), Independent Director of the Company resigned with effect from 08.02.2018 due to preoccupation of work and ceased to be the Director of the Company

The Board expresses its gratitude towards Mr. Chandra Kant Bhartia for his contributions to the Company. The Board deeply appreciates his valuable dedication and support throughout his tenure with the Company.

The brief resume and other details as required under the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting are provided in the Notice of the Nineteenth Annual General Meeting of the Company which forms a part of the Annual Report.

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 that they meet the independence criteria as laid down under section 149(6) of the Companies Act, 2013 read with the rules made thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The manner in which

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

#### e. Familiarization programme for Independent Directors

In terms of Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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-17-2018.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, six meetings were convened and held on 30th May, 2017; 23rd June, 2017; 7th August, 2017; 14th September, 2017; 14th December, 2017 and 28th February, 2018, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The number of Board meetings attended by each Director during the financial year 2017-18 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.

### SECRETARIAL STANDARD

The Company has complied with the applicable Secretarial





### Directors' Report (Contd.)

Standards issued by the Institute of Company Secretaries of India.

#### DIRECTORS' RESPONSIBILITY STATEMENT

The Directors acknowledges the responsibility for ensuring compliances with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in the preparation of annual accounts for the year ended 31st March, 2018 states that -

- i) In the preparation of annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2018 and of the loss of the Company for the year ended on that date;
- iii) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The annual accounts for the financial year ended 31st March, 2018, have been prepared on a going concern basis;
- v) Internal financial controls to be followed by the Company were laid down and that such internal financial controls were adequate and were operating effectively
- vi) Proper systems were devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### NOMINATION AND REMUNERATION POLICY

The Board of Directors have adopted and approved a Nomination and Remuneration policy which includes the terms and conditions for appointment and payment of remuneration to the Directors and Key Managerial Personnel (KMP) and other senior management personnel including criteria for determining qualifications, positive attributes, independence of a director as per Schedule IV of the Companies Act, 2013. The said policy has been made available on the website of the Company "[www.jaibalajigroup.com](http://www.jaibalajigroup.com/nomination-remuneration-policy.pdf)" under the weblink "<http://www.jaibalajigroup.com/nomination-remuneration-policy.pdf>". The same is attached as "Annexure - B" and forms integral part of this Report.

#### CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the requirements of Section 135 of Companies Act, 2013 and rules made there under, your Company has a Corporate Social Responsibility Committee. 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 2017-18.

#### 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. 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. The details of the Whistle Blower Policy is available on your Company's website viz., "[www.jaibalajigroup.com](http://www.jaibalajigroup.com)" 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 2017-18 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 the Notes to Financial Statements.

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 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)".



### Directors' Report (Contd.)

#### 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 Companies (Accounts) Rules, 2014', your Company has appointed M/s. Namita Kedia and Associates (currently known as NKAS & Associates) as the Internal Auditor of the Company who also evaluates the functioning and quality of internal controls and reports its adequacy and effectiveness through periodic reporting.

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

#### AUDITORS AND AUDITORS' REPORT

##### STATUTORY AUDITORS

In terms of the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, M/s. S. K. Agrawal & Co., Chartered Accountants were appointed as Statutory Auditors of your Company for a term of five years at the 16th Annual General Meeting ('AGM') of the Company held on 21st September, 2015 till the conclusion of 21st Annual General Meeting.

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 ₹83,288.81 lacs of which ₹43,744.25 Lacs pertains to the current financial year, on various loans and credit facilities availed from Banks and Financial Institutions on the ground that same is being treated as Non Performing Asset by the lenders. Due to this, loss for the current financial year has been understated by ₹43,744.25 lacs and accordingly loss for the year ended 31.03.2018 would have been ₹69,410.31 lacs instead of ₹25,666.06 lacs.

The Board is of the view that majority 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 its 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 1st April, 2016 in its 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 - 39 of the financial statement. With respect to point 2, the clarification of the same is provided in Note - 55(a) of the financial statement and with respect to point 3, the clarification of the same is provided in Note - 55(b) of the financial statement.

The Auditors in their Report in point vii & viii of Annexure - A 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, 2018 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 had, 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 2018-19.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, resolution seeking



### Directors' Report (Contd.)

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 2016-17 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 has appointed M/s. Sandip Kumar Kejriwal, Practising Company Secretary to undertake the Secretarial Audit of the Company for the financial year 2017-18. The Secretarial Audit Report for the financial year ending 31st March, 2018 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 Company. 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"**. The said extract has also been made available on the website of the Company under the weblink "<http://www.jaibalajigroup.com/MGT-9-2017-18.pdf>"

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Particulars of Loans, Guarantees and Investments as on the financial year ended 31st March, 2018 as covered under the provisions of Section 186 of the Companies Act, 2013 forms part of the notes to Financial Statements provided in the Annual Report.

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

The Hon'ble High Court of Calcutta, vide its order dated 7th June, 2018 has passed the winding-up order of the Company in petition no. 822 of 2014 filed by a creditor

against the Company. The said winding-up order has been recalled vide order dated 21st June, 2018 of Hon'ble Court of Calcutta.

#### **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.

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.

#### **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS**

The Company is committed to observing good corporate governance practices. In terms of Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "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"**.



### Directors' Report (Contd.)

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

#### **POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has a zero tolerance towards sexual harassment at the workplace and has adopted a Policy on "Prevention of Sexual Harassment of Women at Workplace" and matters connected therewith or incidental thereto covering all the aspects as contained under "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013".

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

#### **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. 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), BSE Limited (BSE) and The Calcutta Stock Exchange Limited (CSE).

The Company is in process of getting its shares delisted from Calcutta Stock Exchange (CSE) since there is no trading of the company's equity shares for more than last 10 years in CSE. However, the equity shares of the Company would 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: 13<sup>th</sup> August, 2018

**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 31.03.2018**

**Part "A": Subsidiaries**

(₹ in Lakhs except share data)

1.	Particulars	01	02
2.	Name of the subsidiary	Jai Balaji Energy (Purulia) Limited	Jai Balaji Steels (Purulia) Limited
3.	The date since when subsidiary was acquired	1 <sup>st</sup> November 2010	1 <sup>st</sup> November 2010
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-
5.	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
6.	Share capital	5.00	5.00
7.	Reserves & surplus	(3.57)	(3.60)
8.	Total assets	1.52	1.48
9.	Total Liabilities (excluding Share Capital and Reserves and Surplus)	0.09	0.08
10.	Investments	-	-
11.	Turnover	-	-
12.	Profit/Loss before taxation	(0.15)	(0.15)
13.	Provision for taxation	-	-
14.	Profit/Loss after taxation	(0.15)	(0.15)
15.	Proposed Dividend	Nil	Nil
16.	% of shareholding	100	100

**Notes:**

1. Jai Balaji Energy (Purulia) Limited and Jai Balaji Steels (Purulia) Limited have not yet commenced commercial production.
2. Nilachal Iron and Power Limited ceases to be a subsidiary of the company.

(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%	32.97%
3.	Description of how there is significant influence	Joint Venture Agreement	Joint Venture Agreement
4.	Reason why the Associate/ Joint Venture Company is not consolidated	Financial Statement not received for the year	Pursuant to IND - AS 111
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 companies namely Andal East Coal Company Pvt. Ltd. (AECCPL) and Rohne Coal Company 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. 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 Re. 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**  
Wholesale Director & CFO  
DIN : 00036339

**Rajiv Jajodia**  
Director  
DIN : 00045192

Date : 30<sup>th</sup> June, 2018  
Place : Kolkata

**Ajay Kumar Tantia**  
Company Secretary



### ANNEXURE - "B"

## Nomination and Remuneration Policy

### PREFACE

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

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

### VISION

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

### OBJECTIVE

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

### MONITORING OF THE POLICY

The implementation of the Nomination and Remuneration Policy shall be monitored by the Nomination and Remuneration committee of the Board constituted as per the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### PURPOSE OF THE COMMITTEE

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- Whether to extend or continue the term of appointment

of the independent director, on the basis of the report of performance evaluation of independent directors.

### ROLES AND RESPONSIBILITIES OF THE COMMITTEE

#### Nomination

The Nomination and Remuneration Committee shall identify potential candidates with appropriate qualification, knowledge, expertise and experience.

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

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

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

Further, in addition to the above criteria, the appointment of Independent Directors of the Company shall also be guided by the following Terms and Conditions in compliance with



schedule IV to the Companies Act, 2013 which is enclosed as Annexure 'A' to this Policy.

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

### Remuneration

The committee shall:

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

### Director Remuneration

The Company may pay remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to Managing and Whole-time Directors.

Salary shall be paid within the range approved by the Shareholders. Commission, if any, shall be calculated with reference to net profits of the Company in a particular financial year and shall be determined by the Board of Directors at the end of the financial year based on the recommendations of the Nomination and Remuneration Committee, subject to overall ceilings stipulated in Sections 197 read with Schedule V of the Companies Act, 2013.

### Non-executive Director Remuneration

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

### Senior Management Remuneration

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

### Determining criteria for performance evaluation of the Board and Individual Directors

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

- Composition of the Board in compliance with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ;
- Frequency of meetings held during the year and matters taken up thereat;
- Ability of the Board to take uniform decisions for the betterment of the Company taking into consideration the individual views of all the Directors comprising it;
- Its wisdom and judgement to help the Company prosper;
- Ability of the Board to evaluate risk and devise suitable measures to mitigate them etc.

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

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

The above list is illustrative.

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

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

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

**ANNEXURE - C (1)**

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018**  
[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	244,298.38	244,298.38
	2.	Total Expenditure	265,990.63	309,734.88
	3.	Net Profit/(Loss)	25,666.06	69,410.31
	4.	Earnings Per Share (in Rs.)	-27.48	-74.32
	5.	Total Assets	323,808.02	323,808.02
	6.	Total Liabilities	466,469.88	549,758.69
	7.	Net Worth	-142,661.86	-225,950.67
	8.	Any other financial item(s) (as felt appropriate by the management)		
II.	Audit Qualification (each audit qualification separately):			
	a.	Details of Audit Qualification: As per Annexure - A		
	b.	Type of Audit Qualification : Qualified Opinion / <del>Disclaimer of Opinion / Adverse Opinion</del>		
	c.	Frequency of qualification: Whether appeared <del>first time</del> / repetitive / <del>since how long continuing</del>		
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: As per Annexure - A		
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor: N.A.		
		(i) Management's estimation on the impact of audit qualification:		
		(ii) If management is unable to estimate the impact, reasons for the same:		
		(iii) Auditors' Comments on (i) or (ii) above:		
III.	Signatories:			
	Managing Director		Sd/-	
	CFO		Sd/-	
	Audit Committee Chairman		Sd/-	
	Statutory Auditor		Sd/-	
	Place: Kolkata			
	Date: 30th June 2018			

**Annexure - A**

**Details of Audit Qualification**

The company has not provided for interest amounting to ₹ 83,288.81 lacs including ₹11,053.53 lacs and ₹ 43,744.25 lacs for the quarter and year ended 31st March, 2018 on various loans & credit facilities availed from banks & financial institution on the ground that same is being treated as Non-Performing Assets by the lenders. Due to this, loss has been understated by ₹11,053.53 lacs and ₹ 43,744.25 lacs for the quarter and year ended 31st March, 2018 and therefore the net loss after tax would've been ₹ 21,911.86 lacs and ₹ 69,410.31 lacs instead of ₹ 10,858.33 lacs and ₹ 25,666.06 lacs for the quarter and year ended 31st March, 2018.

**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 2018, the company has not provided for interest amounting to ₹11,053.53 lacs and the year ended amounting to ₹ 43,744.25 lacs on various credit facilities/loans from Banks/FIIs, of the accounts which have been classified as Non Performing Assets. The accumulated interest not provided till 31st March 2018 is estimated at ₹ 83,288.81 lacs. The Statutory Auditors have qualified their Audit Report in respect of this matter.





Form No. MR - 3

ANNEXURE - "C (2)"

### SECRETARIAL AUDIT REPORT

FOR THE PERIOD FROM APRIL 1, 2017 TO MARCH 31, 2018 ('AUDIT PERIOD')

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

To,  
The Members,  
Jai Balaji Industries Limited  
Kolkata

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 any opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company as specified in **Annexure I** 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, 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 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 following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
  - 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;

- d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
7. Secretarial Standards 1 and 2 as issued by the Institute of Company Secretaries of India;
8. Laws specifically applicable to the industry to which the Company belongs. The laws specifically applicable to the industry to which the Company belongs, as identified by the management are as per Annexure 1 attached herewith.

#### Management Responsibility:

1. Maintenance of secretarial record 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 the 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. 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 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 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.*
- b) *The Company has also defaulted in the repayment of banks and financial institutions.*

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 Order for winding up given by the High Court against the Company was recalled.*
- b) *Company had delayed in approval and filing of financial results for its 3rd and 4th quarter during the year.*

- c) *Few forms filed with the MCA were on payment of additional fees.*
- d) *The application for waiver of excess remuneration paid to Amit Kumar Mazumdar (Executive Director) and Late Shyam Bahadur Singh (erstwhile Executive Director) in the financial year 2016-17 is still pending before the Central Government.*
- e) *During the year the Company has converted 10105000 warrants into 10105000 equity shares on various dates.*
- f) *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 the terms and conditions of such loans are prima facie prejudicial to the company's interest in respect to loan granted to a company.*

Date: 13<sup>th</sup> August, 2018  
Place: Kolkata

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

## **"Annexure - I"**

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 default was 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.



Form No. MGT - 9

**Annexure - "D"**

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March, 2018

[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 Phone: (91) (33) 2248 9808	5, Bentinck Street, Kolkata - 700 001  Fax: (91) (33) 2243 0021 Email: jaibalaji@jaibalajigroup.com Website: www.jaibalajigroup.com
vi) Whether listed company - Yes/No	Yes (Listed with National Stock Exchange of India Limited, BSE Limited and The Calcutta Stock Exchange Limited)
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Maheshwari Datamatics Private Limited 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	22.76
2.	Steel Bars / Rods	24103	17.31
3.	Ductile Iron Pipe	24106/24109	22.22
4.	Ferro Alloys	24104	19.88

#### 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)

# Jai Balaji Industries Limited

## Annual Report 2017-18



### 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 - 2017]				No. of Shares held at the end of the year [As on 31 - March - 2018]				% 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	10,407,773	0	10,407,773	12.06	10,513,323	0	10,513,323	10.91	1.01
b) Central Govt.									
c) State Govt(s)									
d) Bodies Corp.	45,790,723	0	45,790,723	53.07	45,790,723	0	45,790,723	47.51	0.00
e) Banks/FI									
f) Any other									
<b>Sub-total (A)(1)</b>	56,198,496	0	56,198,496	65.13	56,304,046	0	56,304,046	58.41	0.19
<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	0.00
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	56,198,496	0	56,198,496	65.13	56,304,046	0	56,304,046	58.41	0.19
<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) FII									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Alternate Investment Funds									
Foreign Portfolio Investors	3,118,100	0	3,118,100	3.61	3,042,308	0	3,042,308	3.16	-2.43
Provident Funds / Pension Funds									
Qualified Foreign Investor									
<b>Sub-total(B)(1)</b>	3,118,100	0	3,118,100	3.61	3,042,308	0	3,042,308	3.16	-2.43
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	6,811,419	0	6,811,419	7.89	9,504,425	0	9,504,425	9.86	39.54
ii) Overseas	6,425,783	0	6,425,783	7.45	6,425,783	0	6,425,783	6.67	0.00





Category of Shareholders	No. of Shares held at the beginning of the year [as on 01 - April - 2016]				No. of Shares held at the end of the year [as on 31 - March - 2017]				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3,586,512	6,336	3,592,848	4.16	3,986,714	6519	3,993,233	4.14	11.14
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	9,663,267	0	9,663,267	11.20	16,287,317	0	16,287,317	16.90	68.55
c) Others (Specify)									
Non Resident Indians	357,054	0	357,054	0.41	351,924	0	351,924	0.37	-1.44
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	102,959	0	102,959	0.12	453,385	0	453,385	0.47	340.35
Trusts									
Foreign Bodies-D R									
Foreign Portfolio Investors									
NBFCs registered with RBI	10,713	0	10,713	0.01	8,231	0	8,231	0.01	-23.17
Employee Trusts									
Domestic Corporate Unclaimed Shares Account	847	0	847	0.00	0	0	0	0.00	0.00
Investor Education and Protection Fund Authority	0	0	0	0	15834	0	15834	0.16	100
<b>Sub-total (B)(2)</b>	<b>26,958,554</b>	<b>6,336</b>	<b>26,964,890</b>	<b>31.25</b>	<b>37,033,613</b>	<b>6519</b>	<b>37,040,132</b>	<b>38.43</b>	<b>37.36</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>30,076,654</b>	<b>6,336</b>	<b>30,082,990</b>	<b>34.87</b>	<b>40,075,921</b>	<b>6519</b>	<b>40,082,440</b>	<b>41.59</b>	<b>33.24</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>86,275,150</b>	<b>6,336</b>	<b>86,281,486</b>	<b>100.00</b>	<b>96,379,967</b>	<b>6519</b>	<b>96,386,486</b>	<b>100.00</b>	<b>11.71</b>



### (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year as on 01.04.2017			Shareholding at the end of the year as on 31.03.2018			% 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.	12,615,157	14.62	19.97	25,115,157	26.06	57.81	99.09
2	Enfield Suppliers Limited	11,221,233	13.01	100.00	11,221,233	11.64	100.00	0.00
3	Hari Management Limited	7,044,000	8.17	100.00	7,044,000	7.31	100.00	0.00
4	Shri Jaikapish Steel Pvt. Ltd.	6,250,000	7.24	0.00	-	-	-	-
5	Shri Sankatmochan Steel Pvt. Ltd.	6,250,000	7.24	0.00	-	-	-	-
6	Shri Aditya Jajodia	3,674,576	4.26	83.68	3,674,576	3.81	83.68	0.00
7	Shri Sanjiv Jajodia	2,649,433	3.07	99.64	2,649,433	2.75	99.64	0.00
8	K.D.Jajodia Steel Industries Pvt. Ltd.	2,410,333	2.79	99.99	2,410,333	2.50	99.99	0.00
9	Shri Rajiv Jajodia	1,568,333	1.82	98.83	1,568,333	1.63	98.83	0.00
10	Shri Aashish Jajodia	794,366	0.92	40.66	794,366	0.82	40.66	0.00
11	Smt. Preeti Kankaria	435,301	0.51	0.00	435,301	0.45	0.00	0.00
12	Smt. Sangeeta Jajodia	293,333	0.34	0.00	293,333	0.30	0.00	0.00
13	Shri Devendra Prasad Jajodia	260,000	0.30	0.00	260,000	0.27	0.00	0.00
14	Smt. Seema Jajodia	218,833	0.25	0.00	218,833	0.23	0.00	0.00
15	Smt. Rina Jajodia	163,666	0.19	0.00	163,666	0.17	0.00	0.00
16	Smt. Kanchan Jajodia	134,383	0.16	0.00	134,383	0.14	0.00	0.00
17	Shri Gaurav Jajodia	119,666	0.14	0.00	119,666	0.12	0.00	0.00
18	Shri Vedang Jajodia	0	0.00	0.00	105,550	0.11	0.00	100.00
19	Smt. Shashi Devi Jajodia	95,883	0.11	0.00	95,883	0.10	0.00	0.00
	TOTAL	56,198,496	65.14	54.77	56,304,046	58.42	75.98	0.19

Note 1 - During the financial year 2017-18, Shri Vedang Jajodia has become Promoter Shareholder pursuant to purchase of shares from the market.

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

**(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 01.04.2017]		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
1.	<b>Jai Salasar Balaji Industries Pvt. Ltd.</b>							
	At the beginning of the year	12,615,157	14.62	On account of Amalgamation of Shri Jaikapish Steel Pvt. Ltd. and Shri Sankatmochan Steel Pvt. Ltd. with the Company				
	At the end of the year						25,115,157	26.06
2.	<b>Enfield Suppliers Limited</b>							
	At the beginning of the year	11,221,233	13.01	No change during the year				
	At the end of the year						11,221,233	11.64
3.	<b>Hari Management Limited</b>							
	At the beginning of the year	7,044,000	8.16	No change during the year				
	At the end of the year						7,044,000	7.31
4.	<b>Shri Jaikapish Steel Pvt. Ltd.</b>							
	At the beginning of the year	6,250,000	7.24	On account of Amalgamation of the Company with Jai Salasar Balaji Industries Private Limited				
	At the end of the year						0	0
5.	<b>Shri Sankatmochan Steel Pvt. Ltd.</b>							
	At the beginning of the year	6,250,000	7.24	On account of Amalgamation of the Company with Jai Salasar Balaji Industries Private Limited				
	At the end of the year						0	0
6.	<b>Shri Aditya Jajodia</b>							
	At the beginning of the year	3,674,576	4.26	No change during the year				
	At the end of the year						3,674,576	3.81
7.	<b>Shri Sanjiv Jajodia</b>							
	At the beginning of the year	2,649,433	3.07	No change during the year				
	At the end of the year						2,649,433	2.75
8.	<b>K. D. Jajodia Steel Industries Pvt. Ltd.</b>							
	At the beginning of the year	2,410,333	2.79	No change during the year				
	At the end of the year						2,410,333	2.50
9.	<b>Shri Rajiv Jajodia</b>							
	At the beginning of the year	1,568,333	1.82	No change during the year				
	At the end of the year						1,568,333	1.63
10.	<b>Shri Aashish Jajodia</b>							
	At the beginning of the year	794,366	0.92	No change during the year				
	At the end of the year						794,366	0.82

**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 01.04.2017]		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
11.	<b>Smt. Preeti Jajodia</b>							
	At the beginning of the year	435,301	0.50					
				No change during the year				
	At the end of the year						435,301	0.45
12.	<b>Smt. Sangeeta Jajodia</b>							
	At the beginning of the year	293,333	0.34					
				No change during the year				
	At the end of the year						293,333	0.30
13.	<b>Shri Devendra Prasad Jajodia</b>							
	At the beginning of the year	260,000	0.33					
				No change during the year				
	At the end of the year						260,000	0.27
14.	<b>Smt. Seema Jajodia</b>							
	At the beginning of the year	218,833	0.25					
				No change during the year				
	At the end of the year						218,833	0.23
15.	<b>Smt. Rina Jajodia</b>							
	At the beginning of the year	163,666	0.19					
				No change during the year				
	At the end of the year						163,666	0.17
16.	<b>Smt. Kanchan Jajodia</b>							
	At the beginning of the year	134,383	0.16					
				No change during the year				
	At the end of the year						134,383	0.14
17.	<b>Shri Gaurav Jajodia</b>							
	At the beginning of the year	119,666	0.14					
				No change during the year				
	At the end of the year						119,666	0.12
18.	<b>Shri Vedang Jajodia</b>							
	At the beginning of the year	0	0.00					
				13.07.2017	Market Purchase	50,000	50,000	0.05
				14.07.2017		50,000	50,000	0.05
				24.07.2017		5,550	5,550	0.01
	At the end of the year						105,550	0.11
19.	<b>Smt. Shashi Devi Jajodia</b>							
	At the beginning of the year	95,883	0.11					
				No change during the year				
	At the end of the year						95,883	0.10

**Note :** Except for the Above stated changes, there is no change in the promoter's shareholding during the year under review. However, the change in the percentage as indicated at the end of the year is due to increase in the paid up share capital of the company subsequent to the conversion of 1,01,05,000 warrants into 1,01,05,000 equity shares.



**(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 01.04.2017]		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
1.	<b>Maresh Kumar Keyal (HUF)*</b>							
	At the beginning of the year	0	0					
				30.05.2017	Conversion of Warrants into equity shares	1,900,000	1,900,000	2.04
				23.06.2017		4,600,000	6,500,000	7.01
2.	At the end of the year						<b>6,500,000</b>	<b>6.74</b>
	<b>Client Rosehill Limited</b>							
	At the beginning of the year	3,886,734	4.50					
				No change during the year				
3.	At the end of the year						<b>3,886,734</b>	<b>4.03</b>
	<b>Mahabali Enterprises Private Limited*</b>				Conversion of Warrants into equity shares			
	At the beginning of the year	0	0					
				15.09.2017		3,605,000	3,605,000	3.74
4.	At the end of the year						<b>3,605,000</b>	<b>3.74</b>
	<b>GMO Emerging Markets Fund</b>							
	At the beginning of the year	3,022,460	3.50					
				29.09.2017	Sale of Shares	(5,000)	3,021,960	3.14
5.				06.10.2017		(6,978)	3,014,982	3.13
				27.10.2017		(1,300)	3,013,682	3.13
	At the end of the year						<b>3,013,682</b>	<b>3.13</b>
6.	<b>Shri Suraj Khandelwal</b>							
	At the beginning of the year	2,927,387	3.39					
				24.11.2017	Purchase of Shares	4,759	2,932,146	3.04
				12.01.2018	Sale of Shares	(22,679)	2,909,467	3.02
7.	At the end of the year						<b>2,909,467</b>	<b>3.02</b>
	<b>CVCIGP II Employee Rosehill Ltd.</b>							
	At the beginning of the year	2,176,813	2.52					
				No change during the year				
8.	At the end of the year						<b>2,176,813</b>	<b>2.26</b>
	<b>Smt. Kusum Lata Khandelwal</b>							
	At the beginning of the year	1,265,933	1.47	24.11.2017	Purchase of Shares	14,500	1,280,433	1.33
				23.02.2018		114,140	1,394,573	1.45
9.				09.03.2018		10,000	1,404,573	1.46
	At the end of the year						<b>1,404,573</b>	<b>1.46</b>
	<b>Followel Engineering Ltd.*</b>							
	At the beginning of the year	276,569	0.32					
10.				07.07.2017	Purchase of Shares	5,150	281,719	0.30
				08.09.2017		500,000	781,719	0.84
				01.12.2017		614,442	1,396,161	1.45
	At the end of the year						<b>1,396,161</b>	<b>1.45</b>
11.	<b>S. M. Niryat Private Limited</b>							
	At the beginning of the year	974,548	1.13					
				No change during the year				
	At the end of the year						<b>974,548</b>	<b>1.01</b>

# Jai Balaji Industries Limited

## Annual Report 2017-18



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

(Contd.)

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the Year [As on 01.04.2017]		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.	<b>Smt. Yamini Khandelwal</b>							
	At the beginning of the year	798,787	0.93	17.11.2017	Purchase of Shares	3,216	802,003	0.83
				24.11.2017		2,647	804,650	0.83
	At the end of the year						804,650	0.83
11.	<b>Chartered Finance and Leasing Limited#</b>							
	At the beginning of the year	799,575	0.93					
				29.09.2017	Sale of Shares	-5,716	793,859	0.82
	At the end of the year						793,859	0.82
12.	<b>Jhunjhunwala Glass Limited#</b>							
	At the beginning of the year	1,162,192	1.35					
				07.07.2017	Sale of Shares	(5,150)	1,157,042	1.25
				11.08.2017		(8,500)	1,148,542	1.24
				18.08.2017		(2,000)	1,146,542	1.24
				25.08.2017		(8,000)	1,138,542	1.23
				08.09.2017		(519,100)	619,442	1.67
				15.09.2017		(5,000)	614,442	0.66
				24.11.2017		(614,442)	-	-
	At the end of the year						-	-
13.	<b>Crest Logistics and Engineers Private Limited#</b>							
	At the beginning of the year	1,105,000	1.28					
				23.06.2017	Sale of Shares	(102,000)	1,003,000	1.14
				07.07.2017		(253,000)	750,000	0.81
				14.07.2017		(488,000)	262,000	0.28
				21.07.2017		(262,000)	-	-
	At the end of the year						-	-

\* Not in the list of Top 10 shareholders as on 01/04/2017 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2018.

# Ceased to be in the list of Top 10 shareholders as on 31/03/2018. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2017.

### (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
1.	<b>Shri Aditya Jajodia</b> (Chairman & Managing Director)							
	At the beginning of the year	3,674,576	4.26					
				Nil movement during the year				
	At the End of the year						3,674,576	3.81
2.	<b>Shri Sanjiv Jajodia</b> (Whole-time Director & KMP, being CFO)							
	At the beginning of the year	2,649,433	3.07					
				Nil movement during the year				
	At the End of the year						2,649,433	2.75
3.	<b>Shri Rajiv Jajodia</b> (Non-Executive Promoter Director)							
	At the beginning of the year	1,568,333	1.82					
				Nil movement during the year				
	At the End of the year						1,568,333	1.63



### (v) Shareholding of Directors and Key Managerial Personnel:

(Contd.)

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the Year [As on 01.04.2017]		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
4.	<b>Shri Gourav Jajodia</b> (Non-Executive Promoter Director)							
	At the beginning of the year	119,666	0.14					
				Nil movement during the year				
	At the End of the year						119,666	0.12
5.	<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
6.	<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
7.	<b>Shri Chandra Kant Bhartia</b> (Non-Executive Independent Director) (resigned w.e.f. 08.02.2018)							
	At the beginning of the year	0	0.00					
				Nil movement during the year				
	At the End of the year						NA	NA
8.	<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
9.	<b>Smt. Swati Agarwal</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
10.	<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
11.	<b>Shri Manas Kumar Nag</b> (Nominee Director)							
	At the beginning of the year	0	0.00					
				Nil movement during the year				
	At the End of the year						0	0.00
12.	<b>Shri Ashim Kumar Mukherjee</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
13.	<b>Shri Ajay Kumar Tantia</b> (KMP, being Company Secretary)							
	At the beginning of the year	0	0.00					
				Nil movement during the year				
	At the End of the year						0	0.00

Change in % holding is due to increase in paid-up capital of the company during the year under review in view of conversion of warrants into equity shares.

## V. INDEBTEDNESS

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

(₹ in lacs)

	Secured Loans (excluding deposits)	Unsecured Loans	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	343,071.81	6,049.90	-	349,121.71
ii) Interest due but not paid	18,294.38	351.32	-	18,645.70
iii) Interest accrued but not due	-	-	-	0
<b>Total (i+ii+iii)</b>	<b>361,366.19</b>	<b>6,401.22</b>	<b>-</b>	<b>367,767.41</b>
<b>Change in Indebtedness during the financial year</b>				
1. Addition	-	1,005.39	-	1,005.39
2. Reduction	(6,302.86)	-	-	(6,302.86)
<b>Net Change</b>	<b>(6,302.86)</b>	<b>1,005.39</b>	<b>-</b>	<b>(5,297.47)</b>
<b>Indebtedness at the end 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
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>355,063.33</b>	<b>7,406.61</b>	<b>-</b>	<b>362,469.94</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	Smt. Rakhi Jain	Smt. Seema Chowdhury	Smt. Swati Agarwal	Shri Ashim Kumar Mukherjee	Shri Chandra Kant Bhartia	
1.	Fee for attending board/ committee meetings	15,000	20,000	20,000	20,000	20,000	15,000	110,000
2.	Commission	-	-	-	-	-	-	-
3.	Others, please specify	-	-	-	-	-	-	-
	Total (1)	15,000	20,000	20,000	20,000	20,000	15,000	110,000





II. Other Non-Executive/Nominee Directors				
	Shri Rajiv Jajodia	Shri Gourav Jajodia	Shri Manas Kr. Nag (Nominee of SBI)	Total
1. Fee for attending board/ committee meetings	15,000	15,000	20,000	50,000
2. Commission	–	–	–	–
3. Others, please specify	–	–	–	–
<b>Total (2)</b>	<b>15,000</b>	<b>15,000</b>	<b>20,000</b>	<b>50,000</b>
<b>Total (B) = (1+2)</b>				<b>1,60,000</b>
Total Managerial Remuneration (A+B)				<b>1,60,000</b>
Overall Ceiling as per the Act	In accordance with Schedule V of the Companies Act, 2013			

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

(₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
		<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	2,873,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–
2.	Stock Option	
3.	Sweat Equity	–
4.	Commision – as % of profit – others, specify	–
5.	Others, please specify	–
	<b>Total (A)</b>	<b>2,873,000</b>



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

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

Place: Kolkata  
Date: 13<sup>th</sup> August, 2018

On behalf of the Board of Directors

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



### Annexure to Directors' Report

### ANNEXURE "E"

INFORMATION PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF COMPANIES (ACCOUNTS) RULES, 2014, PERTAINING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

#### A. Conservation of energy:

- i. Steps taken for conservation of energy and steps taken by the Company for utilizing alternate sources of energy:
  1. Implemented various measures as per energy audit report.
  2. Replaced defective capacitors Filter Bank to maintain power factor as 0.99 for 24MVA power.
  3. Optimization of 24MVA Contracted Demand DVC power by increasing load factor.
  4. Use of LED Lighting in place of Conventional Light.
  5. Introduced drives in various area as per energy audit report.

Impact of the steps taken for conservation of energy:

1. Load factor increased up to 75% on contract demand of 24 MVA and expecting up to 80% in next year.
2. Energy saving by using LED light is up to 50%.
3. Drives will save up to 25% power in the replacement units.
4. Other measures save up to 20% power.

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

- ii. Capital investment on energy conservation equipment:

No Capital Investment has been made except for expenditure incurred for energy audit, purchase of capacitor banks, LED lights, Delta Star controller for conveyor belts, timers for lighting, OH tank water level controller etc.

#### B. Technology absorption:

- i. Efforts made towards technology absorption:

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

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

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

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

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

- iv. Expenditure incurred on Research and Development : Nil

#### C. Foreign exchange earnings and outgo:

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

(₹ in Lacs)		
Particulars	2017-18	2016-17
Inflows	6526.41	2,378.25
Outgo	2039.53	2,087.58



### 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 31<sup>ST</sup> MARCH, 2018

- 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 2017-18. The remuneration of the Company Secretary has been increased by 28.6% 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 11%.

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

There were 2913 employees on the rolls of the Company as on 31<sup>st</sup> March, 2018.

- 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 12% whereas average increase in the managerial remuneration during the year was 7.15%. The salary increase is based on compensation philosophy of the organisation which takes into account internal as well as external factors.

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

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



### Report of the Directors on Corporate Governance

Corporate governance is the mechanisms, processes and relations by which corporations are controlled and directed. Governance structures and principles identify the distribution of rights and responsibilities among different participants in the corporation (such as the board of directors, managers, shareholders, creditors, auditors, regulators, and other stakeholders, and include the rules and procedures for making decisions in corporate affairs. Corporate governance includes the processes through which corporations' objectives are set and pursued in the context of the social, regulatory and market environment. Governance mechanisms include monitoring the actions, policies, practices, and decisions of corporations, their agents, and affected stakeholders. Corporate governance practices are affected by attempts to align the interests of stakeholders.

The Company not only adheres to the prescribed Governance practices under the regulations but is constantly striving to adopt emerging best practices. It is our endeavor to achieve higher standards and provide oversight and guidance to management in strategy implementation and risk management and fulfillment of stated goals and objectives.

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

#### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance at Jai Balaji Industries Limited has been a continuous journey and the business goals of the Company are aimed at the overall well-being and welfare of all the constituents of the system. The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with a balanced mix of experts of eminence and integrity, forming a core group of top level executives, inducting competent professionals across the organization and putting in place appropriate systems, process and technology.

At the heart of Company's Corporate Governance policy

is the ideology of transparency and openness in the effective working of the management and Board. It is believed that the imperative for good Corporate Governance lies not merely in drafting a code of Corporate Governance but in practicing it.

The Company's philosophy on Corporate Governance is based on the following principles :

- Accountability, Independence, effective internal surveillance, voluntary legal compliance and governing rules and procedures.
- Empowering the management and employees to showcase strength, ownership, innovation and passion to excel and lead.
- Efficient resource management to enhance enterprise value and return on investment.
- Working for the society and community
- Be transparent and maintain a high degree of disclosure levels.
- Legal and statutory compliances in its true spirit.
- Safeguard integrity in financial reporting.

The Company has established systems and procedures to ensure that its Board of Directors is well-informed and well-equipped to fulfill its overall responsibilities and to provide the management with the strategic direction needed to create long-term shareholder value.

The Company recognizes communication as key element in the overall Corporate Governance framework and therefore, emphasizes on keeping abreast its stakeholders including investors, lenders, vendors and customers on continuous basis by effective and relevant communication through Annual Reports, quarterly results, corporate announcements and reflecting the same on the Company's official website i.e. [www.jaibalajigroup.com](http://www.jaibalajigroup.com)

#### 2. BOARD OF DIRECTORS

As on 31st March, 2018, the Board consists of 11 directors, comprising of:

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

The detailed composition of the Board as on 31<sup>st</sup> March, 2018 is tabled below:

Name of Directors	Category
Shri Aditya Jajodia	Promoter Executive Director (Chairman & Managing Director)
Shri Sanjiv Jajodia	Promoter Executive Director (Whole-time Director & Chief Financial Officer)
Shri Rajiv Jajodia	Promoter Non-Executive Director
Shri Gourav Jajodia	Promoter Non-Executive Director
Shri Amit Kumar Majumdar	Executive Director
Shri Manas Kumar Nag	Nominee Director (Representative of State Bank of India)
Shri Shailendra Kumar Tamotia	Non-Executive Independent Director
Shri Ashim Kumar Mukherjee	Non-Executive Independent Director
Smt. Seema Chowdhury	Non-Executive Independent Woman Director
Smt. Swati Agarwal	Non-Executive Independent Woman Director
Smt. Rakhi Jain	Non-Executive Independent Woman Director



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

The Board of Directors of the Company ("the Board") at its meeting held on 30<sup>th</sup> June, 2018 has approved the re-appointment of Shri Sanjiv Jajodia (holding DIN:00036339) as Whole-time Director of the Company subject to approval of the members of the Company in the ensuing Annual General Meeting and such other authorities as may be required, for a period of 5 (five) years commencing from 30<sup>th</sup> day of June, 2018.

Further, the Board has approved the re-appointment of Shri Amit Kumar Majumdar (holding DIN:000194123) as Executive Director of the Company for a further period of 2 (two) years with effect from 14<sup>th</sup> August, 2018 subject to approval of the members and such other authorities as may be required.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, appointed Smt. Swati Bajaj (DIN - 01180085), as an Additional Director (Category -Non Executive Independent Director) of the Company with effect from 13<sup>th</sup> August, 2018 to hold office upto the date of ensuing Annual General Meeting and further recommended her appointment based on the recommendation of the Nomination and Remuneration Committee, as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of 5 (five) years from the date of her appointment. The Board is highly optimistic that her association will render benefits to the Company.

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

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

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

#### ■ Particulars of attendance of each director at Board Meetings and last Annual General Meeting

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

During the financial year 2017-18, 6 (Six) meetings of the Board were held viz., 30<sup>th</sup> May, 2017; 23<sup>rd</sup> June, 2017; 7<sup>th</sup> August, 2017; 14<sup>th</sup> September, 2017; 14<sup>th</sup> December, 2017 and 28<sup>th</sup> February, 2018. The maximum time gap between two consecutive board meetings did not exceed one hundred and twenty days and the necessary quorum was present at all the meetings.

The attendance of each Director at the Board meetings held during the financial year 2017-18 and at the last Annual General Meeting held on 14<sup>th</sup> September, 2017 are as follows:

Name of Directors	No. of Board Meeting Attended	Attendance at the last AGM
Shri Aditya Jajodia	4	No
Shri Sanjiv Jajodia	6	Yes
Shri Rajiv Jajodia	5	Yes
Shri Gourav Jajodia	5	Yes
Shri Amit Kumar Majumdar	5	No
Shri Manas Kumar Nag	6	No
Shri Shailendra Kumar Tamotia	5	Yes
Smt. Seema Chowdhury	6	Yes
Smt. Swati Agarwal	6	Yes
Smt. Rakhi Jain	6	Yes
Shri Ashim Kumar Mukherjee	6	Yes
Shri Chandra Kant Bhartia*	5	Yes

\*resigned w.e.f. 8th February, 2018

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



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

#### ■ Particulars of Number of other Directorship and Committee Membership/Chairmanship

The Number of directorship and committee membership/ chairmanship held by each director in other companies as on 31st March, 2018 is tabled below:

Name of Directors	Number of directorship held in other companies		Number of committee position held in Public Limited Companies***	
	Public Limited Companies*	Others**	Committee Membership(s)	Committee Chairmanship(s)
Shri Aditya Jajodia	8	4	—	—
Shri Sanjiv Jajodia	7	1	1	1
Shri Rajiv Jajodia	6	4	1	1
Shri Gourav Jajodia	2	—	—	—
Shri Amit Kumar Majumdar	3	1	2	1
Shri Manas Kumar Nag	1	—	—	—
Shri Shailendra Kumar Tamotia	—	—	—	—
Smt. Seema Chowdhury	—	—	—	—
Smt. Swati Agarwal	1	—	2	2
Smt. Rakhi Jain	1	—	—	—
Shri Ashim Kumar Mukherjee	1	—	—	—

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

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

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

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

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

The facts and figures as stated above are based on the

declarations received from the directors for the financial year ended 31st March, 2018.

#### ■ Performance Evaluation of Board

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

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

The Directors expressed their satisfaction with the evaluation process.

#### ■ Separate Meeting of Independent Director

During the year 2017-18, as per requirement of Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure



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

Requirements) Regulations, 2015, a separate meeting of Independent Directors was held on 28th February, 2018 without the presence of non-independent directors and member of the management. The meeting was conducted by Independent Directors to:

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

#### ■ Familiarisation Programme for Independent Directors

In Compliance with Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has conducted familiarisation cum induction programme for the independent directors on 28th February, 2018.

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

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

### 3. BOARD COMMITTEES

The Board Committees play a vital role in improving Board effectiveness in areas where more focused and extensive discussions are required. Some of the Board functions are performed through specially constituted Board Committees comprising of Executive and Non-Executive/Independent Directors. Board Committee's ensure focussed discussion and expedient resolution of diverse matters. As on 31st March, 2018, the Company had following committees - Audit Committee, Nomination & Remuneration Committee (formerly Remuneration Committee), Stakeholders' Relationship Committee (formerly Share Transfer Cum Investors' Grievance Committee), Corporate Social Responsibility Committee, Management (Finance) Committee and Internal Complaints Committee.

The minutes of all Committee meetings were placed before the Board and noted by the Directors at the Board

Meetings. The role, composition and terms of reference of all committees including the number of meetings held during the financial year ended 31st March, 2018 and the related attendance are as follows:

#### ■ Audit Committee

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

#### Terms of Reference:

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

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of the auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval with particular reference to:
  - a) matters required to be included in the directors' responsibility statement to be included in the Board's Report in terms of Clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b) changes if any, in accounting policies and practices and reasons for the same
  - c) major accounting entries involving estimates based on the exercise of judgement by management;
  - d) significant adjustments made in the financial statements arising out of audit findings;
  - e) compliance with listing and other legal requirements relating to financial statements;
  - f) disclosure of any related party transaction;
  - g) modified opinion(s) in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in



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

the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- ♦ Review and monitor the auditor's independence and performance and effectiveness of audit process;
- ♦ Approval or any subsequent modification of transactions of the company with related parties;
- ♦ Scrutiny of inter-corporate loans and investments;
- ♦ Valuation of undertakings or assets of the company, wherever it is necessary;
- ♦ Evaluation of internal financial controls and risk management systems;
- ♦ Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- ♦ Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- ♦ Discussion with internal auditors of any significant findings and follow up there on;
- ♦ Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- ♦ Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- ♦ To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- ♦ To review the functioning of the whistle blower mechanism;
- ♦ Approval of appointment of chief financial officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- ♦ Carrying out any other functions as mentioned in the terms of reference of the Audit Committee.

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

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

- \* Statement of significant related party transactions (as defined by the audit committee), submitted by the management;
- ♦ Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- ♦ Internal Audit Reports relating to internal control weaknesses; and
- ♦ The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- ♦ Statement of deviations:
  - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32(1)
  - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

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

#### • Composition of the Committee

As on 31st March, 2018, 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 Ashim Kumar Mukherjee has been inducted as member and designated as the Chairman of the committee due to resignation tendered by Shri Chandra Kant Bhartia w.e.f 08.02.2018.

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.jaibalaji group.com/composition-of-various-committees.pdf>".

#### • Attendance of the Members at the meetings during the year

During the financial year 2017-18, the Committee met 5





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

(five) times i.e. on 30<sup>th</sup> May, 2017; 7<sup>th</sup> August, 2017; 14<sup>th</sup> September, 2017; 14<sup>th</sup> December, 2017 and 28<sup>th</sup> February, 2018 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.

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	1
Shri Aditya Jajodia	3
Shri Shailendra Kumar Tamotia	4
Smt. Swati Agarwal	5
Shri Chandra Kant Bhartia*	4

\*resigned w.e.f. 08.02.2018

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

Shri Chandra Kant Bhartia, the then Chairman of the Audit Committee was present at the Eighteenth Annual General Meeting of the Company held on 14th September, 2017.

#### ■ 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 SEBI (Listing Obligations and Disclosure Requirements), 2015 and Section 178 of the Act.

#### Terms of Reference:

The terms of reference of the Committee include the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and Board of directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board of directors their appointment and removal.

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

#### ● Composition of the Committee

The Committee comprised of three non-executive directors of the Company as members as on 31st March, 2018:

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

Shri Ashim Kumar Mukherjee has been inducted as member and designated as the Chairman of the committee due to resignation tendered by Shri Chandra Kant Bhartia w.e.f. 08.02.2018.

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

During the year under review, the member of the committee met 2 (two) times viz 30th May, 2017 and 7th August, 2017. The necessary quorum was present at all the meetings.

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

Name of the Members	No. of meetings attended
Shri Ashim Kumar Mukherjee	0
Shri Shailendra Kumar Tamotia	2
Shri Rajiv Jajodia	2
Shri Chandra Kant Bhartia*	2

\*resigned w.e.f. 08.02.2018

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



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

### • 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 Director's 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 (five) years w.e.f. 22nd July, 2017.

The Board has re-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 re-appointment is subject to the consent of the Shareholders of the Company in the ensuing Annual General Meeting.

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 has 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. The re-appointment is subject to the consent of the Shareholders of the Company in the ensuing Annual General Meeting.

No remuneration was drawn by any Executive Director during the year 2017-18. In view of the ongoing losses being incurred by the Company, the Managing Director

and Whole - time Director had volunteered for waiving off their remuneration.

There is no separate provision for notice period & payment of severance fees. The Company does not have any scheme for grant of Stock Options to its Directors, Managing Directors or other employees.

### • Non-Executive Directors:

Non- Executive Directors are not entitled to any remuneration apart from the sitting fees for attending meetings of the Board. At present no sitting fees is paid for attending committee meetings. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending meetings. The Company pays sitting fee to its non-executive Directors as permissible under the Companies Act, 2013.

The details of sitting fees (including TDS) paid to the Non - Executive Directors for the financial year 2017-18 are as follows:

(₹)

Particulars	Sitting Fees (including TDS)
Shri Rajiv Jajodia	15,000
Shri Gourav Jajodia	15,000
Shri Shailendra Kumar Tamotia	15,000
Smt. Seema Chowdhury	20,000
Smt. Swati Agarwal	20,000
Smt. Rakhi Jain	20,000
State Bank of India, Represented by Shri Manas Kumar Nag	20,000
Shri Ashim Kumar Mukherjee	20,000
Shri Chandra Kant Bhartia*	15,000
<b>Total</b>	<b>1,60,000</b>

\*Resigned w.e.f. 08.02.2018

The Non-Executive Directors do not have any other pecuniary relationship or transactions with the Company. The number of equity shares of the company held by the Non-Executive Directors as on 31st March, 2018 is as follows:

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



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

All other Non-Executive Directors excluding the above do not hold any shares or convertible instruments of the Company as on 31st March, 2018.

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

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

#### Terms of Reference:

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

#### ● Composition of the Committee

The Committee comprised of 3 (Three) members as on 31st March, 2018, out of which the Chairman of the Committee is a non-executive director of the Company. Details of members are stated hereunder:

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

#### Compliance Officer

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

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

During the financial year 2017-18, the Committee met 5 (five) times i.e. 30th May, 2017; 14th September, 2017; 22nd November, 2017; 14th December, 2017 and 28th February, 2018

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 Gourav Jajodia	5

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

Number of shareholders complaints : NIL  
pending as on 1st April, 2017

Number of shareholders complaints : NIL  
received during the year ended  
31st March, 2018

Number of shareholders complaints : NIL  
not solved to the satisfaction of  
the shareholders

Number of shareholders complaints : NIL  
pending as on 31st March, 2018

It is confirmed that there was no request for registration of share transfers/ transmission lying pending as on 31st March, 2018 and that all request for issue of new certificates, sub-division or consolidation of shareholding, etc, received up to 31st March, 2018 have been processed. The Company has an efficient system in place to record and process all requests for dematerialization and re-materialization of shares in the Company through National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL).

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

#### ■ Management (Finance) Committee

This Committee periodically reviews the finance function associated with operations of the Company. It spreads the burden of financial management, thereby also potentially improving the quality and enables more democratic control of the organisation's finances. There were no change in the terms of reference of the Committee during the financial year 2017-18.

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

### • 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	5
Shri Sanjiv Jajodia	Promoter Executive Director	5
Shri Rajiv Jajodia	Promoter Non-Executive Director	5

During the year under review, the members of the committee met 5 (five) times i.e. on 27th April, 2017; 2nd August, 2017; 14th September, 2017; 21st February, 2018 and 28th February, 2018. The necessary quorum was present at the meetings as all the members have attended the meeting. Shri Ajay Kumar Tantia, Company Secretary of the Company also attended the meetings of the Committee.

### ■ Corporate Social Responsibility Committee

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

#### • Terms of reference of the committee

- ♦ To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- ♦ To recommend the amount of expenditure to be incurred on such activities; and
- ♦ To monitor the Corporate Social Responsibility Policy of the Company from time to time.

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

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

The CSR policy of the Company is hosted on the website of the Company i.e. "www.jaibalajigroup.com" under the Weblink "http://www.jaibalajigroup.com/

corporate-social-responsibility-policy.pdf"

During the financial year under review a meeting of the members of the Committee was held on 28th February, 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 formulated the Internal Complaints Committee. Further, a policy on prevention of sexual harassment of women at the workplace was duly approved and adopted by the Company and is available on the website of the Company under the weblink "http://www.jaibalajigroup.com/safety-of-women.pdf". The basic procedure followed in the Committee is complying with the natural justice and fair play to the aggrieved person and providing protection to women at workplace.

The Committee comprised of 4 (Four) members as on 31st March, 2018, 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 Raj Kumar Sharma	Member	1

During the financial year under review a meeting of the members of the Committee was held on 30th May, 2017 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:

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

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

#### 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
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
2014-15	Monday	21.09.2015	10:30 A.M.	Rotary Sadan (Shripati Singhanian Hall) 94/2, Chowringhee Road, Kolkata - 700 020	Yes

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

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

##### ● 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

##### ● 2014 - 15

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

per month on such terms and conditions as set out in the agreement entered into between the Company and Shri Amit Kumar Majumdar.

#### Postal Ballot

No special resolutions were passed through postal ballot in the last Annual General Meeting and during the period under review. There is no proposal to pass any Special Resolution which requires passing by postal ballot in the forthcoming Annual General Meeting of the Company.

#### Extra-ordinary General Meeting

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

#### Disclosures

##### ● Related Party Disclosures

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



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

All Related Party Transactions were placed before the Audit Committee for their approval. Prior Omnibus approval has been taken from 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 Accounting Standards (AS-18) issued by the Institute of Chartered Accountants of India, have been followed while preparation of the financial statements. A comprehensive list of all related party transactions entered into by the Company forms a part of Note No. 49 to the financial statements in the Annual Report.

The Board of Directors of the Company has adopted a Related Party Transaction Policy in place, pursuant to the requirements of Section 188 of the Companies Act, 2013 and Rules framed thereunder and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy is available on the website of the company viz. "www.jaibalajigroup.com" 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a Vigil Mechanism/ Whistle Blower Policy for directors and employees to enable directors and employees to report unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimisation of Director(s)/ Employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases.

The Company hereby affirms that no Director/ employee have been denied access to the Chairman and that no complaints were received during the year. The Whistle

Blower Policy has been disclosed on the Company's website under the web link "<http://www.jaibalajigroup.com/whistle-blower-policy.pdf>".

#### ● Disclosure of Accounting Treatment

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

#### ● Code of Conduct

The Company has in place a comprehensive Code of Conduct for all the Board Members (incorporating, inter-alia, duties of Independent Directors) and Senior Management Personnel of the Company. The Code aims at ensuring consistent standards of conduct and ethical business practices across the Company. The Company has received confirmations from all concerned regarding their adherence to the said Code. The Code has been hosted on the Company's website "www.jaibalajigroup.com" under the web link "<http://www.jaibalajigroup.com/code-of-conduct-for-bm-senior-mangmt-new.pdf>".

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

#### ● Insider Trading

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

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



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

#### • Management Discussion and Analysis Report

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

#### • Proceeds from public issues, rights issues, preferential issues, etc.

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

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

During the year, the Company has converted balance 1,01,05,000 warrants into Equity Shares by way of allotment of equivalent number of Equity Shares of Rs.10/- each on receipt of balance 75% of the consideration i.e. ₹ 7.50 per warrant in respect of 1,01,05,000 warrants on different dates amounting to ₹ 757.875 lacs.

#### • Subsidiary Companies

The Company has two wholly owned subsidiaries viz:

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

Nilachal Iron & Power Limited (NIPL) ceased to be a subsidiary of the Company.

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

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

The Board of directors of the Company has formulated a policy for determining material subsidiaries which is in line with the requirement of Regulation 16(c) of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 and the same is hosted on the website of the Company under the weblink "<http://www.jaibalajigroup.com/policy-on-determining-material-subsidaries.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 Obligations and Disclosure Requirements) Regulations, 2015 as per the format specified in Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The annual certificate given by the Chairman and Managing Director and the Chief Financial Officer is published in this Report.

Shri Aditya Jajodia, Chairman and Managing Director and Shri Sanjiv Jajodia, Whole-time Director and Chief Financial Officer of the Company 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/risk-management-policy.pdf)" under the weblink "<http://www.jaibalajigroup.com/risk-management-policy.pdf>".

#### • Reconciliation of Share Capital Audit

The Company has engaged Shri Sandip Kumar Kejriwal, a Practising Company Secretary to carry out the share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

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

- **Compliance with Mandatory Requirements**

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

- ❖ **Other Compliances**

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

- ❖ **Submission of Corporate Governance Report**

The Corporate Governance Report pursuant to Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for each quarter for the financial year 2017-18 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 were

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 are simultaneously intimated to The Calcutta Stock Exchange Limited (CSE).

- **Newspapers wherein results are normally published**

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

- **Website**

Pursuant to Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company's website "www.jaibalajigroup.com" contains a separate dedicated section 'Investor Relations' which is a comprehensive reference containing the up-to-date financial results, annual reports, shareholding patterns, Company's policies, material disclosures, official news releases, presentations made to institutional investors or to the analysts, if any and other general information about the Company.

#### **SEBI Complaints Redress System (SCORES):**

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

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

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



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

### 6. GENERAL SHAREHOLDER INFORMATION

<b>Annual General Meeting</b>	
Day, date & time	: Thursday, 20 <sup>th</sup> September, 2018 at 11:00 a.m.
Venue	: Rotary Sadan (Shripati Singhanian Hall), 94/2, Chowringhee Road, Kolkata - 700 020
<b>Financial calendar (tentative schedule) for the year 2018 - 19</b>	1 <sup>st</sup> April, 2018 to 31 <sup>st</sup> March, 2019
	: The probable dates for the submission of the Financial Results for the financial year 2018-19 :
	1 <sup>st</sup> Quarter Results On or before 14 <sup>th</sup> Aug., 2018
	2 <sup>nd</sup> Quarter Results On or before 14 <sup>th</sup> Nov., 2018
	3 <sup>rd</sup> Quarter Results On or before 14 <sup>th</sup> Feb, 2019
	Annual Results On or before 30 <sup>th</sup> May, 2019
<b>Date of book closure</b>	: The Register of Members and Share Transfer Book shall remain closed from Friday, 14 <sup>th</sup> September, 2018 to Thursday 20 <sup>th</sup> September, 2018 (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 <b>The Calcutta Stock Exchange Limited</b> 7, Lyons Range, Kolkata - 700 001 Scrip Code - 10020253 Listing fees has been paid to the respective Stock Exchanges for the year 2018 - 19.
<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 2018-19 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

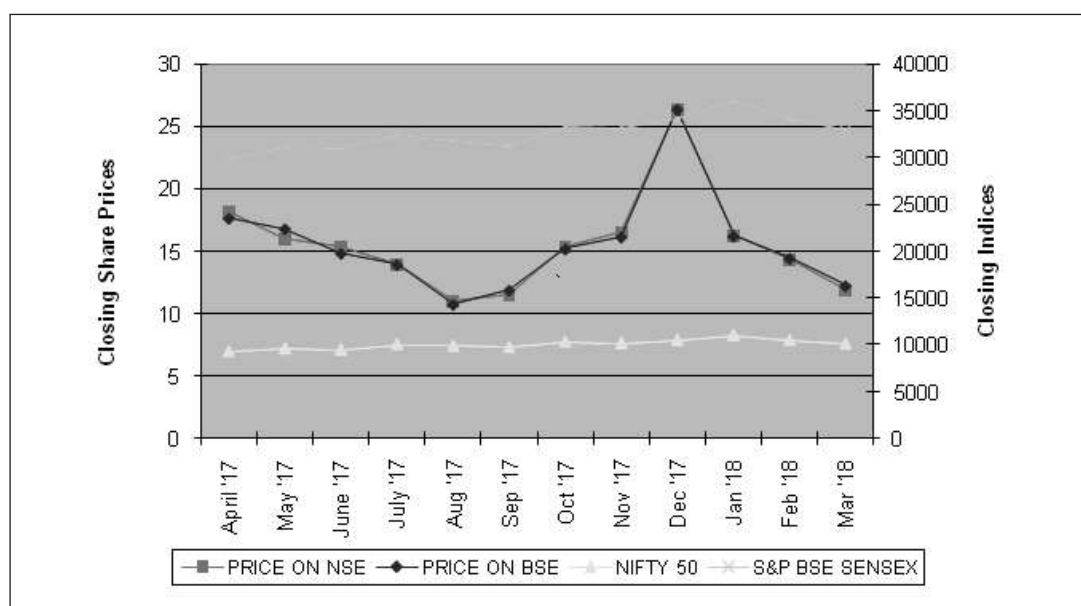
### Report of the Directors on Corporate Governance (Contd.)

#### 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 2017-18 were as under:

Month	Share Price (NSE)		Share Price (BSE)	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April '17	24.80	16.85	24.65	16.90
May '17	20.55	16.00	20.55	16.15
June '17	18.40	13.55	18.30	13.75
July '17	17.40	11.50	16.77	11.91
August '17	14.75	10.50	14.00	10.50
September '17	13.50	10.10	13.38	10.00
October '17	17.05	10.85	16.50	10.22
November '17	16.55	12.60	16.15	12.70
December '17	27.20	17.25	27.60	16.95
January '18	26.90	15.20	27.20	15.90
February '18	17.00	13.20	16.90	13.00
March '18	14.50	11.90	14.69	12.26

#### 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

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

transfer/transmission of shares are placed before the Stakeholders' Relationship Committee of the Company periodically.

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

#### SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2018

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	30,42,308	3.16
	Non-Institutions	8824	3,70,40,132	38.43
	<b>Total Public Shareholding (B)</b>	<b>8827</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>8844</b>	<b>9,63,86,486</b>	<b>100.00</b>

#### DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2018

Range of ordinary shares held	No. of Shareholders	Percentage (%) to total shareholders	No. of Shares	Percentage (%) to share capital
Up to 500	7334	79.8302	8,90,256	0.9236
501 to 1000	745	8.1093	6,20,411	0.6437
1001 to 2000	397	4.3213	6,21,236	0.6445
2001 to 3000	191	2.0790	4,94,617	0.5132
3001 to 4000	74	0.8055	2,62,250	0.2721
4001 to 5000	83	0.9035	3,93,990	0.4088
5001 to 10000	146	1.5892	11,39,047	1.1817
10001 and above	217	2.3620	9,19,64,679	95.4124
<b>Total</b>	<b>9187</b>	<b>100.00</b>	<b>9,63,86,486</b>	<b>100.00</b>

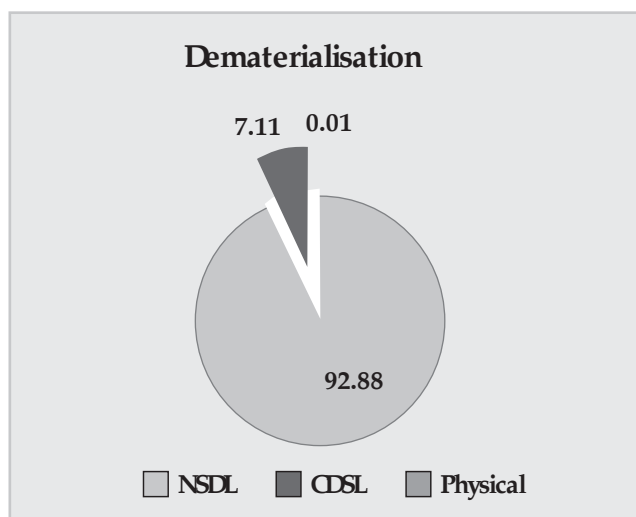


### Report of the Directors on Corporate Governance (Contd.)

#### DEMATERIALIZATION OF SHARES AND LIQUIDITY AS ON 31ST MARCH, 2018

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 dematerialisation 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, 2018 a total of 9,63,77,467 equity shares of the Company, representing 99.99% of the Company's share capital were held in dematerialised form of which 8,95,20,005 representing 92.88% of the total paid-up equity share capital were held with NSDL and 68,59,962 representing 7.11 % of the total paid-up equity share capital with CDSL.

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



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

The Company has not issued any GDRs/ADRs and hence no amount is outstanding as at the year end and also was not involved in commodity price risk or foreign exchange risk and hedging activities. The Company had issued and allotted 2,26,05,000 warrants on Preferential allotment basis to companies falling under promoter group & others carrying a right to convert each warrant into an Equity Share of ₹10/- each within a period of 18 months from the date of allotment i.e. 22nd March, 2016. The warrant holders had paid 25% of the total consideration i.e. ₹ 2.50 per warrant amounting to ₹ 565.13 lacs as application money against the above warrants.

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

During the year, the Company has converted balance 1,01,05,000 warrants into Equity Shares by way of allotment of equivalent number of Equity Shares of Rs.10/- each on receipt of balance 75% of the consideration i.e. Rs.7.50 per warrant in respect of 1,01,05,000 warrants on different dates amounting to Rs. 757.875 lacs. No warrants are remaining outstanding as on 31st March, 2018.

After the conversion of total warrants, the paid up equity share capital of the Company is Rs. 96,38,64,860/- consisting of 9,63,86,486 equity shares of Rs. 10 each.

#### DETAILS OF UNCLAIMED SHARES

Pursuant to Regulation 39(4) read with Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has 847 unclaimed shares of 10 shareholders in a Demat Account titled 'Jai Balaji Industries Limited – Unclaimed Shares Demat Suspense Account' opened by the Company which could not be credited to shareholder's demat account due to insufficient/ incomplete/ improper details furnished by them. The said shares had arisen out of the allotment made at the time of Initial Public Issue of erstwhile M/s. Shri Ramrupai Balaji Steels Limited (since amalgamated with the Company).

During the year under review, one of the shareholders among them approached the company for transfer of 83 shares from suspense account to him and the Company duly issued 83 shares to him after undertaking the proper verification of identity of the allottee. The voting rights of these shares shall remain frozen till the rightful owner claims the shares. Details of Unclaimed shares are as follows:

Particulars	Number of Shareholders	Aggregate Number of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as at 1st April, 2017	10	847
Number of shareholders who approached issuer for transfer of shares from suspense account during the year	1	83
Number of shareholders to whom shares were transferred from suspense account during the year	1	83
Aggregate number of shareholders and the outstanding shares in the suspense account lying as at 22nd November, 2017	9	764



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

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

#### 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 31.03.2018	% to total holding of respective promoter in the company	% to total paid up equity share capital of the company
1	Shri Aditya Jajodia	3,075,000	83.68%	3.19%
2	Shri Sanjiv Jajodia	2,640,000	99.64%	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	1,45,19,000	57.81%	15.06%
8	M/s. K. D. Jajodia Steels Industries Private Limited	2,410,000	99.99%	2.50%
	<b>Total</b>	<b>4,27,82,233</b>	<b>—</b>	<b>44.39%</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 8173 / 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding compliance of conditions of corporate governance, a certificate duly certified by Shri Sandip Kumar Kejriwal, Practising Company Secretary is annexed with this report which forms a part of Annual Report of the Company.

**For and on behalf of the Board**

Place : Kolkata

Date : 13<sup>th</sup> August, 2018

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

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



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

### **DECLARATION**

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2018.

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

Place : Kolkata

Date : 13<sup>th</sup> August, 2018

**Aditya Jajodia**

**Chairman & Managing Director**

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### **Compliance Certificate on Corporate Governance**

**The Members,  
Jai Balaji Industries Limited,  
Kolkata**

We have reviewed the compliance of conditions of Corporate Governance by Jai Balaji Industries Limited ('the Company') for the year ended 31<sup>st</sup> March 2018 as stipulated under Regulation 17 to 27, 46(2) and schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 for the period from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018

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

In our opinion and according to the information and explanations given to us, we state that to the best of our knowledge the Company has complied with the condition of Corporate Governance stipulated in the above mentioned SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, to the extent applicable during the year under report.

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

Place : Kolkata

Date : 13<sup>th</sup> August, 2018

**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, 2018 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> June, 2018

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

**Sanjiv Jajodia**  
**Chief Financial Officer**  
DIN : 00036339



## Management Discussion and Analysis

### Global Overview

Amid rising tensions over international trade, the broad global expansion that began roughly two years ago has become less balanced. According to International Monetary Fund (IMF) growth remains generally strong in advanced economies, but it has slowed in many of them, including countries in the Euro Area, Japan, and the United Kingdom. In contrast, GDP continues to grow faster than potential and job creation is still robust in the United States, driven in large part by recent tax cuts and increased government spending. For emerging market and developing economies as a group, projected growth rates are 4.9 percent for 2018 and 5.1 percent for 2019.

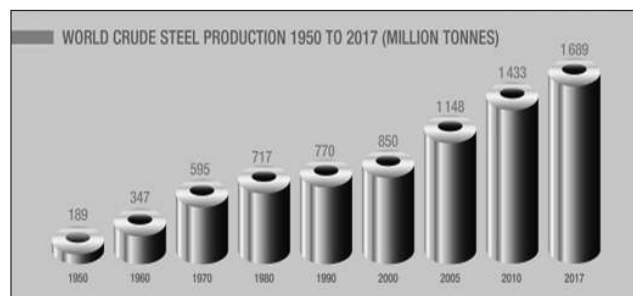
### Overview of the World Economic Performance and Outlook (Percentage Change unless otherwise stated)

	Projections		
	2017	2018	2019
<b>World Output</b>	<b>3.7</b>	<b>3.9</b>	<b>3.9</b>
<b>Advanced Economies</b>	<b>2.4</b>	<b>2.4</b>	<b>2.2</b>
United States	2.3	2.9	2.7
Euro Area	2.4	2.2	1.9
Japan	1.7	1.0	0.9
United Kingdom	1.7	1.4	1.5
<b>Emerging and Developing Economies</b>	<b>4.7</b>	<b>4.9</b>	<b>5.1</b>
Russia	1.5	1.7	1.5
China	6.9	6.6	6.4
India	6.7	7.3	7.5

Source: International Monetary Fund

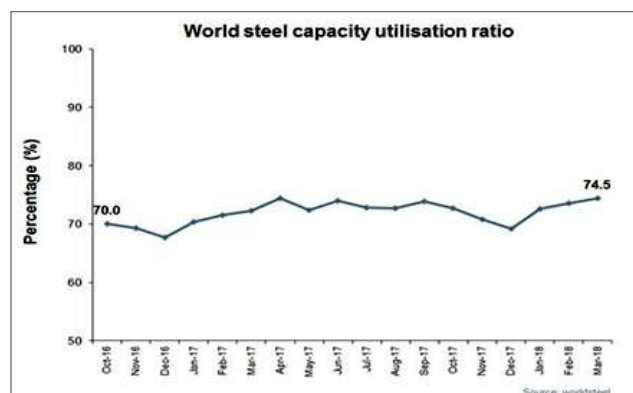
Steel is at the core of a green economy. A healthy economy needs a healthy steel industry. According to World Steel Association, the steel industry is the second biggest industry in the world after oil and gas with an estimated global turnover of 900 billion USD.

According to World Steel Association, 2017 saw an improvement in global steel consumption, which grew 4.7% to 1.59 billion tonnes in the year, after a subdued growth of 1% in 2016. A low base-effect of 2016, along-with improved steel consumption in China and investment-led recovery in advanced economies were the key factors driving this momentum. The government's stimulus measures and momentum in construction activities fuelled steel demand in China. Consumption in Europe (other than EU) too gathered pace in the year and grew 2.5% with other countries like US with 6.4%, Brazil 5.3%, Iran 4.5% follow the growth trajectory of rising global steel demand.



World crude steel production grew by 5.3% or 63 million tonnes in 2017 to 1689 million tonnes, as most economies registered good growth in steel production. Annual production grew between 4% and 6% for major economies of China, India, European Union and USA, among others. Turkey, South America and Brazil witnessed the highest growth in steel production at 13.1%, 8.7% and 9.9% respectively.

According to the report of World Steel Association, world crude steel production was 426.6 MT in the first three months of 2018, up by 4.1% compared to the same period in 2017. The crude steel capacity utilisation ratio of the 64 countries in March 2018 was 74.5%. This is 2.2 percentage points higher than March 2017. Compared to February 2018, it is 0.9 percentage points higher.



Source: worldsteel

### Indian Overview

India is moving up in the coveted list of the world's largest economies. According to World Bank data, the country became the world's sixth largest economy beating France.

While the first quarter of the year 2017-18 saw the impact of demonetization settling down, in the next quarter, introduction of the landmark Goods and Services Tax (GST) brought in some uncertainties as businesses adjusted to the new regime. This did not take long, and from the third quarter onwards, signs of growth returning were evident.

## Management Discussion and Analysis (contd.)

As per World Bank data, India's GDP growth bottomed out in the middle of 2017 after slowing for five consecutive quarters, and has since improved significantly, with momentum carrying over into 2018 on the back of a recovery in investment. Although investment growth was still moderately lower in 2017 than in 2016, high-frequency indicators suggest that it accelerated in 2018.

Indian Steel Sector has brought a new hope in Indian economy considering production of steel product as well as employment generation. Vast productions of steel products lead to expansion of export of steel products reducing import dependence which made India a net exporter in current period. The table below shows the trend in production for sale, import, export and actual consumption of finished steel (alloy/stainless + non-alloy) in the country for the last five years and April-December 2017-18:

### Trend of Finished Steel (alloy/stainless + non-alloy) in Last Five years

(in million tonnes)

Description	2012-13	2013-14	2014-15	2015-16	2016-17	April-December 2017-18*
Production for sale	81.681	87.675	92.156	90.981	101.81	79.049
Imports	7.925	5.45	9.32	11.712	7.227	6.097
Export	5.368	5.985	5.596	4.079	8.243	7.606
Actual Consumption	73.483	74.096	76.992	81.525	84.042	64.868

Source : JPC; \* Provisional

India was the 3rd largest crude steel producer during 2017 and recorded a production of 101.4 million tonnes with growth of 6.18% over 2016, accounting for 9% of Asian and 6% of world crude steel production during January - December 2017.

### Trends and Developments in Indian Steel Sector

- India is currently the world's 3rd largest producer of crude steel and is expected to become the 2nd largest producer of crude steel in the world soon.
- India is the largest producer of direct reduced iron (DRI) or sponge iron in the world.
- The country is also the 3rd largest consumer of finished steel in the world preceded by China and the USA [source: world steel association].
- During January-December 2017, the country's crude steel production crossed the 100 million tonnes mark for the first time in history, reaching 101.371 million tonnes (provisional; source: JPC), a growth of 6.18% over same period of 2016.
- The steel sector contributes to over 2% of the country's

GDP and employs around 25 lakh people in steel/allied sectors.

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

### Opportunities, threats, risks and concern :

#### Opportunities

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

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

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

The 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

## Management Discussion and Analysis (contd.)

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. Domestic & foreign investors are showing a great deal of interest in setting up steel capacities in the country.

### Threats, Risks and Concern

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

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

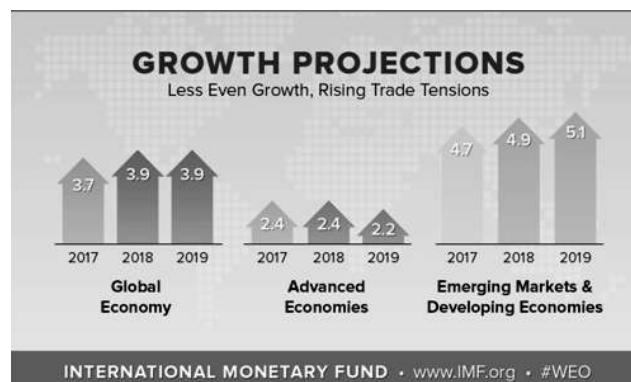
The longevity of steel products could be attributed as one of the reasons for this low demand. The long life of steel products, a minimum of 10 years depending on the product, pushes the industry to go through a cyclic phase once every 5 to 6 years. China's overproduction of steel worsened this situation, leading to the country dumping its excess inventories in other countries at low prices as a result of decreased domestic demand. Anti-dumping tariffs are now being imposed by countries such as Europe and the United States to promote local steel manufacturing. However, there are oppositions to such policies because they could disrupt global trade and relationships.

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

Global growth is on an upswing and is expected to reach 3.9% in 2018 supported by strong momentum, favourable market sentiments, accommodative financial conditions and the domestic and international effects of the expansionary

fiscal policies. The global GDP is expected to increase to \$88 trillion. Both advanced economies and emerging market are expected to see a rise in growth figures in the near term before stabilisation in the medium-term.



The Global Economic Prospects report released by the World Bank projects that India will see its Gross Domestic Product (GDP) grow at a rate of 7.3 per cent during the fiscal 2018-19 and at 7.5 per cent in the two succeeding ones.

India is expected to experience sustained growth in short to medium term driven by growth in steel consuming sectors, revival of rural demand, increased spending on infrastructure amongst others.

According to International Monetary Fund (IMF), India is likely to record a robust GDP growth of 7.4% in F.Y. 2018-19. This growth will be driven by structural and wide ranging reforms such as Goods and Services tax (GST) to widen the indirect tax base, digitization of the economy improving business ecosystem, thrust on infrastructure development and a liberal FDI regime.

The Company expects to take advantage of the growth opportunity provided by the Indian economy. Further, India's iron ore reserves and competitive labour costs give steel manufacturers based in the country a distinctive cost advantage.

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. Further, the conducive government stance towards the steel industry through policies focusing on 'Make in India' and Smart City Mission reinforces India's stance as an attractive place for the steel industry.

### Product wise Performance Analysis

Jai Balaji is an integrated steel manufacturer with five units in three mineral-rich states of eastern India; the Company's cumulative product wise installed capacities and actual

## Management Discussion and Analysis (*contd.*)

production for the year 2017-18 comprise of the following:

Product	Unit	Installed capacity	Production
Sponge iron	MT	345,000	178,568
Pig iron	MT	509,250	370,271
Steel -Bars/Rods	MT	260,000	118,153
Billet /MS Ingot	MT	906,230	105,056
Ferro Alloys	MT	106,618	68,769
Ductile Iron Pipe	MT	240,000	121,016
Power		101.10	338.64
		(MW/Hr)	(MU)
Sinter	MT	6,08,000	394,637
Coke	MT	3,50,000	298,455

### Financial Performance

The Company is passing through its worst times since year 2009. The global economic meltdown coupled with substantial increase in prices of raw material, softening of prices of finished products, delays in implementation of projects on account of reform measures has resulted in losses to the Company. During the year under review, the company recorded a loss before exceptional and extraordinary items of Rs.21,692.25 lakhs as compared to Rs.23,608.61 lakhs in the previous year. The net loss for the year under review was Rs. 25,666.06 lakhs against Rs. 23,608.61 lakhs.

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

### Internal Control Systems and their Adequacy

The Company maintains adequate internal control systems, which provide, among other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of Company assets. 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, prevention of frauds and errors, accuracy and completeness of accounting records and preparation of reliable financial information.

Periodic audits are conducted in various disciplines to ensure adherence to the same. The Company has an external and independent firm to carry out the internal audit of the Company's activities. The Internal Audit process is designed

to review the adequacy of internal control checks in the system and covers all significant areas of the Company's operation. The direct reporting of the Internal Auditors to the Audit Committee of the Board ensures independence of the audit and compliance functions. The Internal Auditors regularly report to the Audit Committee on their observations on the Company's processes, systems and procedures ascertained during the course of their audit. Emphasis is placed on adequacy, reliability and accuracy of dissemination of financial data and information. Compliance issues are given utmost importance and reported regularly to the Board. The management of the Company duly considers and takes appropriate action on the recommendations made by the Internal Auditors. The Audit Committee continuously monitor the adequacy and effectiveness of the internal control environment across the company. The Audit Committee of the Company comprises of eminent professionals who are well versed with the financial management.

The Company has a defined organizational structure with proper delegation of responsibility, authority and functions, which ensures proper compliances with internal policies and applicable laws, while enforcing proper checks and balances.

### Human Resource

Jai Balaji believes in the values of "human resources" and realises its significance in the business success. The Company is dedicated to have an optimum level of human resource and believes in the concept of right talent at the right job since it considers human capital to be the most valuable asset of your Company. We nurture our human resource and provide them a growth oriented and challenging work environment thereby achieving our organisational goals. Human Resources development practices in your company are guided by the principles of consistency and fairness in order to ensure a productive and innovative work place.

The Company is proud to have a talented pool of around 2913 employees as on 31st March, 2018 which comprises professionals from diverse backgrounds like finance, taxation, law, management, engineering etc. The industrial relations in your Company continue to be healthy and cordial.

As people represent the Company's intellectual capital, the right talent and subsequent nurturing are accorded the prime importance. The Company acknowledges the employees' contribution towards leading, thinking, working, creating, processing and dealing to enhanced growth. The management strengthens human resource by making available better tools, technology, techniques at the work place to harness the latent potential.

A mix of youth and experience, the vision and leadership of a stable senior management is matched by the motivation





## **Management Discussion and Analysis (*contd.*)**

and energy of the youth brigade. A good record of participative management reflects the healthy culture of Jaibalaji. The Company believes that a fair working system, based on the interaction of the employees with the organization through his role, is a key motivator. A happy individual always performs well. If the employee finds his work challenging, efforts worthwhile, and rewards commensurate, he is likely to give his best for mutual benefit and prosperity.

### ***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 : 13<sup>th</sup> August, 2018





### INDEPENDENT AUDITOR'S REPORT

To The Members of

**JAI BALAJI INDUSTRIES LIMITED**

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **JAI BALAJI INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Basis for Qualified Opinion

*Referring to Note - 38 of the financial statement, company has not provided for interest amounting to ₹ 83,288.81 lacs of which ₹ 43,744.25 lacs pertains to the current financial year, on various loans & credit facilities availed from banks & financial institution on the ground that same is being treated as Non Performing Assets by the lenders. Due to this loss for the current financial year has been understated by ₹ 43,744.25 lacs and accordingly loss for the year ended 31st March, 2018 would've been ₹ 69,410.31 lacs instead of ₹ 25,666.06 lacs.*

#### Qualified Opinion

*Except for the possible effects of the matters described in "Basis for Qualified Opinion", in our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its losses and its cash-flows for the year ended on that date.*

#### Emphasis of Matter

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

1. As explained in Note - 39 of the financial statement, company has been incurring losses and its net worth is completely eroded, also its current liability exceeds current assets by ₹ 3,28,544.25 lacs. However the financial statements of the company have been prepared on a going concern basis and accordingly Deferred Tax Assets amounting to ₹ 29,085.14 lacs created up to 31st March 2015 has been carried forward.
2. As explained in Note - 55(a) of the financial statement, regarding de-allocation of coal blocks by Hon'ble Supreme court vide its order dated 24th September 2014, pending finalization of the compensation receivable for the cancelled mines, the book values of investment in mining assets has been brought down to a nominal value of Re. 1 per share.
3. We further want to draw attention on Note 55(b) of the financial statements regarding transfer of control in 100%



subsidiary M/s Nilachal Iron & Power Limited during the current financial year. The entire shares in M/s Nilachal Iron & Power Limited were taken over by the Asset Reconstruction Company in order to settle the loan from IFCI Ltd excluding 600 shares held by the company as beneficiary shareholder and therefore the accounts of M/s Nilachal Iron & Power Limited have not been consolidated with the accounts of the company.

Our opinion is not qualified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- II. As required by Section 143 (3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. on the basis of the written representations received from the Directors as on 31st March, 2018 taken on

record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B';
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company has disclosed the impact of pending litigations on its Financial Position in its financial statements - Refer Note No. 35A to the financial statements.
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. there has been no delay in transferring amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**(J. K. CHOUDHURY)**

Partner

Membership No: 009367

Place : Kolkata  
Dated : June 30, 2018



### Annexure - A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditor's Report to the members of **JAI BALAJI INDUSTRIES LIMITED** ('the Company') on the standalone financial statements for the year ended on 31st March 2018. 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 prejudicial to the company's interest in respect to loan granted to a company.
  - (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, 2018 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	474.46	April'16 to September'17
Finance Act, 1994	Service Tax	214.13	September'16 to June'17
The Central Excise Act, 1944	Excise Duty	2477.82	May'15 to May'17
Provident Fund Act, 1952	Provident Fund	742.26	May'16 to September'17
Employee State Insurance Act, 1948	ESI	5.10	April'17 to September'17
Finance Act, 1994	Swachh Bharat Cess	10.22	September'16 to June'17
Finance Act, 1994	Krishi Kalyan Cess	2.35	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	26,021.16	2007-08 to 2017-18	CESTAT, Commissioner (Appeals)
Finance Act, 1994	Service Tax	776.72	2010-11 to 2017-18	CESTAT, Commissioner (Appeals)
Custom Act, 1962	Custom Duty	1742.28	2016-17 & 2017-18	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	705.58	2006-07 to 2014-15	West Bengal Appellate & Revisional Board
The West Bengal Value Added Tax Act, 2003	Value Added Tax	1,672.71	2005-06 to 2014-15	West Bengal Appellate & Revisional Board
The Uttar Pradesh Value Added Tax Act, 2007	Value Added Tax	5.51	2014-15, 2015-16	Joint Commissioner (Appeals)
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 at different maturities as given below:-

(₹ in lacs)

Banks	Default of Principal		Default of Interest*	
	Less than 1 year**	More than 1 year	Less than 1 year	More than 1 year
Bank of India	9,622.85	3,304.17	Nil	2,982.71
Canara Bank	2,750.41	370.60	Nil	211.29
Corporation Bank	1,026.81	608.05	Nil	517.92
Federal Bank	342.44	57.31	Nil	3.46
Indian Overseas Bank	16,054.10	2,110.64	Nil	785.27
IDBI Bank	873.14	154.55	Nil	29.25
Oriental Bank of Commerce	24,718.50	1,412.43	Nil	328.67
Punjab National Bank	2,324.52	435.70	Nil	66.20
State Bank of India	80,878.80	5,879.52	Nil	1,027.93
United Bank of India	21,815.40	3,843.17	Nil	1,062.42
Vijaya Bank	3,847.12	2,230.33	Nil	2,077.51
<b>Total</b>	<b>1,64,254.07</b>	<b>20,406.47</b>	<b>Nil</b>	<b>9,092.63</b>

Financial Institution	Default of Principal		Default of Interest*	
	Less than 1 year**	More than 1 year	Less than 1 year	More than 1 year
WBIDFC	3,215.36	1145.81	Nil	589.28
<b>Total</b>	<b>3,215.36</b>	<b>1145.81</b>	<b>Nil</b>	<b>589.28</b>

\*above figures doesn't include interest amounting to ₹83,288.81 lacs of which ₹ 43,744.25 lacs pertains to financial year 2017-18 and ₹ 39,544.56 lacs for the financial year 2016-17, as interest has not been provided in the books as mentioned in Note - 38 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. Accordingly, paragraph 3(xi) of the Order is not applicable.
- 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 (Ind AS).



- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has made private placement of shares during the year under review and the requirements of section 42 of the Act have been complied with.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

**(J. K. CHOUDHURY)**

Place : Kolkata  
Dated : June 30, 2018

Partner  
Membership No: 009367

## **Annexure - B to the Independent Auditors' Report**

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

We have audited the internal financial controls over financial reporting of M/s Jai Balaji Industries Limited ("the Company") as of 31st March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls,

both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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



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

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

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

### **Opinion**

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

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

**(J. K. CHOUDHURY)**

Partner

Membership No: 009367

Place : Kolkata

Dated : June 30, 2018



### Balance Sheet as at March 31, 2018

(₹ in lacs)

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>ASSETS</b>				
<b>Non Current Assets</b>				
Property, Plant and equipment	3	140,903.17	148,550.91	158,719.16
Capital Work in Progress and Pre-Operative Expenditure				
Pending Allocation	4	11,909.78	12,085.20	11,518.37
<b>Financial Assets</b>				
i) Investments	5	116.45	7,931.04	7,929.24
ii) Loans	6	984.71	1,155.28	783.83
iii) Other Financial Assets	7	34.84	69.38	450.76
Deferred Tax Assets (Net)	8	29,085.14	29,085.14	29,085.14
Other Non Current Assets	9	8,580.05	8,827.10	10,188.17
<b>Sub Total</b>		<b>191,614.13</b>	<b>207,704.05</b>	<b>218,674.67</b>
<b>Current Assets</b>				
Inventories	10	48,849.50	42,011.86	48,116.57
<b>Financial Assets</b>				
i) Trade Receivable	11	39,939.27	48,666.00	58,339.63
ii) Cash and cash equivalents	12	727.98	214.91	427.96
iii) Bank balance (other than Cash and cash equivalents)	13	67.98	771.94	1,054.03
iv) Loans	14	10,727.90	11,821.33	10,802.92
v) Other Financial Assets	15	16.60	150.01	10.48
Other Current Assets	16	31,864.65	29,391.36	27,794.85
<b>Sub Total</b>		<b>132,193.88</b>	<b>133,027.41</b>	<b>146,546.44</b>
<b>TOTAL ASSETS</b>		<b>323,808.02</b>	<b>340,731.46</b>	<b>365,221.11</b>
<b>EQUITY AND LIABILITIES</b>				
Equity Share Capital	17	9,638.26	8,627.76	7,777.76
Other Equity	18	(152,300.12)	(126,797.36)	(103,083.78)
<b>Sub Total</b>		<b>(142,661.86)</b>	<b>(118,169.60)</b>	<b>(95,306.02)</b>
<b>Non Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	19	5,731.75	5,311.54	4,923.49
<b>Sub Total</b>		<b>5,731.75</b>	<b>5,311.54</b>	<b>4,923.49</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
i) Borrowings	20	345,295.85	279,112.54	292,272.46
ii) Trade Payables	21	64,142.26	56,430.26	77,459.38
iii) Others	22	28,539.23	97,877.11	70,978.47
Other Current Liabilities	23	22,024.26	19,227.49	14,087.25
Provisions	24	736.53	942.12	806.08
<b>Sub Total</b>		<b>460,738.13</b>	<b>453,589.52</b>	<b>455,603.64</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>323,808.02</b>	<b>340,731.46</b>	<b>365,221.11</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> June, 2018



### Statement of Profit and Loss for the year ended March 31, 2018

(₹ in lacs)

	Notes	Current year ended March 31, 2018	Previous year ended March 31, 2017
<b>INCOME</b>			
Revenue from Operations	25	242,505.87	169,050.74
Other Income	26	1,792.51	2,079.48
<b>Total Income (I)</b>		<b>244,298.38</b>	<b>171,130.22</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	27	185,549.73	135,208.73
Purchase of Stock in Trade[including transit of ₹153.05 lacs]	28	2,755.70	-
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	29	2,391.51	(7,473.40)
Excise Duty	30	3,572.58	12,660.59
Employee Benefits Expense	31	6,890.71	5,631.11
Finance Costs	32	3,391.40	4,494.71
Depreciation and Amortisation Expense	3	10,735.98	11,190.32
Other Expenses	33	50,703.02	33,026.77
<b>Total Expenses (II)</b>		<b>265,990.63</b>	<b>194,738.83</b>
<b>Profit / (Loss) before exceptional items and Tax (I-II)</b>		<b>(21,692.25)</b>	<b>(23,608.61)</b>
<b>Exceptional Item(Net)(Refer note 42)</b>		<b>3,973.81</b>	<b>-</b>
<b>Profit / (Loss) before Tax (I-II)</b>		<b>(25,666.06)</b>	<b>(23,608.61)</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>(25,666.06)</b>	<b>(23,608.61)</b>
<b>Other Comprehensive Income:</b>	34		
Items that will not be reclassified subsequently to Profit & Loss:			
Remeasurement (Gain)/Loss on net defined benefit Plans		405.79	102.23
		405.79	102.23
<b>Total Comprehensive income for the period</b>		<b>(25,260.27)</b>	<b>(23,506.38)</b>
<b>Earnings per Equity Share:(Nominal Value per Share ₹10)</b>			
Basic & Diluted	43	(27.48)	(28.23)
<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> June, 2018

**Ajay Kumar Tantia**  
**Company Secretary**



### Cash Flow Statement for the year ended March 31, 2018

	(₹ in lacs)	
	Current year ended March 31, 2018	Previous year ended March 31, 2017
<b>A Cash Flow From Operating Activities</b>		
Profit / (Loss) before Tax and after exceptional items	(25,666.06)	(23,608.61)
Adjustments For :		
Depreciation / Amortisation (Net)	10,735.98	11,190.32
Loss on Sale of Property, Plant & Equipment	1.84	2.64
Irrecoverable Debts and Advances Written off	17.29	168.49
Liabilities no longer required written back	(3,475.18)	(179.76)
Interest on Term Loans and Others	3,158.66	4,122.50
Provision for Diminution in the value of Investments	0.48	-
Provision for doubtful debts/(written back)	1,643.51	2,479.95
Allowance on Doubtful Debts	-	1,299.40
Dividend from long term Non Trade Investments	(1.35)	(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)	54.05	331.95
Bad debt Recovery	-	-
Financial Lease Payment	10.14	10.14
Remeasurement (Gain)/Loss on net defined benefit Plans	405.79	102.23
(Profit) / Loss on Foreign Exchange Fluctuations (Net)	(376.55)	(5.34)
Interest Income	(186.99)	(1,764.99)
<b>Operating Profit / (Loss) Before Working Capital Changes</b>	<b>(6,756.11)</b>	<b>(5,852.43)</b>
Movements in Working Capital :		
Decrease / (Increase) in Trade Receivables	7,842.85	10,145.07
Increase in Loans and Advances and Other Current / Non Current Assets	(2,582.25)	(5,121.62)
Decrease / (Increase) in Advances to Subsidiary Company	-	(64.46)
Decrease / (Increase) in Inventories	(6,837.64)	6,104.70
Decrease in Trade Payables, Other Liabilities and Provisions	11,772.23	(15,553.55)
<b>Cash generated from / (used in) Operating Activities</b>	<b>3,439.08</b>	<b>(10,342.29)</b>
Direct Taxes paid (net of refunds)	3,121.36	(42.55)
<b>Net Cash generated from / (used in) Operating Activities</b>	<b>6,560.44</b>	<b>(10,384.84)</b>
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Property, Plant and Equipment	(3,180.77)	126.66
Proceeds from Sale of Property, Plant and Equipment	0.90	111.34
Purchase of Investments in Government Securities	-	(1.70)
Purchase of Investments in Mutual Fund	(100.00)	(0.10)
Proceeds from sale of long term Investments	992.64	-
Proceeds from maturity of fixed deposits	742.93	491.96
Dividend from long term Investments (other than Trade)	1.35	1.35
Interest received	314.29	1,792.90
<b>Net Cash generated from/(used in) Investing Activities</b>	<b>(1,228.66)</b>	<b>2,522.41</b>





### Cash Flow Statement for the year ended March 31, 2018 (Contd.)

	(₹ in lacs)	
	Current year ended March 31, 2018	Previous year ended March 31, 2017
<b>C. Cash Flow From Financing Activities</b>		
Money Received against share warrants	757.88	637.50
Proceeds from Non Current / Current Borrowings	4,316.94	12,003.12
Repayment of Non Current / Current Borrowings	-	(703.00)
Financial Lease Payment	(10.14)	(10.14)
Interest Paid	(9,882.92)	(4,277.70)
Dividend Paid	(0.47)	(0.40)
<b>Net Cash generated from / (used in) Financing Activities</b>	<b>(4,818.72)</b>	<b>7,649.38</b>
<b>Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)</b>	<b>513.07</b>	<b>(213.05)</b>
<b>Cash and Cash Equivalents as at the beginning of the year</b>	<b>214.91</b>	<b>427.96</b>
<b>Cash and Cash Equivalents as at the end of the year</b>	<b>727.98</b>	<b>214.91</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	14.87	12.42
Cheques in hand	133.20	81.79
Balance with Scheduled Banks on:		
Current Account	573.45	60.77
Fixed Deposit Account	6.00	59.00
Unclaimed Dividend Account *	0.46	0.93
<b>Cash and Cash Equivalents as at 31st March, 2018 (Refer Note 12)</b>	<b>727.98</b>	<b>214.91</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.

\* These balance are not available for use by the Company as they represent corresponding unpaid dividend balance.

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> June, 2018

For and on behalf of the Board of Directors

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

**Sanjiv Jajodia**  
**Wholtime Director & Chief**  
**Financial Officer**  
DIN : 00036339

**Rajiv Jajodia**  
**Director**  
DIN : 00045192

**Ajay Kumar Tantia**  
**Company Secretary**



### Significant Accounting Policies and Notes to financial statements for the year ended March 31, 2018

#### 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 Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and Calcutta Stock Exchange (CSE).

#### 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') and other relevant provisions of the Act, to the extent applicable.

The company's financial statements upto the year ended 31st March 2017 were prepared in accordance with Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

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 to all the years presented, unless otherwise stated.

These financial statements are the first financial statements under Ind AS. An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is given in Note 52.

##### b) Historical Cost Convention

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

- Certain financial assets and liabilities (including derivatives instruments) - measured at fair value
- 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 others 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



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

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 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. 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 financial statements for the year ended March 31, 2018 (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.

### e. 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.

### f. Revenue Recognition

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

### A. Sale of goods

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc

### B. Export Incentives

Income from export incentives such as duty drawback and Merchandise Export From India Scheme (MEIS) are recognised on accrual basis.

### C. Interest Income

Interest income is recognized using the effective interest rate (EIR) method.

### D. Dividends

Dividend income on investments is recognized when the right to receive dividend is established.

### 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.
- 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



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

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 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





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

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 derecognized 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

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

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. 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.

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

- 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

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

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

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.

#### **• 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



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

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.

### t. First Time Adoption of Ind AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2016, with a transition date of 1st April, 2016. These financial statements for the year ended 31st March, 2018 are the first financial statements the company has prepared under Ind AS. For all periods upto and including the year ended 31st March 2017, the company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies [Accounts] Rules, 2014 [‘Previous GAAP’].

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently to all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for the year ended 31st March, 2018, together with the comparative information as at and for the year ended 31st March, 2017 and the opening Ind AS Balance Sheet as at 1st April 2016, the date of transition to Ind AS.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognized directly in equity [retained earnings or another appropriate category of equity]. This note explains

the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017.

### A. Optional Exemptions from retrospective application

Ind AS 101 permits first-time adopters certain exemptions from retrospective application of certain requirements under Ind AS. The Company has elected to apply the following optional exemptions from retrospective application.

#### (i) Deemed cost for property, plant and equipment

The Company has elected to measure all its property, plant and equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

#### (ii) Investments in subsidiaries and joint ventures

The Company has elected to measure its investments in subsidiaries and joint ventures at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

### B. Mandatory Exceptions from retrospective application.

The Company has applied the following exception to the retrospective application of Ind AS as a mandatory required under Ind AS 101.

#### (i) Classification and measurement of financial assets

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

### C. Transition to Ind AS-Reconciliations.

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101

#### I. A. Reconciliation of Equity as at 1st April, 2016 and 31st March, 2017

#### B. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017

#### II Adjustments to Statement of Cash Flows for the year ended 31st March, 2017

Previous GAAP figures have been reclassified/ regrouped wherever necessary to confirm with financial statements prepared under Ind AS.



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

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

The changes and the carrying value of property, plant and equipment for the year ended March 31, 2018 are as follows:

Particulars	Freehold Land	Leasehold Land	Factory Buildings	Railway Siding	Plant and Machinery	Electrical Installation	Furniture and Fixture	Vehicle	Office Equipment	Total
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	190.82	1,024.49	249,222.51
Additions			306.35		2392.97	317.02	3.68		70.97	3,090.99
Disposal								6.45		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	184.37	1,095.46	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	155.89	892.16	100,671.60
Depreciation for the period		8.67	1,189.84	319.85	7,052.88	2,099.75	7.08	10.41	47.51	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	162.59	939.67	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	21.78	155.79	140,903.17
Carrying value as on April 1, 2017	4,103.89	499.36	31,072.05	2,229.99	102,293.52	8,158.11	26.73	34.93	132.33	148,550.91

The changes and the carrying value of property, plant and equipment for the year ended March 31, 2017 are as follows :

Particulars	Freehold Land	Leasehold Land	Factory Buildings	Railway Siding	Plant and Machinery	Electrical Installation	Furniture and Fixture	Vehicle	Office Equipment	Total
Gross carrying value as on April 1, 2016	4,103.89	871.86	40,456.48	4,354.18	174,108.45	24,401.58	112.64	190.82	972.88	249,572.78
Additions			90.31		913.72	76.54	3.87		51.61	1,136.05
Disposal					(1,472.42)	(13.90)				(1,486.32)
Gross carrying value as on March 31, 2017	4,103.89	871.86	40,546.79	4,354.18	173,549.75	24,464.22	116.51	190.82	1,024.49	249,222.51
Accumulated depreciation as on April 1, 2016	-	363.83	8,278.50	1,804.33	65,653.56	13,680.62	81.30	143.85	847.63	90,853.62
Depreciation for the period		8.67	1,196.24	319.86	6,961.80	2,638.70	8.48	12.04	44.53	11,190.32
Disposal/ Adjustment					(1,359.13)	(13.21)				(1,372.34)
Accumulated depreciation as on March 31, 2017	-	372.50	9,474.74	2,124.19	71,256.23	16,306.11	89.78	155.89	892.16	100,671.60
Carrying value as on March 31, 2017	4,103.89	499.36	31,072.05	2,229.99	102,293.52	8,158.11	26.73	34.93	132.33	148,550.91
Carrying value as on April 01, 2016	4,103.89	508.03	32,177.98	2,549.85	108,454.89	10,720.96	31.34	46.97	125.25	158,719.16

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

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

(₹ in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>A Capital Work-in-Progress</b>			
Buildings*	1,469.08	1,298.77	1,218.07
Road*	119.01	27.97	—
Railway Siding	359.01	359.01	359.01
Plant and Machinery*	2,941.29	1,699.29	397.22
Electrical Installations	688.28	449.75	379.17
Land	5,274.77	5,274.77	5,274.77
<b>Sub Total</b>	<b>10,851.44</b>	<b>9,109.56</b>	<b>7,628.24</b>
Less : Transferred to Fixed Assets	2,862.89	941.43	14.32
<b>Total A :</b>	<b>7,988.55</b>	<b>8,168.13</b>	<b>7,613.92</b>
<b>B Pre-operative Expenditure Pending Allocation</b>			
Opening Balance	3,917.07	3,904.45	3,890.78
<b>Additions</b>			
Salaries, Wages and Bonus	—	—	0.18
Rent and Hire	—	—	—
Rates and Taxes	0.08	0.06	0.02
Travelling and Conveyance	—	2.65	3.50
Legal and Professional Charges	0.50	0.37	0.50
Miscellaneous Expenses	4.68	9.54	9.47
	5.26	12.62	13.67
Less : Transferred to Fixed Assets	1.10	—	—
<b>Total B :</b>	<b>3,921.23</b>	<b>3,917.07</b>	<b>3,904.45</b>
<b>Grand Total (A+B)</b>	<b>11,909.78</b>	<b>12,085.20</b>	<b>11,518.37</b>

\*Road includes Road materials of ₹ 1.19 lacs (₹ Nil) lying in transit. Plant & Machinery includes DIP Mould of ₹ Nil (₹ 76.46 Lacs) and AOD Plant of ₹ Nil (₹ 47.52 lacs) lying in transit. Building includes Building material ₹ Nil (₹ 3.06 Lacs) lying in transit.

**Note 5 : Non Current Investment**

(₹ in lacs)

	Number of shares	Face Value Per Share	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<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>					
Nilachal Iron and Power Limited#	34,948,727	10	—	7,709.46	7,709.46
Jai Balaji Energy (Purulia) Limited	50,000	10	5.00	5.00	5.00
Jai Balaji Steels (Purulia) Limited	50,000	10	5.00	5.00	5.00
<b>In Joint Venture Companies#</b>					
Andal East Coal Company Private Limited	319,290	10	3.19	3.19	3.19
Rohne Coal Company Private Limited	69,000	10	0.69	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	23.64
			<b>37.52</b>	<b>7,746.98</b>	<b>7,746.98</b>

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

<b>Note 5 : Non Current Investment (Contd.)</b>					<b>(₹ in lacs)</b>
	<b>Number of shares</b>	<b>Face Value Per Share</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 01, 2016</b>
Aggregate Value of Investments					
- Quoted			-	-	-
- Unquoted			37.52	7,746.98	7,746.98
#Refer note 55					
<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	176.64	176.64
Nilachal Iron and Power Limited	600	10	0.01	-	-
[At cost less provision for other than temporary diminution ₹ 0.48 lacs (₹ Nil)]					
<b>In Government Securities</b>					
National Saving Certificate			7.32	7.32	5.62
(Deposited with Third Parties)			78.93	183.96	182.26
<b>Investment in Mutual Fund-Quoted</b>					
4.498 Units Reliance Money Manager Fund-Growth Plan- Growth Option			-	0.10	-
			-	0.10	-
			78.93	184.06	182.26
Aggregate Value of Investments					
- Quoted			-	0.10	-
- Unquoted			116.93	183.96	182.26
Aggregate provision for diminution in the value of Investments			0.48	-	-
Market Price- Quoted			-	0.10	-

<b>Note 6 : Non Current Loans</b>				<b>(₹ in lacs)</b>
	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 01, 2016</b>	
Unsecured, considered good				
Security Deposits	984.71	1,155.28	783.83	
<b>Total:</b>	<u>984.71</u>	<u>1,155.28</u>	<u>783.83</u>	

<b>Note 7 : Other Non Current Financial Assets</b>				<b>(₹ in lacs)</b>
	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 01, 2016</b>	
Margin Money with Banks with maturities more than 12 months	27.00	65.97	275.84	
Interest Receivable on Deposits	7.84	3.41	174.92	
	<u>34.84</u>	<u>69.38</u>	<u>450.76</u>	

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

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

(₹ in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Deferred Tax Asset</b>			
Unabsorbed Depreciation and carry forward Business Losses	72,412.45	66,524.37	65,318.24
Expenses Allowed On Payment Basis/Other Timing Differences	7,146.12	1,718.00	891.84
<b>Sub Total (A)</b>	<b>79,558.56</b>	<b>68,242.37</b>	<b>66,210.09</b>
<b>Deferred Tax Liability</b>			
Timing Difference on Depreciable assets	19,750.34	20,209.43	20,220.48
<b>Sub Total (B)</b>	<b>19,750.34</b>	<b>20,209.43</b>	<b>20,220.48</b>
<b>Deferred Tax Assets / (Liabilities) (Net) (A-B)</b>	<b>59,808.23</b>	<b>48,032.94</b>	<b>45,989.61</b>
<b>Less: Deferred Tax Assets not recognised (refer note below)</b>	<b>(30723.07)</b>	<b>(18,947.79)</b>	<b>(16904.46)</b>
<b>Total</b>	<b>29,085.14</b>	<b>29,085.14</b>	<b>29,085.14</b>

**Note:**

As the company 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 corrective action to improve the working so as to enable them to realise the above figure.

**Note 9 : Other Non Current Assets**

(₹ in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital Advances	3,870.34	4,117.39	5,478.46
MAT Credit Entitlement	4,709.71	4,709.71	4,709.71
<b>Total:</b>	<b>8,580.05</b>	<b>8,827.10</b>	<b>10,188.17</b>

**Note 10 : Inventories**

(₹ in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw Materials	28,441.35	20,089.94	35,322.63
[Including in transit ₹ 5,460.23 lacs (₹ 4,374.23 lacs)]			
Stores and Spares	7,048.54	4,662.98	3,831.86
[Including in transit ₹ 675.87 lacs (₹ 277.94 lacs)]			
Work-in-Process	1,944.66	771.45	527.98
Finished Goods	9,532.32	15,921.67	7,577.17
[Including in transit ₹ Nil (₹ 570.84 lacs)]			
Trading Goods	506.38	—	—
[Including in transit ₹ 153.05 lacs (₹ Nil)]			
By-Products and Scrap	1,376.25	565.82	856.93
<b>Total:</b>	<b>48,849.50</b>	<b>42,011.86</b>	<b>48,116.57</b>

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

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

(₹ in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good	39,939.27	64,714.36	73,088.60
Unsecured, considered doubtful	21,660.67	3,968.80	1,488.85
	<u>61,599.94</u>	<u>68,683.16</u>	<u>74,577.45</u>
Less: Allowance for Doubtful Debts (Refer note below)	21,660.67	20,017.16	16,237.81
<b>Total</b>	<u><u>39,939.27</u></u>	<u><u>48,666.00</u></u>	<u><u>58,339.63</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, 2018	As at March 31, 2017	As at April 01, 2016
Balance with Banks :-			
On Current Accounts	573.45	60.77	199.20
Deposits With Original Maturity of Less Than 3 Months	6.00	59.00	13.51
Cash on hand	14.87	12.42	92.46
Cheques in hand	133.20	81.79	121.46
Unclaimed Dividend Account	0.46	0.93	1.17
Unclaimed Fractional Share Balance	—	—	0.16
<b>Total:</b>	<u><u>727.98</u></u>	<u><u>214.91</u></u>	<u><u>427.96</u></u>

**Note 13 : Bank Balances (Other than Cash and Cash Equivalents)**

(₹ in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Margin Money with Banks with maturities less than 12 months	67.98	771.94	1,054.03
<b>Total:</b>	<u><u>67.98</u></u>	<u><u>771.94</u></u>	<u><u>1,054.03</u></u>



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

**Note 14 : Current Loans**

	(₹ in lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Unsecured, considered good</b>			
<b>Security Deposits</b>	<b>2,554.34</b>	<b>863.68</b>	<b>531.12</b>
<b>Loans and advances to Related parties</b>			
Loans to Body Corporate (Receivable on demand)# (Interest free loan Rs. 7,000.00 Lacs ( Rs. Nil ))	7,000.00	7,000.00	7,000.00
Advances to a Subsidiary Company	—	446.10	381.64
Advances to a Body Corporate #	945.25	3,326.99	2,723.75
	<u>7,945.25</u>	<u>10,773.09</u>	<u>10,105.39</u>
Advances recoverable in cash or in kind or for value to be received	228.31	184.56	166.41
<b>Total:</b>	<b><u>10,727.90</u></b>	<b><u>11,821.33</u></b>	<b><u>10,802.92</u></b>
#Refer note 43			

**Note 15 : Other Current Financial Assets**

	(₹ in lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Interest Receivable on Deposits	16.60	150.01	10.48
<b>Total:</b>	<b><u>16.60</u></b>	<b><u>150.01</u></b>	<b><u>10.48</u></b>

**Note 16 : Other Current Assets**

	(₹ in lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<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)]	19,230.73	16,534.65	16,017.44
<b>Sub Total</b>	<b>19,230.73</b>	<b>16,534.65</b>	<b>16,017.44</b>
<b>Other Loans and Advances</b>			
Balance with Excise and other Government Authorities	450.52	1,683.20	2,052.97
Advance income tax	49.62	157.77	111.15
[Net of Provisions ₹ Nil (₹ Nil)]			
Subsidies and Incentives Receivable	11,902.86	10,817.89	9,475.47
Sales Tax and Other Refunds Receivable	230.92	197.85	137.82
<b>Sub Total</b>	<b><u>12,633.92</u></b>	<b><u>12,856.71</u></b>	<b><u>11,777.41</u></b>
<b>Total</b>	<b><u>31,864.65</u></b>	<b><u>29,391.36</u></b>	<b><u>27,794.85</u></b>

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

**Note 17 : Share Capital**

	As at March 31, 2018	As at March 31, 2017	(₹ in lacs) As at April 01, 2016
<b>Authorised capital</b>			
101,000,000 (101,000,000) Equity Shares of ₹ 10/- each	<u>10,100.00</u>	<u>10,100.00</u>	<u>10,100.00</u>
<b>Issued, subscribed and fully paid-up capital</b>			
96,386,486 (86,281,486) Equity Shares of ₹ 10/- each	<u>9,638.65</u>	<u>8,628.15</u>	<u>7,778.15</u>
Less: Calls unpaid ( Due from other than directors or officers)	<u>0.39</u>	<u>0.39</u>	<u>0.39</u>
<b>Total</b>	<u>9,638.26</u>	<u>8,627.76</u>	<u>7,777.76</u>

**Reconciliation of the number of shares**

**Equity Shares :**

	As at March 31, 2018		As at March 31, 2017	
	No of Shares	(₹ in lacs)	No of Shares	(₹ in lacs)
Equity Shares of Rs 10/- each				
At the beginning of the period	86,281,486	8,627.76	77,781,486	7,777.76
Issued during the period	<u>10,105,000</u>	<u>1,010.50</u>	<u>8,500,000</u>	<u>850.00</u>
At the end of the period	<u>96,386,486</u>	<u>9,638.26</u>	<u>86,281,486</u>	<u>8,627.76</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.

**(ii) Lock-in-of Shares**

The Equity Shares allotted to companies falling under the promoter group and others 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
30.05.2017	19,00,000	29th September, 2018
23.06.2017	46,00,000	22nd October, 2018
14.09.2017	36,05,000	13th January, 2019

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

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

	As at March 31, 2018		As at March 31, 2017	
	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	13.01
Hari Management Ltd.	7,044,000	7.31	7,044,000	8.16
Jai Salasar Balaji Industries (P) Ltd	25,115,157	26.06	25,115,157	29.11
Mahesh Kumar Keyal	6,500,000	6.74	-	-
	<u>49,880,390</u>	<u>51.75</u>	<u>43,380,390</u>	<u>50.28</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	Money received against share warrant	Total
	Capital Reserve	Amalgamation Reserve	Securities Premium Account	General Reserve	Retained Earnings			
<b>Balance as at 01.04.2016</b>	6,408.50	4,400.00	50,017.50	10,325.00	(163,222.21)	0.00	465.13	(91,606.09)
Profit for the period	-	-	-	-	(21,819.79)	-	-	(21,819.79)
Equity instrument through Other comprehensive income	-	-	-	-	-	143.01	-	143.01
Remeasurements of the net defined benefit plans for the year 15-16	-	-	-	-	(73.09)	-	-	(73.09)
Movement during the year 15-16	-	-	-	-	(11,547.61)	-	-	(11,547.61)
Remeasurements of the net defined benefit plans for the year 16-17	-	-	-	-	102.23	-	-	102.23
Movement during the year 16-17	-	-	-	-	(1,783.53)	-	(1,783.53)	0.00
<b>Total comprehensive income/(loss) for the period 31.03.17</b>	-	-	-	-	<b>(35,121.79)</b>	<b>143.01</b>	<b>0.00</b>	<b>(34,978.78)</b>
Amount received against share warrants	-	-	-	-	-	-	637.50	637.50
Allotment to Equity Share Capital	-	-	-	-	-	-	(850.00)	(850.00)
<b>Transactions with owners</b>	-	-	-	-	-	-	(212.50)	(212.50)
<b>Balance as at 31.03.2017</b>	<b>6,408.50</b>	<b>4,400.00</b>	<b>50,017.50</b>	<b>10,325.00</b>	<b>(198,344.00)</b>	<b>143.01</b>	<b>252.63</b>	<b>(126,797.36)</b>
Profit for the period	-	-	-	-	(25,666.06)	-	-	(25,666.06)
Remeasurements of the net defined benefit plans	-	-	-	-	405.79	-	-	405.79
Movement during the year	-	-	-	-	10.14	-	-	10.14
<b>Total comprehensive income/(loss) for the period 31.03.18</b>	-	-	-	-	<b>(25,250.14)</b>	-	-	<b>(25,250.14)</b>
Amount received against share warrants	-	-	-	-	-	-	757.88	757.88
Allotment to Equity Share Capital	-	-	-	-	-	-	(1,010.50)	(1,010.50)
<b>Transactions with owners</b>	-	-	-	-	-	-	(252.63)	(252.63)
<b>Balance as at 31.03.2018</b>	<b>6,408.50</b>	<b>4,400.00</b>	<b>50,017.50</b>	<b>10,325.00</b>	<b>(223,594.14)</b>	<b>143.01</b>	<b>-</b>	<b>(152,300.12)</b>

### 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



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

(e) Retained Earnings: (f) Equity Instruments through Other Comprehensive Income:	provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013. Retained earnings are the profits that the Company has earned till date.  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.
(h) Money received against share warrants:	The Company had issued and allotted 2,26,05,000 warrants on Preferential allotment basis to companies falling under promoter group and others carrying a right to convert each warrant into an Equity Share of ₹10/- each within a period of 18 months from the date of allotment i.e. 22nd March, 2016. The warrant holders had paid 25% of the total consideration i.e. ₹2.50 per warrant amounting to ₹565.13 lacs as application money against the above warrants.  Out of total allotted 2,26,05,000 warrants, the company had converted 1,25,00,000 warrants into Equity Shares till 31st March, 2017. During the year, the Company has converted balance 1,01,05,000 warrants into Equity Shares by way of allotment of equivalent number of Equity Shares of ₹ 10/- each on receipt of balance 75% of the consideration i.e. ₹ 7.50 per warrant in respect of 1,01,05,000 warrants on different dates amounting to ₹ 757.88 lacs.

### Note 19 : Non Current Borrowings

	(₹ in lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current maturities of Finance Lease Obligations (Refer Note 40 )	58.89	58.89	58.89
<b>Unsecured Loan:</b>			
Debentures	5,672.86	5,252.65	4,864.60
Zero Coupon Non Convertible Debentures (Refer Note below )			
<b>Total:</b>	<u>5,731.75</u>	<u>5,311.54</u>	<u>4,923.49</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.

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

**Note 20 : Current Borrowings**

(₹ in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>(Secured, unless otherwise stated)</b>			
<b>Term Loans:</b>			
Rupee Loan from Banks	-	181,452.66	212,208.80
Rupee Loan from Financial Institutions	4,368.82	2,344.70	3,023.53
Rupee Loan from Bodies Corporate(Unsecured)	797.25	797.25	797.25
Rupee Loan ARC	154,404.45	14,538.70	-
<b>Loan Repayable on Demand</b>			
- From Banks	185,095.33	-	-
- Cash Credit From Banks	-	79,979.23	76,227.88
- From Bodies Corporate (Unsecured)	630.00	-	15.00
<b>Total:</b>	<b>345,295.85</b>	<b>279,112.54</b>	<b>292,272.46</b>

**Note:**

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

- 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 Ranigunge 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) Due to unfavourable market condition and other adverse industry scenario particularly on the steel sector, the company has incurred losses at EBIDTA level. This has a deep impact on erosion of net worth of the company. Owing to the loss management, company has somehow continued its operation to reduce the further losses at the EBIDTA level and maintain the assets at running condition. Therefore, the company was unable to pay its scheduled interest/installment and other financial dues which lead to classify its all loan account in bank/financial institution as Non-Performing Assets. All the lenders have stopped charging interest on debts, since the dues from the Company have been categorized as Non-Performing Asset.

c) Rupee loan from bank and financial institution has been turned into NPA. Continuing on the routine compliance, the lenders are moving on the recovery measure and already serve the call up notice for their exposure. Therefore instead of structured repayment schedule, the entire exposure of that banks/financial institution is fallen due on immediate demand basis. Accordingly, all the Term Loans and Cash Credits from Banks have been classified as Loans Repayable on Demand in the Current Year.

- On the basis of the majority in collective /individual mandate from the lenders on Exit from CDR scheme. The CDR EG minutezed that the Company stands exited from the CDR mechanism on account of failure of CDR approved package, in their meeting dated 31.10.2017.

- After Axis Bank, UCO Bank (lead bank), Allahabad Bank and Union Bank of India intimated the company that have been 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 Edelweiss Assets Reconstruction Company Ltd. (EARC).

- Unsecured Loan from bodies corporate has been received from a promoter group company as per the CDR scheme.

- 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

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



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

**Note 21 : Trade Payables**

(₹ in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Trade Payables</b>			
Raw materials & Others	64,142.26	56,430.26	77,459.38
<b>Total:</b>	<u>64,142.26</u>	<u>56,430.26</u>	<u>77,459.38</u>

**Note 22 : Other Financial Liabilities**

(₹ in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current Maturities of Long Term Borrowings (Refer Note 20)	–	64,756.52	40,457.22
Interest Accrued and due on Borrowings	11,501.23	18,645.70	19,188.94
Current maturities of Finance Lease Obligations	10.13	10.13	10.13
Temporary Book Overdraft	958.74	252.99	249.30
Capital Creditors	2,236.89	2,749.15	2,280.68
Due to Employees	1,435.90	1,207.65	951.25
Interest Others	12,319.96	10,242.44	7,838.02
Security Deposit	75.92	11.60	1.60
Investor Education and Protection Fund will be credited by the following amounts (as and when due)			
- Unclaimed Dividend	0.46	0.93	1.17
- Unclaimed Fractional Share Liabilities	–	–	0.16
<b>Total:</b>	<u>28,539.23</u>	<u>97,877.11</u>	<u>70,978.47</u>

**Note 23 : Other Current Liabilities**

(₹ in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance from Customer	7,227.98	7,737.71	5,593.43
Statutory Dues Payable	14,638.71	9,868.22	7,698.19
Excise Duty payable on Closing Stock	–	1,507.82	684.36
Other Miscellaneous	157.57	113.74	111.27
<b>Total:</b>	<u>22,024.26</u>	<u>19,227.49</u>	<u>14,087.25</u>

**Note 24 : Current Provisions**

(₹ in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Provision for employee benefits:</b>			
Gratuity (Refer Note 44)	580.44	801.34	692.68
Leave Salary	156.09	140.78	113.40
<b>Total:</b>	<u>736.53</u>	<u>942.12</u>	<u>806.08</u>

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

**Note 25 : Revenue from Operations**

(₹ in lacs)

	Current year ended March 31, 2018	Previous year ended March 31, 2017
<b>Sales of products</b>		
Finished Goods	225,659.61	157,167.92
By Products and Scraps	7,098.62	6,133.52
Raw Materials	8,463.55	3,595.80
<b>Other Operating Revenue</b>		
Subsidy on Sales Tax / Value Added Tax	1,084.96	2,079.90
Export Incentives	199.13	73.60
<b>Revenue from Operations (Gross)</b>	<b>242,505.87</b>	<b>169,050.74</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, 2018 is not comparable with corresponding year ended 31st March, 2017.

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

(₹ in lacs)

	Current year ended March 31, 2018	Previous year ended March 31, 2017
Sponge Iron	21,004.33	14,748.75
Pig Iron	51,357.91	46,368.11
Steel Bars / Rods	39,067.90	28,342.84
Billet/MS Ingots	15,777.49	8,247.32
Ferro Alloys	44,865.67	17,820.76
Ductile Iron Pipe	50,130.78	41,640.15
Low Ash Coke	1,198.93	-
Coal	687.39	-
M.S.Billet	1,569.21	-
	<b>225,659.61</b>	<b>157,167.92</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, 2018	Previous year ended March 31, 2017
Interest on :		
(a) Fixed Deposits with Banks	20.26	115.01
[Gross, Tax deducted at source ₹ 2.08 lacs (₹ 9.91 lacs)]		
(b) Loans and Advances	165.05	1,645.91
[Gross, Tax deducted at source ₹3.70 lacs (₹ 22.35 lacs)]		
(c) Refund from Income Tax Department	1.68	4.07
[Gross, Tax deducted at source ₹ Nil (₹ Nil )]		
Dividend from long term Investments (other than trade)	1.35	1.35
Insurance Claims	631.39	123.08
Liabilities no longer required written back	585.29	179.76
Gain on Foreign Exchange Fluctuations (Net)	376.55	5.34
Miscellaneous Income	10.94	4.96
<b>Total:</b>	<b>1,792.51</b>	<b>2,079.48</b>



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

#### Note 27 : Cost of Materials Consumed

(₹ in lacs)

	Current year ended March 31, 2018	Previous year ended March 31, 2017
Opening Stock	20,089.94	35,322.63
Purchases	193,901.14	119,976.04
	213,991.08	155,298.67
Less: Closing Stock	28,441.35	20,089.94
<b>Raw Materials Consumed</b>	<b>185,549.73</b>	<b>135,208.73</b>
<b>Consumption of Raw Material :</b>		(₹ in lacs)

	Current year ended March 31, 2018	Previous year ended March 31, 2017
Iron Ore / Pellets / Sinter	37,810.40	30,947.01
Manganese Ore	8,974.24	3,781.46
Sponge Iron	6,681.54	936.25
Billet / Ingot	22,689.53	5,756.08
Coke / Coal	85,341.28	80,512.88
Magnesium Metal	505.67	526.07
Pig Iron	1,759.20	1,195.70
Steel Scrap & Wastes	1,274.51	410.47
Ferro Alloys	15,716.44	7,623.92
Quartzite, Limestone and Dolomite	4,796.92	3,518.89
	185,549.73	135,208.73

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

(₹ in lacs)

	Current year ended March 31, 2018	Previous year ended March 31, 2017
Coal	687.38	—
M. S. Billet [Including transit of ₹ 153.05 lacs]	2,068.32	—
	2,755.70	—

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

(₹ in lacs)

	Current year ended March 31, 2018	Previous year ended March 31, 2017
<b>Opening Stocks :</b>		
Work-in-Process	771.45	527.98
Finished Goods	15,921.67	7,577.17
By Products and Scrap	565.82	856.93
	17,258.94	8,962.08
<b>Less: Closing 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
	13,359.61	17,258.94
<b>Sub Total</b>	<b>3,899.33</b>	<b>(8,296.86)</b>
(Increase) / Decrease in excise duty and cess on stocks	(1,507.82)	823.46
<b>Total:</b>	<b>2,391.51</b>	<b>(7,473.40)</b>

# Finished goods stock include Trading Stock of ₹ 506.38 lacs

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

**Stock of finished goods comprises:**

	(₹ in lacs)	
	Current year ended March 31, 2018	Previous year ended March 31, 2017
<b>Opening Stock :</b>		
Sponge Iron	1,178.41	793.27
Pig Iron	1,126.46	1,686.30
Steel Bars/Rods	214.99	321.92
Billet/MS Ingots	19.49	160.88
Ferro Alloys	904.87	160.23
Ductile Iron Pipe	4,234.26	1,634.57
Coke	8,243.19	2,820.00
<b>Total:</b>	<b>15,921.67</b>	<b>7,577.17</b>
<b>Closing Stock :</b>		
Sponge Iron	746.96	1,178.41
Pig Iron	1,104.04	1,126.46
Steel Bars/Rods	661.62	214.99
Billet/MS Ingot	971.09	19.49
Ferro Alloys	2,778.42	904.87
Ductile Iron Pipe	3,335.99	4,234.26
Coke	440.58	8,243.19
<b>Total:</b>	<b>10,038.70</b>	<b>15,921.67</b>

**Note 30 : Excise Duty**

	(₹ in lacs)	
	Current year ended March 31, 2018	Previous year ended March 31, 2017
Excise Duty	3,572.58	12,660.59
	<b>3,572.58</b>	<b>12,660.59</b>

**Note 31 : Employee Benefits Expense**

	(₹ in lacs)	
	Current year ended March 31, 2018	Previous year ended March 31, 2017
Salaries, Wages, Bonus & Other Benefits	6,193.31	4,995.54
Contribution to Provident Fund & other fund	425.93	433.97
Staff Welfare Expenses	271.47	194.85
Directors remuneration	—	6.75
<b>Total:</b>	<b>6,890.71</b>	<b>5,631.11</b>

**Note 32 : Finance Costs**

	(₹ in lacs)	
	Current year ended March 31, 2018	Previous year ended March 31, 2017
<b>Interest Expenses</b>		
On Term loans	—	—
On Others	3,158.66	4,122.50
<b>Finance charges</b>	<b>232.74</b>	<b>372.21</b>
<b>Total:</b>	<b>3,391.40</b>	<b>4,494.71</b>



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

**Note 33 : Other Expenses**

(₹ in lacs)

	Current year ended March 31, 2018	Previous year ended March 31, 2017
Consumption of Stores and Spares	19,847.54	11,224.16
Labour Charges	7,087.69	4,839.13
Power and Fuel (Net)	12,799.88	5,554.42
Repairs and Maintenance:		
- Plant and Machinery	559.86	243.01
- Buildings	140.42	72.37
- Others	884.67	529.66
Water Charges	418.12	353.00
Equipment Hire Charges	3,199.13	2,589.49
Shifting Expenses	20.99	45.63
Freight and Transportation	1,226.40	938.60
Rent and Hire	69.06	26.15
Rates and Taxes	209.90	463.76
Insurance	235.44	159.37
Advertisement	69.42	56.84
Brokerage and Commission (Other than Sole Selling Agents)	275.03	174.64
Travelling and Conveyance	484.23	377.63
Telephone and Postage	60.25	66.05
Legal and Professional Charges ( Refer Note 54)	536.56	321.19
Director's Fees	1.60	1.65
Allowance for Doubtful Debts	-	1,299.40
Provision for Doubtful Debts and Advances	1,643.51	2,479.95
Provision for Diminution in the Value of Investments	0.48	-
Irrecoverable Debts and Advances Written off	17.29	168.49
Less: Adjusted against Provisions	-	-
	57.51	-
Less: Adjusted against Provisions	-	-
	13.03	12.46
Charity and Donations	610.83	461.43
Security and Service Charges	1.84	2.64
Loss on Sale of Property, Plant & Equipment	178.29	233.70
Miscellaneous Expenses	54.05	331.95
Prior period expenses (Net)		
<b>Total:</b>	<b>50,703.02</b>	<b>33,026.77</b>

**Note 34 : Other Comprehensive Income**

(₹ in lacs)

	Current year ended March 31, 2018	Previous year ended March 31, 2017
<b>Other Comprehensive Income (Refer note 53)</b>		
(A) Items that will not be reclassified to profit or loss		
(I) Remeasurements of the defined benefit plans	405.79	102.23
	<b>405.79</b>	<b>102.23</b>



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

**35A. Contingent liabilities**

	As at March 31, 2018	As at March 31, 2017
a) Claims against the Company not acknowledged as debts		
i) Excise and Service Tax Demands under dispute/appeal	26,797.88	27,623.27
ii) Custom Demand on differential duty on imported Coke	213.28	482.65
iii) Sales Tax /VAT Tax matters under dispute/appeal	2,387.39	2,323.23
iv) Income Tax matters under dispute/appeal	6.85	6.85
b) Letters of Credit, Bills discounted and Bank Guarantees outstanding	690.61	1,262.08
c) Custom Duty on Import of Equipment and spare parts under EPCG Scheme	1,529.00	1,242.00
d) Guarantees and Counter guarantees given by the Company for loans obtained by other companies	900.00	3,415.00
e) Legal Case matters under dispute/appeal	16,237.29	16,237.29

**35B. Capital and other commitments**

Estimated amount of contracts remaining to be executed

on Capital Account and not provided for

75.03

279.29

**36** During the year under review, UCO Bank, Allahabad Bank and Union Bank of India have assigned their credit exposure to the company to Edelweiss Asset Reconstruction Company Limited. However, in the absence of any agreement being entered into with them by the company the dues owed by the company to the aforesaid banks have been carried forward in the books of accounts as Long Term Debts in favour of the said ARC.

**37** On the basis of the majority in collective/individual mandate from the lenders regarding Exit from CDR scheme. The CDR EG approved that the Company stands exited from the CDR mechanism on account of failure of CDR approved package, in their meeting dated 31.10.2017.

**38** 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 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 year ended 31st March, 2018 stands at ₹43,744.25 lacs (P.Y. - ₹39,544.56 lacs). The accumulated interest not provided till 31st March, 2018 stands at ₹ 83,288.81 lacs. Accordingly the same has not been considered for compilation of results of the said year ended 31 st March, 2018. The Statutory Auditors have qualified their Audit Report in respect of this matter.

**39** Due to unfavourable market conditions and other adverse industry scenario the company has incurred net loss during the year ended 31st March, 2018. 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.

**40 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.

**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, 2018 (Contd.)

(₹ in lacs)

Particulars	Current year ended March 31, 2018	Previous year ended March 31, 2017
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	665.31	675.45

- 41 During the year, the Company has accounted for the following subsidies / incentives receivable from the Government of West Bengal under West Bengal Incentive Scheme aggregating to ₹ 1,084.96 lacs (₹ 2,079.90 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 the Company has not recognised any income under the scheme for the period October 01, 2017 to March 31, 2018.

(₹ in lacs)

Sl. No.	Particulars	Account to which credited	Current year ended March 31, 2018	Previous year ended March 31, 2017
a)	Industrial Promotion Assistance	Subsidy on Sales Tax / Value Added Tax under Sales & Service	1,084.96	2,079.90

#### 42 Exceptional Item:

Exceptional items of ₹ 3,973.81 lacs for the year ended March 31, 2018:

- Owing to invocation of pledge of shares held in one of the subsidiary company M/s Nilachal Iron and Power Limited by M/s Omkara Asset Reconstruction Company Private Limited at a distress value of ₹ 850 lacs, the company has booked loss to the tune of ₹ 6,893.96 lacs and simultaneously wrote-back the residual loan liability of ₹ 2,890.15 lacs.
- The loan was taken from IFCI Limited, which they had assigned to Omkara Assets Reconstruction Company Private Limited

#### 43 Loans and Advances includes the following balances

(₹ in lacs)

Name of the Company	As at March 31, 2018	Maximum Amount due at any time during year ended March 31, 2018	As at March 31, 2017	Maximum Amount due at any time during year ended March 31, 2017
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#### In terms of Regulation 34(3) of the SEBI (LODR) Regulations, 2015

Jai Balaji Jyoti Steels Ltd.	7,945.25	11,323.52	10,326.99	10,326.99
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#### Subsidiary Company

Nilachal Iron and Power Limited	--	451.97	446.10	446.10
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#### 44 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:

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

**I. Expenses recognized in the Statement of Profit & Loss Account are as follows :** (₹ in lacs)

Particulars	Current year ended March 31, 2018	Previous year ended March 31, 2017
Current service cost	159.32	156.17
Interest cost on benefit obligation	57.34	54.72
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>194.89</b>	<b>210.90</b>

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

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of Defined Benefits Obligation	(685.94)	(1020.33)
Fair value of plan assets	105.51	218.99
	(580.44)	(801.34)
Less: Unrecognised past service cost	-	-
<b>Total Expenses</b>	<b>(580.44)</b>	<b>(801.34)</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, 2018	As at March 31, 2017
Present value of Defined Benefits Obligation at the beginning of the year	1,020.33	949.73
Current Service Cost	159.32	156.17
Interest Cost	68.62	72.85
Settlement Cost	(29.66)	-
Benefits Paid	(134.57)	(55.05)
Actuarial Loss/(Gain)	(405.99)	(103.38)
Plan Amendments	7.89	-
<b>Present value of Defined Benefits Obligation at the year end</b>	<b>685.94</b>	<b>1,020.33</b>

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

Particulars	As at March 31, 2018	As at March 31, 2017
FairValue of Plan Assets at the beginning of the year	218.99	257.05
Expected Return	(0.20)	18.13
Interest Income	11.28	(1.15)
Contribution by Employer	10.00	-
Benefits paid	(134.57)	(55.05)
Actuarial Gains/(Losses)	-	-
<b>Fair Value of Plan Assets at the year end</b>	<b>105.51</b>	<b>218.99</b>

**Notes to financial statements for the year ended March 31, 2018 (Contd.)**
**V. Expenses recognised in Other Comprehensive Income (OCI) for Current Year (₹ in lacs)**

Particulars	As at March 31, 2018	As at March 31, 2017
Actuarial(Gain)/Losses due to DBO Assumption changes	(323.40)	85.27
Actuarial(Gain)/Losses due to DBO experience	(82.59)	(188.65)
Return on Plan Assets(Greater)/Less than Discount Rate	0.20	1.15
<b>Net (Income)/Expense for the period recognized in OCI</b>	<b>(405.79)</b>	<b>(102.23)</b>

**VI. Balance Sheet Reconciliation (₹ in lacs)**

Particulars	As at March 31, 2018	As at March 31, 2017
Net defined benefit asset/(liability) at end of prior period	(801.34)	(692.68)
Service cost	(137.55)	(156.17)
Net interest on net defined benefit liability/(asset)	(57.34)	(54.72)
Amount recognised in OCI	405.79	102.23
Employer contribution	10.00	-
<b>Amount recognised in Balance Sheet</b>	<b>(580.44)</b>	<b>(801.34)</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, 2018	Previous year ended March 31, 2017
<b>Summary of Financial Assumptions</b>		
Discount Rate	7.60%	7.20%
Salary Escalation Rate	7.00%	10.00%
<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, 2018	Gratuity year ended March 31, 2017
<b>Sensitivity Analysis</b>			
Changes in Defined Benefit Obligations			
Salary Escalation	1%	77.91	127.10
Salary Escalation	-1%	66.83	111.65
Discount Rates	1%	65.88	118.67
Discount Rates	-1%	78.18	142.43

**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.

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

**B. Charge to the Statement of Profit and Loss on contributions**

(₹ in lacs)

Particulars	Current year ended March 31, 2018	Previous year ended March 31, 2017
Contribution to Provident Fund and other Funds	588.96	493.61

45. 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, 2018	Previous year ended March 31, 2017
a) Principal Amount remaining unpaid to the suppliers as at the end of the period	-	-
b) Interest due on above remaining unpaid to the suppliers as at the end of the period	-	-
c) Amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006	-	-
d) Amount of interest due and payable for the period of delay in making payment (which have been paid beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
e) Amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
f) Amount of further interest remaining due and payable even in the succeeding years.	-	-

**46 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, 2018	Previous year ended March 31, 2017
Domestic Revenues (Including Subsidy)	232,105.45	153,919.09
Export Revenues (Including Export Benefits)	6,827.84	2,471.07
<b>Total Net Revenue</b>	<b>238,933.29</b>	<b>156,390.16</b>

(₹ in lacs)

Particulars	Current year ended March 31, 2018	Previous year ended March 31, 2017
Domestic Trade Receivables	39,391.63	47,795.51
Export Trade Receivables	547.64	870.49
<b>Total</b>	<b>39,939.27</b>	<b>48,666.00</b>



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

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

Particulars	Foreign Currency (FC)	As at March 31, 2018		As at March 31, 2017	
		in FC	₹ in lacs	in FC	₹ in lacs
Receivables					
(a) Trade Receivables	US\$	842,894	547.64	1,342,556	870.49
(b) Advances	US\$	71,853	46.55	77,177	48.37
	Euro	1,895	1.53	–	–
Total			595.72		918.86
Payables					
(a) Trade Payables	US\$	259,096	168.53	382,478	246.47
	Euro	112,434	90.65	68,712	47.58
	GBP	–	–	15,540	12.57
(b) Advances	US\$	116,995	75.41	–	–
Total			334.59		306.62

48. 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, 2018	Previous year ended March 31, 2017
A	Profit/(Loss) after Tax	₹ in lacs	(25,666.06)	(23,608.61)
B	Number of shares at the beginning of the year	Nos.	86,281,486	77,781,486
C	Total equity shares outstanding at the end of the year	Nos.	96,386,486	86,281,486
D	Weighted average number of equity shares outstanding at the end of the year	Nos.	93,393,801	83,630,253
E	Nominal Value of each Share	₹	10.00	10.00
F	Basic Earning per Share	₹	(27.48)	(28.23)
G	Diluted Earning per Share	₹	(27.48)	(28.23)

49. 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 (JBJS) Jai Salasar Balaji Industries Private Limited (JSBIPL) Balaji Ispat Udyog (BIU) Enfield Suppliers Limited (ESL) Shri Sankatmochan Steel Private Limited (SSPL) Shri Jaikapish Steel Private Limited (JSPL) Hari Management Limited (HML) Jajodia Estate Private Limited (JEPL) Nilachal Iron & Power Limited (NIPL)

### Notes to financial statements for the year ended March 31, 2018 (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>Subsidiaries</b>	NPL	-	-	-	-	-	-	-	-	-	(446.10)	-	-	(2,515.00)
<b>Joint Venture</b>	RCCPL	-	-	-	-	-	-	-	-	-	-	-	-	-
	AECPL	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Key Management Personnel</b>	Aditya Jajodia	-	-	-	-	-	-	-	-	-	-	-	371,357.00 (384,357.00)	-
	Sanjiv Jajodia	-	-	-	-	-	-	-	-	-	-	-	371,357.00 (384,357.00)	-
	Ajay Kumar Tandia	-	-	-	-	-	-	28.73 (22.34)	-	-	-	-	-	-
<b>Relatives of Key Management Personnel</b>	Rajiv Jajodia	-	-	-	-	-	0.15 (0.20)	-	-	-	-	-	371,357.00 (384,357.00)	-
	Gaurav Jajodia	-	-	-	-	-	0.15 (0.20)	-	-	-	-	-	371,357.00 (384,357.00)	-
<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>	CSIL	17.71 (35.54)	47.76 (58.46)	-	-	(223.45)	-	-	-	-	1,076.95 (1,549.98)	-	-	900.00 (900.00)
	JBISL	354.94 (71.03)	4,062.47 (740.82)	-	-	(1,276.11)	-	-	-	-	7,945.25 (10,327.00)	-	-	-
	JSBPL	1,329.66 (568.37)	499.77 (87.59)	-	-	-	-	-	-	-	677.55 (1,366.76)	-	-	-
	JSPL	-	-	-	-	-	-	-	-	(318.75)	(425.00)	-	-	-
	SSPL	-	-	-	-	-	-	-	-	(318.75)	(425.00)	-	-	-
	BIU	-	-	-	-	-	-	-	-	-	-	(0.13)	-	-
	JEPL	-	-	0.80 (0.79)	-	-	-	-	-	-	-	-	-	-
	ESL	-	-	-	-	(74.24)	-	-	-	-	-	651.54 (719.82)	-	-
	HML	-	-	-	-	(44.22)	-	-	-	-	-	432.76 (428.75)	-	-
<b>Total</b>		1,702.31 (674.94)	4,610.00 (886.87)	0.80 (0.79)	- (1,499.56)	- (118.46)	0.30 (0.40)	28.73 (22.34)	- (657.50)	- (850.00)	9,699.75 (13,689.84)	1,084.30 (1,148.70)	371,357.00 (384,357.00)	900.00 (3,415.00)

# 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



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

#### 50 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, 2018	As at 31st March, 2017	As at 1st April, 2016
i	Equity share capital	9,638.26	8,627.76	7,777.76
ii	Other equity	(152,300.12)	(126,797.36)	(103,083.78)
	<b>Total Equity (a)</b>	<b>(142,661.86)</b>	<b>(118,169.60)</b>	<b>(95,306.02)</b>
i	Borrowings	351,027.60	284,424.08	297,195.95
ii	Interest accrued and due on borrowings	11,501.23	18,645.70	19,188.94
iii	Current maturity of long term debt	-	64,756.52	40,457.22
	<b>Total debt (b)</b>	<b>362,528.83</b>	<b>367,826.30</b>	<b>356,842.11</b>
	Cash and cash equivalents	727.98	214.91	427.96
	<b>Total cash</b>	<b>727.98</b>	<b>214.91</b>	<b>427.96</b>
	Net debt (b-c)	361,800.85	367,611.39	356,414.15
	Total capital(equity+ net debt)	219,138.99	249,441.79	261,108.13
	Net debt to equity ratio	(2.54)	(3.11)	(3.74)

#### 51 Fair Value Measurements

##### a) Financial instruments by category

	As at March 31, 2018			As at March 31, 2017			As at April 01, 2016		
	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
<b>Financial Assets</b>									
Investments	37.52	78.93	-	7,746.98	184.06	-	7,746.98	182.26	-
Trade receivables	39,939.27	-	-	48,666.00	-	-	58,339.63	-	-
Bank balance other than Cash and cash equivalents	67.98	-	-	771.94	-	-	1,054.03	-	-
Loans	11,712.61	-	-	12,976.61	-	-	11,586.75	-	-
Cash and cash equivalents	727.98	-	-	214.91	-	-	427.96	-	-
Other financial assets	51.44	-	-	219.39	-	-	461.24	-	-
<b>Total Financial Assets</b>	<b>52,536.80</b>	<b>78.93</b>	<b>-</b>	<b>70,595.83</b>	<b>184.06</b>	<b>-</b>	<b>79,616.59</b>	<b>182.26</b>	<b>-</b>
<b>Financial Liabilities:</b>									
Non Current Borrowings	5,731.75	-	-	5,311.54	-	-	4,923.49	-	-
Current Borrowings	345,295.85	-	-	279,112.54	-	-	292,272.46	-	-
Other financial Liabilities	28,539.23	-	-	97,877.11	-	-	70,978.47	-	-
Trade payables	64,142.26	-	-	56,430.26	-	-	77,459.38	-	-
<b>Total Financial Liabilities</b>	<b>443,709.09</b>	<b>-</b>	<b>-</b>	<b>438,731.45</b>	<b>-</b>	<b>-</b>	<b>445,633.80</b>	<b>-</b>	<b>-</b>

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

(₹ in lacs)

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>

#### Financial Assets and Liabilities measured at fair value as at 31 March, 2017

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Financial Investment	184.06	-		184.06
Security deposit			2,018.96	2,018.96
<b>Total</b>	<b>184.06</b>	<b>-</b>	<b>2,018.96</b>	<b>2,203.02</b>
<b>Financial Liabilities</b>				
Borrowings	-	-	5,311.54	5,311.54
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5,311.54</b>	<b>5,311.54</b>

#### Financial Assets and Liabilities measured at fair value as at 1st April, 2016

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Financial Investment	182.26	-		182.26
Security deposit			1,314.95	1,314.95
<b>Total</b>	<b>182.26</b>	<b>-</b>	<b>1,314.95</b>	<b>1,497.21</b>
<b>Financial Liabilities</b>				
Borrowings	-	-	4,923.49	4,923.49
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,923.49</b>	<b>4,923.49</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, 2018, 31st March, 2017 and 1st April, 2016.

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

**52 First time adoption Ind AS reconciliations**

**I A. Reconciliation of Equity as on 1st April, 2016 and 31st March, 2017**

(₹ in lacs)

Particulars	As at 31.03.2017			As at 01.04.2016		
	I GAAP	Adjustment	IND-AS	I GAAP	Adjustment	IND-AS
<b>ASSETS</b>						
<b>Non Current Assets</b>						
Property, Plant and equipment	148,665.86	(114.95)	148,550.91	158,834.97	(115.81)	158,719.16
Capital Work in Progress and Pre-Operative Expenditure						
Pending Allocation	12,085.20	-	12,085.20	11,518.37	-	11,518.37
<b>Financial Assets</b>						
i) Investments	8,138.59	(207.55)	7,931.04	8,136.79	(207.55)	7,929.24
ii) Loans	10,134.87	(8,979.59)	1,155.28	11,137.90	(10,354.07)	783.83
iii) Others	-	69.38	69.38	-	450.76	450.76
Deferred Tax Assets (Net)	29,085.14	-	29,085.14	29,085.14	-	29,085.14
Other Non Current Assets	69.38	8,757.72	8,827.10	450.76	9,737.41	10,188.17
<b>Sub Total</b>	<b>208,179.04</b>	<b>(474.99)</b>	<b>207,704.05</b>	<b>219,163.93</b>	<b>(489.26)</b>	<b>218,674.67</b>
<b>Current Assets</b>						
Inventories	42,011.86	-	42,011.86	48,116.57	-	48,116.57
<b>Financial Assets</b>						
i) Trade Recivable	64,714.36	(16,048.36)	48,666.00	73,088.60	(14,748.96)	58,339.64
ii) Cash and cash equivalents	214.91	-	214.91	427.96	-	427.96
iii) Bank Balance other than Cash and cash equivalents	771.94	-	771.94	1,054.03	-	1,054.03
iv) Loans	28,409.63	(16,588.30)	11,821.33	29,167.84	(18,364.92)	10,802.92
v) Others	-	150.01	150.01	-	10.48	10.48
Other Current Assets	13,006.72	16,384.64	29,391.36	9,485.95	18,308.90	27,794.85
<b>Sub Total</b>	<b>149,129.42</b>	<b>(16,102.01)</b>	<b>133,027.41</b>	<b>161,340.95</b>	<b>(14,794.50)</b>	<b>146,546.44</b>
<b>TOTAL ASSETS</b>	<b>357,308.46</b>	<b>(16,577.00)</b>	<b>340,731.46</b>	<b>380,504.88</b>	<b>(15,283.76)</b>	<b>365,221.11</b>
<b>EQUITY AND LIABILITIES</b>						
Equity Share Capital	8,627.76	-	8,627.76	7,777.76	-	7,777.76
Other Equity	(113,638.37)	(13,158.99)	(126,797.36)	(91,606.08)	(11,477.70)	(103,083.78)
<b>Sub Total</b>	<b>(105,010.61)</b>	<b>(13,158.99)</b>	<b>(118,169.60)</b>	<b>(83,828.32)</b>	<b>(11,477.70)</b>	<b>(95,306.02)</b>
<b>Non Current Liabilities</b>						
<b>Financial Liabilities</b>						
Long Term Borrowings	207,873.00	(202,561.46)	5,311.54	224,769.26	(219,845.77)	4,923.49
<b>Sub Total</b>	<b>207,873.00</b>	<b>(202,561.46)</b>	<b>5,311.54</b>	<b>224,769.26</b>	<b>(219,845.77)</b>	<b>4,923.49</b>
<b>Current Liabilities</b>						
<b>Financial Liabilities</b>						
i) Short Term Borrowings	79,979.23	199,133.31	279,112.54	76,242.88	216,029.58	292,272.46
ii) Trade Payables	56,430.26	-	56,430.26	77,459.38	-	77,459.38
iii) Other Financial Liabilities	83,403.14	14,473.97	97,877.11	62,177.50	8,800.97	70,978.47
Other Current Liabilities	33,691.32	(14,463.83)	19,227.49	22,878.10	(8,790.85)	14,087.25
Short Term Provisions	942.12	-	942.12	806.08	-	806.08
<b>Sub Total</b>	<b>254,446.07</b>	<b>199,143.45</b>	<b>453,589.52</b>	<b>239,563.94</b>	<b>216,039.71</b>	<b>455,603.64</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>357,308.46</b>	<b>(16,577.00)</b>	<b>340,731.46</b>	<b>380,504.88</b>	<b>(15,283.76)</b>	<b>365,221.11</b>



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

**B. Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017**

(₹ in lacs)

	For the year ended 31st March, 2017		
	I GAAP	Adjustment	IND-AS
<b>INCOME</b>			
Revenue from Operations	156,390.15	12,660.59	169,050.74
Other Income	2,079.48	-	2,079.48
<b>Total Income (I)</b>	158,469.63	12,660.59	171,130.22
<b>EXPENSES</b>			
Cost of Materials Consumed	135,208.73	-	135,208.73
Purchase of Stock in Trade	-	-	-
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(7,473.40)	-	(7,473.40)
Excise Duty on sale of goods	-	12660.59	12,660.59
Employee Benefits Expense	5,528.88	102.23	5,631.11
Finance Cost	4,106.66	388.05	4,494.71
Depreciation and Amortisation Expense	11,191.18	(0.86)	11,190.32
Other Expenses	31,727.37	1299.40	33,026.77
<b>Total Expenses (II)</b>	180,289.42	14,449.41	194,738.83
<b>Profit / (Loss) before exceptional items and Tax (I-II)</b>	(21,819.79)	(1,788.82)	(23,608.61)
<b>Exceptional Item</b>	-	-	-
<b>Profit / (Loss) before Tax (I-II)</b>	(21,819.79)	(1,788.82)	(23,608.61)
<b>Tax Expenses:</b>			
Current Tax	-	-	-
Less : MAT Credit Entitlement	-	-	-
Provision (Write back) relating to earlier years	-	-	-
<b>Deferred tax charge / (credit)</b>	-	-	-
<b>Total tax expense / (credit)</b>			
<b>Profit/(Loss) for the period</b>	(21,819.79)	(1,788.82)	(23,608.61)
<b>Other Comprehensive Income:</b>			
<b>A (i) Items that will not be reclassified to profit &amp; Loss:</b>			
(a) Remeasurement of net defined benefit Plans	-	102.23	102.23
<b>Other Comprehensive Income for the year</b>	-	102.23	102.23
<b>Total Comprehensive Income for the year</b>	(21,819.79)	(1,686.59)	(23,506.38)

**II. Effect of Ind AS adoption on Cash Flows for the year ended 31st March, 2017**

(₹ in lacs)

	For the year ended 31st March, 2017		
	I GAAP	Adjustment	IND-AS
Net Cash generated/(used in) Operating Activities	(10394.98)	10.14	(10384.84)
Net Cash generated from Investing Activities	2522.41	-	2522.41
Net Cash generated from Financing Activities	7659.52	(10.14)	7649.38
Net Increase/(Decrease) in Cash and Cash Equivalents	(213.05)	-	(213.05)
Cash and Cash Equivalents at the beginning of the year	427.96	-	427.96
Cash and Cash Equivalents at the end of the year	214.91	-	214.91



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

#### 53 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.

#### 54. Auditors Remuneration (included in Legal and Professional Charges)

(₹ in lacs)

Payment to Auditor	Current year ended March 31, 2018		Previous year ended March 31, 2017	
As auditor:				
Audit fee	3.50		3.50	
Limited Review	7.50		7.50	
Tax Audit	0.50		0.75	
Out-of-pocket expenses	-	11.50	-	11.75
In other manner for Certification		0.28		0.43
<b>Total</b>		<b>11.78</b>		<b>12.18</b>

Out of above amount, paid to other auditor amounts to ₹ 0.50 lacs (₹ 0.75 lacs)

#### 55 (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.

#### (b) Subsidiary :

Nilachal Iron & Power Limited (NIPL) ceases to be a subsidiary of the Company subsequent to invocation of pledge of 100% Equity Shares (except 600 equity shares held by the Company as beneficiary shareholder) of NIPL by a lender of the Company.

#### 56 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 of 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 recognize a decline other than temporary in the value of the investments.



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

57 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, 2018	As at March 31, 2017
Total Number of Equity shares held by the promoter group	56,304,046	56,198,496
Total Number of Equity shares pledged by the promoter group	42,782,233	30,782,233
Percentage of total shares pledged to total shareholding of the promoter group	75.98%	54.77%
Percentage of total shares pledged to total outstanding shares of the Company	44.39%	35.68%

58. 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	76,018.76 (66,180.74)	40.97 (48.95)	1146.02 (1,090.01)	5.77 (9.71)
Indigenous	109,530.97 (69,027.99)	59.03 (51.05)	18,701.52 (10,134.15)	94.23 (90.29)
Total	185,549.73 (135,208.73)	100.00 (100.00)	19,847.54 (11,224.16)	100.00 (100.00)

59. Value of Imports (calculated on CIF basis)

Particulars	(₹ in lacs)	
	Current year ended March 31, 2018	Previous year ended March 31, 2017
Raw materials*	42,772.06	44,100.84
Components & Spare Parts	876.59	957.78
Capital Goods	459.61	728.69
<b>Total</b>	<b>44,108.26</b>	<b>45,787.31</b>

\*including high sea purchase of ₹42,096.38 lacs (₹43,734.98 lacs)

60. Expenditure in Foreign Currency (on accrual basis)

Particulars	(₹ in lacs)	
	Current year ended March 31, 2018	Previous year ended March 31, 2017
Professional Consultation Fees	-	-
Interest	-	-
Others	27.65	35.25
<b>Total</b>	<b>27.65</b>	<b>35.25</b>

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

**61. Earnings in Foreign Currency (on accrual basis)**

(₹ in lacs)

Particulars	Current year ended March 31, 2018	Previous year ended March 31, 2017
Exports at FOB Value	6,526.41	2,378.25

**62. Amount remitted in foreign currency on account of dividends**

(₹ in lacs)

Particulars	Current year ended March 31, 2018	Previous year ended March 31, 2017
i) Financial Year to which the dividend relates	2016-17	2015-16
ii) No. of non-resident shareholders	87	99
iii) No. of Shares held	9,820,015	9,900,937
iv) Amount remitted as dividend (₹ in lacs)*	Nil	Nil

\*No dividend was declared for the financial year 2016-17 and 2015-16

**63.** Previous GAAP figures have been reclassified/regrouped wherever necessary to confirm with financial statements prepared under Ind AS.

**64.** The financial statements are approved by the audit committee at its meeting held on 30th June, 2018 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> June, 2018

**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**



### INDEPENDENT AUDITORS' REPORT

To The Members of JAI BALAJI INDUSTRIES LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of JAI BALAJI INDUSTRIES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group") and jointly controlled entity comprising of the Consolidated Balance Sheet as at 31st March 2018, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board is responsible for the preparation and presentation of these consolidated financial statements in terms of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Basis for Qualified Opinion

*Referring to Note - 38 of the consolidated financial statement, the Holding company has not provided for interest amounting to ₹ 83,288.81 lacs of which ₹ 43,744.25 lacs pertains to the current financial year, on various loans & credit facilities availed from banks & financial institution on the ground that same is being treated as Non Performing Assets by the lenders. Due to this loss has been understated by ₹ 43,744.25 lacs and accordingly consolidated loss for the year ended 31st March, 2018 would've been ₹ 69,410.60 lacs instead of ₹ 25,666.35 lacs.*

#### Qualified Opinion

*Except for the possible effects of the matters described in "Basis for Qualified Opinion", in our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated loss and their consolidated cash flows for the year ended on that date.*

#### Emphasis of Matter

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



### Independent Auditors' Report (Contd.)

1. As explained in Note – 39 of the Consolidated financial statement, the Group has been incurring losses and its net worth is completely eroded, also its current liability exceeds current assets by ₹ 3,28,544.25 lacs. However the financial statements of the company have been prepared on a going concern basis and accordingly Deferred Tax Assets amounting to ₹ 29,085.14 lacs created up to 31st March 2015 has been carried forward.
2. As explained in Note – 2(b)(vi) of the consolidated financial statement, consolidation of two jointly controlled entities viz. Andal East Coal Company Pvt. Ltd. & Rohne Coal Company Pvt. Ltd. has not been carried out because of the following reasons:-
  - a. In case of Rohne Coal Company Pvt Ltd. financial statement of the entity has not been received.
  - b. In case of Andal East Coal Company Pvt Ltd there is a severe long term restrictions on transfer of funds by the entity to the Holding company.
3. As explained in Note – 55(a) of the financial statement, regarding de-allocation of coal blocks by Hon'ble Supreme court vide its order dated 24<sup>th</sup> September 2014, pending finalization of the compensation receivable for the cancelled mines, the book values of investment in mining assets has been brought down to a nominal value of Rupee 1 per share.
4. We further want to draw attention on Note 55(b) of the financial statements regarding transfer of control in 100% subsidiary M/s Nilachal Iron & Power Limited during the current financial year. The entire shares in M/s Nilachal Iron & Power Limited were taken over by the Asset Reconstruction Company in order to settle the loan from IFCI Ltd excluding 600 shares held by the company as beneficiary shareholder and therefore the accounts of M/s Nilachal Iron & Power Limited have not been consolidated with the accounts of the company.

Our opinion is not qualified in respect of above matters.

#### Other Matters

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 3.01 lacs as at 31st March 2018, total revenue of ₹ Nil and net cash outflows amounting to ₹ 0.28 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management of Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the

reports of the other auditors.

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

#### Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. on the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled entity incorporated in India, none of the directors of the Group companies and jointly controlled entity incorporated in India is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. with respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in 'Annexure A', which is based on the Auditors' Report of the Company, its subsidiary companies and the jointly controlled entity. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company, its subsidiary companies and the jointly controlled entity.



### Independent Auditors' Report (Contd.)

- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors') Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note. 35A of the consolidated financial statements;
  - ii. the Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

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

**(J. K. Choudhury)**  
Partner

Place : Kolkata

Dated : June 30, 2018

Membership No: 009367

### Annexure - A to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of M/s Jai Balaji Industries Limited ("the Company") and its subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group") as at 31st March 2018 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

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

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

#### Auditors' Responsibility

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

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

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting

**Annexure - A to the Independent Auditors' Report (Contd.)**

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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

**Opinion**

In our opinion, the Group have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2018, based on the internal control over financial reporting criteria established by the Group, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matter**

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

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

Sd/-

**(J. K. Choudhury)**

Partner

Place : Kolkata

Dated : June 30, 2018

Membership No: 009367



### Consolidated Balance Sheet as at March 31, 2018

(₹ in lacs)

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>ASSETS</b>				
<b>Non Current Assets</b>				
Property, Plant and Equipment	3	140,903.17	158,273.08	168,926.90
Capital Work in Progress and Pre-Operative Expenditure				
Pending Allocation	4	11,909.78	13,398.52	13,001.70
<b>Financial Assets</b>				
i) Investments	5	106.45	217.52	214.31
ii) Loans	6	984.71	1,282.13	910.34
iii) Others	7	34.84	69.38	450.76
Deferred Tax Assets (Net)	8	29,085.14	30,716.72	30,716.72
Other Non Current Assets	9	8,580.05	8,890.51	10,251.13
<b>Sub Total</b>		<b>191,604.13</b>	<b>212,847.86</b>	<b>224,471.85</b>
<b>Current Assets</b>				
Inventories	10	48,849.50	45,957.50	52,787.81
<b>Financial Assets</b>				
i) Trade Receivable	11	39,939.27	49,262.67	58,817.97
ii) Cash and cash equivalents	12	731.00	463.19	458.95
iii) Bank balance (other than Cash and cash equivalents)	13	67.98	961.46	1,217.53
iv) Loans	14	10,727.90	11,375.36	10,421.28
v) Others	15	16.60	150.01	23.63
Other Current Assets	16	31,864.65	31,777.04	29,385.87
<b>Sub Total</b>		<b>132,196.90</b>	<b>139,947.24</b>	<b>153,113.03</b>
<b>TOTAL ASSETS</b>		<b>323,801.04</b>	<b>352,795.10</b>	<b>377,584.88</b>
<b>EQUITY AND LIABILITIES</b>				
Equity Share Capital	17	9,638.26	8,627.76	7,777.76
Other Equity	18	(152,307.29)	(132,189.63)	(106,517.97)
<b>Sub Total</b>		<b>(142,669.03)</b>	<b>(123,561.87)</b>	<b>(98,740.21)</b>
<b>Non Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	19	5,731.75	5,311.54	4,923.49
<b>Sub Total</b>		<b>5,731.75</b>	<b>5,311.54</b>	<b>4,923.49</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
i) Borrowings	20	345,295.85	288,574.47	301,970.93
ii) Trade Payables	21	64,142.37	58,139.21	79,596.39
iii) Others	22	28,539.24	100,675.49	73,270.83
Other Current Liabilities	23	22,024.33	22,673.52	15,724.47
Provisions	24	736.53	982.74	838.98
<b>Sub Total</b>		<b>460,738.32</b>	<b>471,045.43</b>	<b>471,401.60</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>323,801.04</b>	<b>352,795.10</b>	<b>377,584.88</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**

**CA J. K. Choudhury**  
**Partner**  
Membership No. : 009367  
Place : Kolkata  
Date : 30<sup>th</sup> June, 2018

**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**



### Consolidated Statement of Profit and Loss for the year ended March 31, 2018

(₹ in lacs)

	Notes	Current year ended March 31, 2018	Previous year ended March 31, 2017
<b>INCOME</b>			
Revenue from Operations	25	242,505.87	184,526.31
Other Income	26	1,792.51	2,114.62
<b>Total Income (I)</b>		<b>244,298.38</b>	<b>186,640.93</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	27	185,549.73	149,680.13
Purchase of Stock in Trade[including transit of ₹153.05 lacs]	28	2,755.70	-
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	29	2,391.51	(8,699.97)
Excise Duty	30	3,572.58	14,335.40
Employee Benefits Expense	31	6,890.71	5,870.80
Finance Costs	32	3,391.40	4,648.53
Depreciation and Amortisation Expense	3	10,735.98	11,756.45
Other Expenses	33	50,703.33	34,619.71
<b>Total Expenses (II)</b>		<b>265,990.94</b>	<b>212,211.05</b>
<b>Profit / (Loss) before exceptional items and Tax (I-II)</b>		<b>(21,692.54)</b>	<b>(25,570.12)</b>
<b>Exceptional Item</b>		<b>3,973.81</b>	<b>-</b>
<b>Profit / (Loss) before Tax (I-II)</b>		<b>(25,666.35)</b>	<b>(25,570.12)</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>(25,666.35)</b>	<b>(25,570.12)</b>
<b>Other Comprehensive Income:</b>	34		
Items that will not be reclassified subsequently to profit & Loss:			
Remeasurement (Gain)/Loss on net defined benefit Plans		405.79	102.23
Gains from investments designated at FVOCI		-	3.38
		<b>405.79</b>	<b>105.61</b>
<b>Total Comprehensive income for the period</b>		<b>(25,260.56)</b>	<b>(25,464.51)</b>
<b>Earnings per Equity Share:(Nominal Value per Share ₹10)</b>			
Basic & Diluted	48	(27.48)	(30.58)
<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**

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

Place : Kolkata  
Date : 30<sup>th</sup> June, 2018

**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**





### Consolidated Cash Flow Statement for the year ended March 31, 2018

	(₹ in lacs)	
	Current year ended March 31, 2018	Previous year ended March 31, 2017
<b>A: Cash Flow From Operating Activities</b>		
Profit / (Loss) before tax and after exceptional items	(25,666.35)	(25,570.12)
Adjustments For :		
Depreciation / Amortisation (Net)	10,735.98	11,756.44
Loss on Sale of Property, Plant & Equipment	1.84	9.72
Irrecoverable Debts and Advances Written off	17.29	168.49
Liabilities no longer required written back	(3,475.18)	(179.76)
Interest on Term Loans and Others	3,158.66	4,276.32
Provision for Diminution in the value of Investments	0.48	-
Provision for doubtful debts/(written back)	1,643.51	2,479.95
Allowance on Doubtful Debts	-	1,286.21
Dividend from long term Non Trade Investments	(1.35)	(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)	54.05	334.44
Financial Lease Payment	10.14	10.14
Remeasurement (Gain)/Loss on net defined benefit Plans	405.79	102.23
(Profit) / Loss on Foreign Exchange Fluctuations (Net)	(376.55)	(5.34)
Interest Income	(186.99)	(1,798.08)
<b>Operating Profit / (Loss) Before Working Capital Changes</b>	<b>(6,756.40)</b>	<b>(7,130.70)</b>
Movements in Working Capital :		
Decrease / (Increase) in Trade Receivables	7,842.84	10,039.92
Increase in Loans and Advances and Other Current / Non Current Assets	(2,582.25)	(5,970.90)
Decrease / (Increase) in Inventories	(6,837.64)	6,830.30
Decrease in Trade Payables, Other Liabilities and Provisions	11,772.26	(14,165.94)
<b>Cash generated from/ (used in ) Operating Activities</b>	<b>3,438.81</b>	<b>(10,397.32)</b>
Direct Taxes paid ( net of refunds)	3,121.36	(40.08)
<b>Net Cash generated from/ (used in) Operating Activities</b>	<b>6,560.17</b>	<b>(10,437.40)</b>
<b>B: Cash Flow From Investing Activities</b>		
Purchase of Property, Plant and Equipment	(3,180.77)	209.04
Proceeds from Sale of Property, Plant and Equipment	0.90	111.34
Purchase of Investments in Government Securities	-	(1.70)
Purchase of Investments in Mutual Fund	(100.00)	(0.10)
Proceeds from sale of long term Investments	992.64	-
Proceeds from maturity of fixed deposits	742.93	491.96
Dividend from long term Investments (other than Trade)	1.35	1.35
Interest received	314.29	1,825.90
<b>Net Cash generated from/(used in) Investing Activities</b>	<b>(1,228.66)</b>	<b>2,637.79</b>

(Contd.)



### Consolidated Cash Flow Statement for the year ended March 31, 2018 (Contd.)

	(₹ in lacs)	
	Current year ended March 31, 2018	Previous year ended March 31, 2017
<b>C: Cash Flow From Financing Activities</b>		
Money Received against share warrants	757.88	637.50
Proceeds from Non Current / Current Borrowings	4,316.94	12,337.44
Repayment of Non Current / Current Borrowings	-	(703.00)
Financial Lease Payment	(10.14)	(10.14)
Interest Paid	(9,882.92)	(4,431.52)
Dividend Paid	(0.47)	(0.40)
<b>Net Cash generated from/(used in) Financing Activities</b>	<b>(4,818.72)</b>	<b>7,829.88</b>
<b>Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)</b>	<b>512.79</b>	<b>30.27</b>
<b>Cash and Cash Equivalents as at the beginning of the year#</b>	<b>218.20</b>	<b>622.45</b>
<b>Cash and Cash Equivalents as at the end of the year</b>	<b>731.00</b>	<b>652.72</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	14.96	23.38
Cheques in hand	133.20	81.79
Balance with Scheduled Banks on:		
Current Account	576.38	298.09
Fixed Deposit Account	6.00	1,086.43
Unclaimed Dividend Account *	0.46	0.93
<b>Cash and Cash Equivalents as at 31st March, 2018(Refer Note 7,12 &amp; 13)</b>	<b>731.00</b>	<b>1,490.62</b>
<b>Less Fixed deposits not considered as cash equivalents</b>	<b>-</b>	<b>837.90</b>
<b>Cash and Cash Equivalents as at 31st March, 2018</b>	<b>731.00</b>	<b>652.72</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.

\* These balance are not available for use by the Company as they represent corresponding unpaid dividend balance.

# The Cash and Cash Equivalents at the beginning of the year does not include one of the subsidiary co, M/s Nilachal Iron & Power Limited (NIPL), for the reason stated in Note no 55.

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> June, 2018



### Notes to consolidated financial statements for the year ended March 31, 2018

#### 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') and other relevant provisions of the Act, to the extent applicable.

The Company's financial statements up to the year ended 31st March 2017 were prepared in accordance with Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

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 to all the years presented, unless otherwise stated.

These financial statements are the first financial statements under Ind AS. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is given in Note 52.

##### 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, 2018	As at March 31, 2017
Nilachal Iron & Power Limited (NIPL)*	India	0%	100%
Jai Balaji Steels (Purulia) Limited	India	100%	100%
Jai Balaji Energy (Purulia) Limited	India	100%	100%

\*Refer note 55

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.

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

- 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, 2017	As at March 31, 2016
Rohne Coal Company Private Ltd.*	India	6.90%	6.90%
Andal East Coal Company Private Ltd*	India	32.79%	32.79%

\* Refer Note no 2 (b)(vi) below

- vi) In terms of IND - AS 111 - 'Joint Arrangements' 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.

- 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, 2018 .

#### c) Historical Cost Convention

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

- Certain financial assets and liabilities(including derivatives instruments) - measured at fair value
- 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 affects 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.

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

- **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.

- d. **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 1st 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.





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

- 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.

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.

#### e. Provisions

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.

#### f. Revenue Recognition

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

#### A. Sale of goods

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc.

#### B. Export Incentives

Income from export incentives such as duty drawback and Merchandise Export from India Scheme (MEIS) are recognised on accrual basis.

#### C. Interest Income

Interest income is recognized using the effective interest rate (EIR) method.

#### D. Dividends

Dividend income on investments is recognized when the right to receive dividend is established.

#### 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.

**Notes to consolidated financial statements for the year ended March 31, 2018 (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. 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.

**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.

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

### 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 derecognized 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



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

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. 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:



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

- 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

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



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

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.

● **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



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

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.

#### t. First Time Adoption of Ind AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2016, with a transition date of 1st April, 2016. These financial statements for the year ended 31st March, 2018 are the first financial statements the company has prepared under Ind AS. For all periods up to and including the year ended 31st March 2017, the company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies [Accounts] Rules, 2014 [‘Previous GAAP’].

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently to all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for the year ended 31st March, 2018, together with the comparative information as at and for the year ended 31st March, 2017 and the opening Ind AS Balance Sheet as at 1st April 2016, the date of transition to Ind AS.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The

resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognized directly in equity [retained earnings or another appropriate category of equity]. This note explains the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017.

#### A. Optional Exemptions from retrospective application

Ind AS 101 permits first-time adopters certain exemptions from retrospective application of certain requirements under Ind AS. The Company have elected to apply the following optional exemptions from retrospective application.

##### (i) Deemed cost for property, plant and equipment

The Company has elected to measure all its property, plant and equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

##### (ii) Investments in subsidiaries and joint ventures

The Company has elected to measure its investments in subsidiaries and joint ventures at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

#### B. Mandatory Exceptions from retrospective application.

The Company has applied the following exception to the retrospective application of Ind AS as a mandatory required under Ind AS 101.

##### (i) Classification and measurement of financial assets

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

#### C. Transition to Ind AS-Reconciliations.

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101

- I. A. Reconciliation of Equity as at 1st April, 2016 and 31st March, 2017
- B. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017
- II Adjustments to Statement of Cash Flows for the year ended 31st March, 2017

Previous GAAP figures have been re-classified/re-grouped wherever necessary to confirm with financial statements prepared under Ind AS.

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

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

The changes and the carrying value of property, plant and equipment for the year ended March 31, 2018 are as follows:

Particulars	Freehold Land	Leasehold Land	Factory Buildings	Railway Siding	Plant and Machinery	Electrical Installation	Furniture and Fixture	Office Equipment	Vehicle	Total
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		3,090.99
Disposal									6.45	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 1, 2017	4,291.29	499.36	32,633.15	2,229.99	109,768.49	8,564.73	27.59	132.74	125.74	158,273.08

The changes and the carrying value of property, plant and equipment for the year ended March 31, 2017 are as follows :

Particulars	Freehold Land	Leasehold Land	Factory Buildings	Railway Siding	Plant and Machinery	Electrical Installation	Furniture and Fixture	Office Equipment	Vehicle	Total
Gross carrying value as on April 1, 2016	4,291.29	871.86	42,515.68	4,354.18	185,949.88	25,615.69	133.64	1,012.26	297.88	265,042.36
Additions				90.31	913.72	76.54	3.87	51.61	87.63	1,223.68
Disposal					(1,472.42)	(39.90)	(1.09)	(35.40)	(79.99)	(1,628.80)
Gross carrying value as on March 31, 2017	4,291.29	871.86	42,605.99	4,354.18	185,391.18	25,652.33	136.42	1,028.47	305.52	264,637.24
Accumulated depreciation as on April 1, 2016		363.83	8,712.17	1,804.33	69,622.80	14,390.92	101.13	884.40	235.88	96,115.46
Depreciation for the period		8.67	1,260.67	319.86	7,359.02	2,734.59	8.78	44.96	19.89	11,756.44
Disposal / Adjustment					(1,359.13)	(37.91)	(1.08)	(33.63)	(75.99)	(1,507.74)
Accumulated depreciation as on March 31, 2017		372.50	9,972.84	2,124.19	75,622.69	17,087.60	108.83	895.73	179.78	106,364.16
Carrying value as on March 31, 2017	4,291.29	499.36	32,633.15	2,229.99	109,768.49	8,564.73	27.59	132.74	125.74	158,273.08
Carrying value as on April 1, 2016	4,291.29	508.03	33,803.51	2,549.85	116,327.08	11,224.77	32.51	127.86	62.00	168,926.90

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

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

(₹ in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>A Capital Work-in-Progress</b>			
Buildings	1,469.08	1,298.77	1,218.07
Road*	119.01	27.97	
Railway Siding	359.01	395.37	395.37
Plant and Machinery	2,941.29	1,699.29	397.22
Electrical Installations	688.28	449.75	379.17
Land	5,274.77	6,471.98	6,471.98
<b>Sub Total</b>	<b>10,851.44</b>	<b>10,343.13</b>	<b>8,861.81</b>
Less : Transferred to Fixed Assets	2,862.89	941.43	14.32
<b>Total A :</b>	<b>7,988.55</b>	<b>9,401.70</b>	<b>8,847.49</b>
<b>B Pre-operative Expenditure Pending Allocation</b>			
<b>Opening Balance</b>	<b>3,917.07</b>	<b>4,154.21</b>	<b>4,140.54</b>
<b>Additions</b>			
Salaries, Wages and Bonus	-	-	0.18
Rates and Taxes	0.08	0.06	0.02
Travelling and Conveyance	-	2.65	3.50
Legal and Professional Charges	0.50	0.37	0.50
Miscellaneous Expenses	4.68	9.54	9.47
<b>Sub Total</b>	<b>5.26</b>	<b>12.62</b>	<b>13.67</b>
Less : Transferred to Fixed Assets	1.10	170.00	-
<b>Total B :</b>	<b>3,921.23</b>	<b>3,996.82</b>	<b>4,154.21</b>
<b>Grand Total (A+B)</b>	<b>11,909.78</b>	<b>13,398.52</b>	<b>13,001.70</b>

\*Road includes Road materials of ₹ 1.19 lacs (₹ Nil) lying in transit

Plant & Machinery includes DIP Mould of ₹ Nil (₹ 76.46 Lacs) and AOD Plant of ₹ Nil (₹ 47.52 lacs) lying in transit

Building includes Building material ₹ Nil (₹ 3.06 Lacs) lying in transit

**Note 5 : Non Current Investment**

(₹ in lacs)

	Number of shares	Face Value Per Share	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Trade Investment</b>					
<b>In Joint Venture Companies ( Refer note 55 )</b>					
Andal East Coal Company Private Limited	319,290	10	3.19	3.19	3.19
Rohne Coal Company Private Limited	69,000	10	0.69	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	23.64
			<b>27.52</b>	<b>27.52</b>	<b>27.52</b>
Aggregate Value of Investments					
- Quoted			-	-	-
- Unquoted			27.52	27.52	27.52

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

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

(₹ in lacs)

	Number of shares	Face Value Per Share	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>(At Fair Value through Other Comprehensive Income)</b>					
<b>Non Trade Investment ( Refer note 56 )</b>					
<b>Unquoted, Fully Paid up</b>					
<b>Investment in Equity Shares</b>					
Calcutta Stock Exchange Limited	2,726	1	71.60	176.64	176.64
Nilachal Iron and Power Limited	600	10	0.01		
[At cost less provision for other than temporary diminution ₹ 0.48 lacs(₹ Nil)]					
<b>Quoted Fully Paid up Equity Shares</b>					
Shares of Shyama Infosys Limited	366,200	10	-	3.48	3.48
Shri Nidhi Trading Co. Limited	10,500	10	-	2.46	1.05
<b>In Government Securities</b>					
National Saving Certificate			7.32	7.32	5.62
(Deposited with Third Parties)			<u>78.93</u>	<u>189.90</u>	<u>186.79</u>
<b>Investment in Mutual Fund-Quoted</b>					
4.498 Units Reliance Money Manager Fund-Growth Plan- Growth Option			-	0.10	-
			<u>-</u>	<u>0.10</u>	<u>-</u>
			<u>78.93</u>	<u>190.00</u>	<u>186.79</u>
<b>Aggregate Value of Investments</b>					
- Quoted			-	0.10	-
- Unquoted			106.93	189.90	186.79
<b>Aggregate provision for diminution in the value of Investments</b>					
Market Price- Quoted			0.48	-	-
			-	0.10	-

**Note 6 : Non Current Loans**

(₹ in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Unsecured, considered good</b>			
Security Deposits	984.71	1,282.13	910.34
<b>Total:</b>	<u>984.71</u>	<u>1,282.13</u>	<u>910.34</u>

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

(₹ in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Margin Money with Banks with maturities more than 12 months	27.00	65.97	275.84
Interest Receivable on Deposits	7.84	3.41	174.92
	<u>34.84</u>	<u>69.38</u>	<u>450.76</u>



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

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

(₹ in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Deferred Tax Asset</b>			
Unabsorbed Depreciation and carry forward Business Losses	72,412.44	70,355.35	69,202.66
Expenses Allowed On Payment Basis / Other Timing Differences	7,146.12	1,743.26	942.13
<b>Sub Total (A)</b>	<b>79,558.55</b>	<b>72,098.61</b>	<b>70,144.80</b>
<b>Deferred Tax Liability</b>			
Timing Difference on Depreciable assets	19,750.34	21,955.99	21,944.01
<b>Sub Total (B)</b>	<b>19,750.34</b>	<b>21,955.99</b>	<b>21,944.01</b>
<b>Deferred Tax Assets / (Liabilities) (Net) (A-B)</b>	<b>59,808.22</b>	<b>50,142.62</b>	<b>48,200.79</b>
<b>Less: Deferred Tax Assets not recognised (Refer note below)</b>	<b>(30,723.07)</b>	<b>(19,425.90)</b>	<b>(17,484.07)</b>
<b>Total</b>	<b>29,085.14</b>	<b>30,716.72</b>	<b>30,716.72</b>

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 corrective action to improve the working so as to enable them realise the above figure. The figures of the Current year are not comparable with the Previous year due to not include figures of one of the subsidiary company M/s Nilachal Iron & Power Limited (NIPL), as reason stated in note No 55.

**Note 9 : Other Non Current Assets**

(₹ in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital Advances	3,870.34	4,180.80	5,541.42
MAT Credit Entitlement	4,709.71	4,709.71	4,709.71
<b>Total:</b>	<b>8,580.05</b>	<b>8,890.51</b>	<b>10,251.13</b>

**Note 10 : Inventories**

(₹ in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw Materials	28,441.35	21,912.53	39,046.12
[Including in transit ₹ 5,460.23 lacs (₹ 4,987.89 lacs)]			
Stores and Spares	7,048.54	4,832.43	4,026.31
[Including in transit ₹ 675.87 lacs (₹ 277.94 lacs)]			
Work - in - Process	1,944.66	816.60	579.12
Finished Goods	9,532.32	16,151.01	8,071.50
[Including in transit ₹ Nil (₹ 570.84 lacs)]			
Trading Goods	506.38	-	-
[Including in transit ₹ 153.05 lacs (₹ Nil)]			
By Products and Scrap	1,376.25	2,244.93	1,064.76
<b>Total:</b>	<b>48,849.50</b>	<b>45,957.50</b>	<b>52,787.81</b>

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

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

(₹ in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good	39,939.27	65,311.03	73,566.93
Unsecured, considered doubtful	21,660.67	4,069.93	1,603.17
	61,599.94	69,380.96	75,170.09
Less: Allowance for Doubtful Debts(Refer note below)	21,660.67	20,118.29	16,352.13
<b>Total</b>	<b>39,939.27</b>	<b>49,262.67</b>	<b>58,817.97</b>

**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, 2018	As at March 31, 2017	As at April 01, 2016
Balance with Banks :-			
On Current Accounts	576.38	298.09	214.50
Deposits With Original Maturity of Less Than 3 Months	6.00	59.00	13.51
Cash on hand	14.96	23.38	108.14
Cheques in hand	133.20	81.79	121.46
Unclaimed Dividend Account	0.46	0.93	1.17
Unclaimed Fractional Share Balance	-	-	0.16
<b>Total:</b>	<b>731.00</b>	<b>463.19</b>	<b>458.95</b>

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

(₹ in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Margin Money with Banks with maturities less than 12 months	67.98	961.46	1,217.53
<b>Total:</b>	<b>67.98</b>	<b>961.46</b>	<b>1,217.53</b>

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

**Note 14 : Current Loans**

	(₹ in lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Unsecured, considered good</b>			
Security Deposits	2,554.34	863.81	531.12
<b>Loans and advances to Related parties#</b>			
Loans to Body Corporate (Receivable on demand (Interest free loan Rs. 7,000.00 Lacs (Rs. Nil))	7,000.00	7,000.00	7,000.00
Advances to a Body Corporate	945.25	3,326.99	2,723.75
	7,945.25	10,326.99	9,723.75
Advances recoverable in cash or in kind or for value to be received	228.31	184.56	166.41
<b>Total:</b>	<b>10,727.90</b>	<b>11,375.36</b>	<b>10,421.28</b>
<b># Refer Note 43</b>			

**Note 15 : Other Current Financial Assets**

	(₹ in lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Interest Receivable on Deposits	16.60	150.01	23.63
<b>Total:</b>	<b>16.60</b>	<b>150.01</b>	<b>23.63</b>

**Note 16 : Other Current Assets**

	(₹ in lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<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)]	19,230.73	18,398.32	17,234.88
<b>Sub Total</b>	<b>19,230.73</b>	<b>18,398.32</b>	<b>17,234.88</b>
<b>Other Loans and advances</b>			
Balance with Excise and other Government Authorities	450.52	1,809.23	2094.71
Advance income tax	49.62	481.34	127.64
[Net of Provisions ₹ Nil (₹ Nil)]			
Subsidies and Incentives Receivable	11,902.86	10,817.89	9475.47
Sales Tax and Other Refunds Receivable	230.92	270.27	148.56
Mat Credit Entitlement	-	-	304.61
<b>Sub Total</b>	<b>12,633.92</b>	<b>13,378.72</b>	<b>12,150.99</b>
<b>Total</b>	<b>31,864.65</b>	<b>31,777.04</b>	<b>29,385.87</b>

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

**Note 17 : Share Capital**

	As at March 31, 2018	As at March 31, 2017	(₹ in lacs) As at April 01, 2016
<b>Authorised capital</b>			
101,000,000 (101,000,000) Equity Shares of ₹ 10/- each	<u>10,100.00</u>	<u>10,100.00</u>	<u>10,100.00</u>
<b>Issued, subscribed and fully paid-up capital</b>			
96,386,486 (86,281,486) Equity Shares of ₹ 10/- each	<u>9,638.65</u>	<u>8,628.15</u>	<u>7,778.15</u>
Less: Calls unpaid ( Due from other than directors or officers)	<u>0.39</u>	<u>0.39</u>	<u>0.39</u>
<b>Total</b>	<u><u>9,638.26</u></u>	<u><u>8,627.76</u></u>	<u><u>7,777.76</u></u>

**Reconciliation of the number of shares**

**Equity Shares :**

	As at March 31, 2018		As at March 31, 2017	
	No of Shares	(₹ in lacs)	No of Shares	(₹ in lacs)
Equity Shares of Rs 10/- each				
At the beginning of the period	86,281,486	8,627.76	77,781,486	7,777.76
Issued during the period	<u>10,105,000</u>	<u>1,010.50</u>	<u>8,500,000</u>	<u>850.00</u>
At the end of the period	<u><u>96,386,486</u></u>	<u><u>9,638.26</u></u>	<u><u>86,281,486</u></u>	<u><u>8,627.76</u></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 share holders in the ensuing annual general meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distributions of all preferential amounts, in the proportions to their share holdings.

**(ii) Lock-in-of Shares**

The Equity Shares allotted to companies falling under the promoter group and others 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
30.05.2017	19,00,000	29th September, 2018
23.06.2017	46,00,000	22nd October, 2018
14.09.2017	36,05,000	13th January, 2019

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

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

	As at March 31, 2018		As at March 31, 2017	
	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	13.01
Hari Management Ltd.	7,044,000	7.31	7,044,000	8.16
Jai Salasar Balaji Industries (P) Ltd	25,115,157	26.06	25,115,157	29.11
Mahesh Kumar Keyal	6,500,000	6.74	-	-
	<u>49,880,390</u>	<u>51.75</u>	<u>43,380,390</u>	<u>50.28</u>

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

**Note 18 : Other Equity**

(₹ in lacs)

Particulars	Reserve & Surplus					Equity Instrument through OCI	Money received against share warrant	Total
	Capital Reserve	Amalgamation Reserve	Securities Premium Account	General Reserve	Retained Earnings			
Balance as at 01.04.2016	8,943.20	4,400.00	50,002.83	10,827.08	(170,065.08)	-	465.13	(95,426.84)
Profit for the period	-	-	-	-	(23,792.56)	-	-	(23,792.56)
Equity instrument through Other comprehensive income	-	-	-	-	-	668.01	-	668.01
Remeasurements of the net defined benefit plans for the year 15-16	-	-	-	-	(73.09)	-	-	(73.09)
Movement during the year 15-16	-	-	-	-	(11,686.05)	-	-	(11,686.05)
Remeasurements of the net defined benefit plans for the year 16-17	-	-	-	-	102.23	-	-	102.23
Movement during the year 16-17	-	-	-	-	(1,768.83)	-	-	(1,768.83)
<b>Total comprehensive income/(loss) for the period 31.03.17</b>	<b>8,943.20</b>	<b>4,400.00</b>	<b>50,002.83</b>	<b>10,827.08</b>	<b>(207,283.38)</b>	<b>668.01</b>	<b>465.13</b>	<b>(131,977.13)</b>
Amount received against share warrants	-	-	-	-	-	-	637.50	637.50
Allotment to Equity Share Capital	-	-	-	-	-	-	(850.00)	(850.00)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(212.50)</b>	<b>(212.50)</b>
Balance as at 31.03.2017	8,943.20	4,400.00	50,002.83	10,827.08	(207,283.38)	668.01	252.63	(132,189.63)
Balance as at 01.04.2017	6,408.50	4,400.00	50,017.50	10,325.00	(198,207.86)	-	252.63	(126,804.23)
Profit for the period	-	-	-	-	(25,666.37)	-	-	(25,666.37)
Remeasurements of the net defined benefit plans	-	-	-	-	405.79	-	-	405.79
Movement during the year	-	-	-	-	10.14	-	-	10.14
<b>Total comprehensive income/(loss) for the period 31.03.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25,250.44)</b>	<b>-</b>	<b>-</b>	<b>(25,250.44)</b>
Amount received against share warrants	-	-	-	-	-	-	757.88	757.88
Allotment to Equity Share Capital	-	-	-	-	-	-	(1,010.50)	(1,010.50)
<b>Transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(252.63)</b>	<b>(252.63)</b>
<b>Balance as at 31.03.2018</b>	<b>6,408.50</b>	<b>4,400.00</b>	<b>50,017.50</b>	<b>10,325.00</b>	<b>(223,458.30)</b>	<b>-</b>	<b>-</b>	<b>(152,307.29)</b>

**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, 2018 (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.
Reserve & Surplus	Reserve & Surplus of current years figure not comparable with previous year figure due to figure not include one of the subsidiary co, M/s Nilachal Iron & Power Limited (NIPL) for the reason stated in Note No.53
Money received against share warrants:	The Company had issued and allotted 2,26,05,000 warrants on Preferential allotment basis to companies falling under promoter group and others carrying a right to convert each warrant into an Equity Share of ₹10/- each within a period of 18 months from the date of allotment i.e. 22nd March, 2016. The warrant holders had paid 25% of the total consideration i.e. ₹2.50 per warrant amounting to ₹565.13 lacs as application money against the above warrants. Out of total allotted 2,26,05,000 warrants, the company had converted 1,25,00,000 warrants into Equity Shares till 31 st March, 2017. During the year, the Company has converted balance 1,01,05,000 warrants into Equity Shares by way of allotment of equivalent number of Equity Shares of ₹ 10/- each on receipt of balance 75% of the consideration i.e. ₹ 7.50 per warrant in respect of 1,01,05,000 warrants on different dates amounting to ₹ 757.88 lacs.

**Note 19 : Non Current Borrowings**

	(₹ in lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current maturities of Finance Lease Obligations (Refer Note 40 )	58.89	58.89	58.89
<b>Unsecured Loan:</b>			
Debentures	5,672.86	5,252.65	4,864.60
Zero Coupon Non Convertible Debentures (Refer Note below )			
<b>Total:</b>	<u>5,731.75</u>	<u>5,311.54</u>	<u>4,923.49</u>

**Note:**

- 1) 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 14 th November, 2015.
- 2) 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.

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

**Note 20 : Current Borrowings**

(₹ in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>(Secured, unless otherwise stated)</b>			
<b>Term Loans:</b>			
Rupee Loan from Banks	-	185,974.47	218,811.46
Rupee Loan from Financial Institutions	4,368.82	2,344.70	3,023.53
Rupee Loan from Bodies Corporate (Unsecured)	797.25	797.25	797.25
Rupee Loan ARC	154,404.45	16,048.69	-
<b>Loan Repayable on Demand</b>			
- From Banks	185,095.33	-	-
- Cash Credit From Banks	-	81,579.12	77,834.78
- From Bodies Corporate (Unsecured)	630.00	1,830.24	1,503.91
<b>Total:</b>	<b>345,295.85</b>	<b>288,574.47</b>	<b>301,970.93</b>

**Note:**

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

- 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 Ranigunge 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) Due to unfavourable market condition and other adverse industry scenario particularly on the steel sector, the company has incurred losses at EBIDTA level. This has a deep impact on erosion of net worth of the company. Owing to the loss management, company has somehow continued its operation to reduce the further losses at the EBIDTA level and maintain the assets at running condition. Therefore, the company was unable to pay its scheduled interest/installment and other financial dues which lead to classify its all loan account in bank/financial institution as Non-Performing Assets. All the lenders have stopped charging interest on debts, since the dues from the Company have been categorized as Non-Performing Asset.

c) Rupee loan from bank and financial institution has been turned into NPA. Continuing on the routine compliance, some lenders are moving on the recovery measure and already serve the call up notice for their exposure. Therefore instead of structured repayment schedule, the entire exposure of that banks/financial institution is fallen due on immediate demand basis. Accordingly, all the Term Loans and Cash Credits from Banks have been classified as Loans Repayable on Demand in the Current Year.

- On the basis of the majority in collective /individual mandate from the lenders on Exit from CDR scheme. The CDR EG minuted that the Company stands exited from the CDR mechanism on account of failure of CDR approved package, in their meeting dated 31.10.2017.

- After Axis Bank, UCO Bank (lead bank), Allahabad Bank and Union Bank of India intimated the company that have been 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 Edelweiss Assets Reconstruction Company Ltd (EARC).

- Unsecured Loan from bodies corporate has been received from a promoter group company as per the CDR scheme.

- 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.

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

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

**Note 21 : Trade Payables**

(₹ in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Trade Payables</b>			
Raw materials & Others	64,142.37	58,139.21	79,596.39
<b>Total:</b>	<u>64,142.37</u>	<u>58,139.21</u>	<u>79,596.39</u>

**Note 22 : Other Financial Liabilities**

(₹ in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current Maturities of Long Term Borrowings (Refer note 20)	0.00	66,306.27	41,436.11
Interest Accrued and due on Borrowings	11,501.23	19,250.22	19,794.46
Advances from a Body Corporate	-	4.87	-
Current maturities of Finance Lease Obligations	10.13	10.13	10.13
Temporary Book Overdraft	958.74	252.99	249.30
Capital Creditors	2,236.89	3,199.20	2,736.49
Due to Employees	1,435.90	1,396.84	1,203.39
Interest Others	12,319.97	10,242.44	7,838.02
Security Deposit	75.92	11.60	1.60
Investor Education and Protection Fund will be credited by the following amounts (as and when due)			
- Unclaimed Dividend	0.46	0.93	1.17
- Unclaimed Fractional Share Liabilities	-	-	0.16
<b>Total:</b>	<u>28,539.24</u>	<u>100,675.49</u>	<u>73,270.83</u>

**Note 23 : Other Current Liabilities**

(₹ in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance from Customer	7,227.98	10,573.89	6,953.69
Statutory Dues Payable	14,638.76	10,449.40	7,920.22
Excise Duty payable on Closing Stock	-	1,536.49	739.29
Other Miscellaneous	157.59	113.74	111.27
<b>Total:</b>	<u>22,024.33</u>	<u>22,673.52</u>	<u>15,724.47</u>

**Note 24 : Current Provisions**

(₹ in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Provision for employee benefits:</b>			
Gratuity (Refer Note 44)	580.44	837.09	722.39
Leave Salary	156.09	145.65	116.59
<b>Total:</b>	<u>736.53</u>	<u>982.74</u>	<u>838.98</u>

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

**Note 25 : Revenue from Operations**

(₹ in lacs)

	Current year ended March 31, 2018	Previous year ended March 31, 2017
<b>Sales of products</b>		
Finished Goods	225,659.61	172,158.26
By Products and Scraps	7,098.62	6,618.75
Raw Materials	8,463.55	3,595.80
<b>Other Operating Revenue</b>		
Subsidy on Sales Tax / Value Added Tax	1,084.96	2,079.90
Export Incentives	199.13	73.60
<b>Revenue from Operations (Gross)</b>	<b>242,505.87</b>	<b>184,526.31</b>

**Note:**

In compliance with Ind AS-18 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the reported revenue for the period upto 30 th 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, 2018 is not comparable with corresponding year ended 31st March, 2017.

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

(₹ in lacs)

	Current year ended March 31, 2018	Previous year ended March 31, 2017
Sponge Iron	21,004.33	29,739.09
Pig Iron	51,357.91	46,368.11
Steel Bars / Rods	39,067.90	28,342.84
Billet/MS Ingots	15,777.49	8,247.32
Ferro Alloys	44,865.67	17,820.76
Ductile Iron Pipe	50,130.78	41,640.14
Low Ash Coke	1,198.93	-
Coal	687.39	-
M.S.Billet	1,569.21	-
	<b>225,659.61</b>	<b>172,158.26</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, 2018	Previous year ended March 31, 2017
Interest on :		
(a) Fixed Deposits with Banks	20.26	139.07
[Gross, Tax deducted at source ₹ 2.08 lacs (₹ 11.34 lacs)]		
(b) Loans and Advances	165.05	1,654.94
[Gross, Tax deducted at source ₹3.70 lacs (₹ 22.35 lacs)]		
(c) Refund from Income Tax Department	1.68	4.07
[Gross, Tax deducted at source ₹ Nil (₹ Nil )]		
Dividend from long term Investments (other than trade)	1.35	1.35
Insurance Claims	631.39	123.08
Liabilities no longer required written back	585.29	179.76
Gain on Foreign Exchange Fluctuations (Net)	376.55	5.34
Miscellaneous Income	10.94	7.01
<b>Total:</b>	<b>1,792.51</b>	<b>2,114.62</b>

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

**Note 27 : Cost of Material Consumed**

(₹ in lacs)

	Current year ended March 31, 2018	Previous year ended March 31, 2017
Opening Stock	20,089.94	39,046.13
Purchases	193,901.14	132,546.54
	213,991.08	171,592.67
Less: Closing Stock	28,441.35	21,912.54
<b>Raw Materials Consumed</b>	<b>185,549.73</b>	<b>149,680.13</b>
<b>Consumption of Raw Material :</b>		(₹ in lacs)

	Current year ended March 31, 2018	Previous year ended March 31, 2017
Iron Ore / Pellets / Sinter	37,810.40	38,931.71
Manganese Ore	8,974.24	3,781.46
Sponge Iron	6,681.54	936.25
Billet/Ingot	22,689.53	5,756.08
Coke/Coal	85,341.28	86,926.33
Magnesium Metal	505.67	526.07
Pig Iron	1,759.20	1,195.70
Steel Scrap & Wastes	1,274.51	410.47
Ferro Alloys	15,716.44	7,623.92
Quartzite, Limestone and Dolomite	4,796.92	3,592.14
	<b>185,549.73</b>	<b>149,680.13</b>

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

(₹ in lacs)

	Current year ended March 31, 2018	Previous year ended March 31, 2017
Coal	687.38	—
M. S. Billet [Including transit of ₹ 153.05 lacs]	2,068.32	—
	<b>2,755.70</b>	<b>—</b>

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

(₹ in lacs)

	Current year ended March 31, 2018	Previous year ended March 31, 2017
<b>Opening Stocks :</b>		
Work-in-Process	771.45	579.12
Finished Goods	15,921.67	8,071.50
By Products and Scrap	565.82	1,064.75
	<b>17,258.94</b>	<b>9,715.37</b>
<b>Less: Closing Stocks :</b>		
Work-in-Process	1,944.66	816.60
Finished Goods #	10,038.70	16,151.01
By Products and Scrap	1,376.25	2,244.93
	<b>13,359.62</b>	<b>19,212.54</b>
	<b>3,899.33</b>	<b>(9,497.17)</b>
(Increase) / Decrease in excise duty and cess on stocks	<b>(1,507.82)</b>	<b>797.20</b>
<b>Total:</b>	<b>2,391.51</b>	<b>(8,699.97)</b>

# Finished goods stock include Trading Stock of ₹ 506.38 lacs



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

**Stock of finished goods comprises:**

	(₹ in lacs)	
	Current year ended March 31, 2018	Previous year ended March 31, 2017
<b>Opening Stock :</b>		
Sponge Iron	1,178.41	1,287.60
Pig Iron	1,126.46	1,686.30
Steel Bars/Rods	214.99	321.92
Billet/MS Ingots	19.49	160.88
Ferro Alloys	904.87	160.23
Ductile Iron Pipe	4,234.26	1,634.57
Coke	8,243.19	2,820.00
<b>Total:</b>	<b>15,921.67</b>	<b>8,071.50</b>
<b>Closing Stock :</b>		
Sponge Iron	746.96	1,407.75
Pig Iron	1,104.04	1,126.46
Steel Bars/Rods	661.62	214.99
Billet/MS Ingot	971.09	19.49
Ferro Alloys	2,778.42	904.87
Ductile Iron Pipe	3,335.99	4,234.26
Coke	440.58	8,243.19
<b>Total:</b>	<b>10,038.70</b>	<b>16,151.01</b>

**Note 30 : Excise Duty**

	(₹ in lacs)	
	Current year ended March 31, 2018	Previous year ended March 31, 2017
Excise Duty	3,572.58	14,335.40
	<b>3,572.58</b>	<b>14,335.40</b>

**Note 31 : Employee Benefits Expense**

	(₹ in lacs)	
	Current year ended March 31, 2018	Previous year ended March 31, 2017
Salaries, Wages, Bonus & Other Benefits	6,193.31	5,208.87
Contribution to Provident Fund & other fund	425.93	457.70
Staff Welfare Expenses	271.47	197.48
Directors remuneration	—	6.75
<b>Total:</b>	<b>6,890.71</b>	<b>5,870.80</b>

**Note 32 : Finance Costs**

	(₹ in lacs)	
	Current year ended March 31, 2018	Previous year ended March 31, 2017
<b>Interest Expenses</b>		
On Term loans	—	—
On Others	3,158.66	4,276.12
<b>Finance charges</b>	<b>232.74</b>	<b>372.41</b>
<b>Total:</b>	<b>3,391.40</b>	<b>4,648.53</b>

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

**Note 33 : Other Expenses**

(₹ in lacs)

	Current year ended March 31, 2018	Previous year ended March 31, 2017
Consumption of Stores and Spares	19,847.54	11,664.28
Labour Charges	7,087.69	4,886.47
Power and Fuel (Net)	12,799.88	6,505.77
Repairs and Maintenance:		
- Plant and Machinery	559.86	245.23
- Buildings	140.42	72.37
- Others	884.67	533.46
Water Charges	418.12	353.00
Equipment Hire Charges	3,199.13	2,589.49
Shifting Expenses	20.99	45.63
Freight and Transportation	1,226.40	939.23
Rent and Hire	69.06	69.97
Rates and Taxes	210.01	467.24
Insurance	235.44	159.57
Advertisement	69.42	56.84
Brokerage and Commission (Other than Sole Selling Agents)	275.03	174.75
Travelling and Conveyance	484.23	386.68
Telephone and Postage	60.25	70.88
Legal and Professional Charges ( Refer Note 54 )	536.74	329.21
Director's Fees	1.60	1.65
Allowance for Doubtful Debts	-	1,286.21
Provision for Doubtful Debts and Advances	1,643.51	2,479.95
Provision for Diminution in the Value of Investments	0.48	-
Irrecoverable Debts and Advances Written off	17.29	168.49
Less: Adjusted against Provisions	-	-
	57.51	-
Loss on sale of long term non trade Investments	-	-
Less: Adjusted against Provisions	-	-
	13.03	12.46
Charity and Donations	610.83	497.23
Security and Service Charges	1.84	2.64
Loss on Sale of Property, Plant & Equipment	178.31	286.57
Miscellaneous Expenses	54.05	334.44
Prior period expenses (Net)		
<b>Total:</b>	<b>50,703.33</b>	<b>34,619.71</b>

**Note 34 : Other Comprehensive Income**

(₹ in lacs)

	Current year ended March 31, 2018	Previous year ended March 31, 2017
<b>Other Comprehensive Income (Refer note 53)</b>		
(A) Items that will not be reclassified to profit or loss		
(I) Remeasurements of the defined benefit plans	405.79	102.23
(II) Gains from investments designated at FVOCI	--	3.38
	<b>405.79</b>	<b>105.61</b>

### 35A. Contingent liabilities

	As at March 31, 2018	As at March 31, 2017
a) Claims against the Company not acknowledged as debts		
i) Excise and Service Tax Demands under dispute/appeal	26,797.88	28,700.15
ii) Custom Demand on differential duty on imported Coke	213.28	482.65
iii) Sales Tax /VAT Tax matters under dispute / appeal	2,387.39	2,323.23
iv) Income Tax matters under dispute/appeal	6.85	6.85
b) Letters of Credit, Bills discounted and Bank Guarantees outstanding	690.61	1,917.08
c) Custom Duty on Import of Equipment and spare parts under EPCG Scheme	1,529.00	1,242.00
d) Guarantees and Counter guarantees given by the Company for loans obtained by other companies	900.00	3,415.00
e) Legal Case matters under disput/appeal	16,237.29	16,237.29

### 35B Capital and other commitments

Estimated amount of contracts remaining to be executed

on Capital Account and not provided for

75.03

279.29

36 During the year under review, UCO Bank, Allahabad Bank and Union Bank of India have assigned their credit exposure to the company to Edelweiss Asset Reconstruction Company Limited. However, in the absence of any agreement being entered into with them by the company the dues owed by the company to the aforesaid banks have been carried forward in the books of accounts as Long Term Debts in favour of the said ARC.

37 On the basis of the majority in collective/individual mandate from the lenders regarding Exit from CDR scheme. The CDR EG approved that the Company stands exited from the CDR mechanism on account of failure of CDR approved package, in their meeting dated 31.10.2017.

38 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 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 year ended 31st March, 2018 stands at ₹ 43,744.25 lacs (P.Y. - ₹ 39,544.56 lacs). The accumulated interest not provided till 31st March, 2018 stands at ₹ 83,288.81 lacs. Accordingly the same has not been considered for compilation of results of the said year ended 31 st March, 2018. The Statutory Auditors have qualified their Audit Report in respect of this matter.

39 Due to unfavourable market conditions and other adverse industry scenario the company has incurred net loss during the year ended 31 st March, 2018. 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.

### 40 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.

**The Company as lessee**

#### (i) 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, 2018 (Contd.)

(₹ in lacs)

Particulars	Current year ended March 31, 2018	Previous year ended March 31, 2017
Payments recognised as a expenses	10.14	10.14
Future Minimum 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	665.31	675.45

- 41 During the year, the Company has accounted for the following subsidies / incentives receivable from the Government of West Bengal under West Bengal Incentive Scheme aggregating to ₹ 1,084.96 lacs (₹ 2,079.90 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 the Company has not recognised any income under the scheme for the period October 01, 2017 to March 31, 2018.

(₹ in lacs)

Sl. No.	Particulars	Account to which credited	Current year ended March 31, 2018	Previous year ended March 31, 2017
a)	Industrial Promotion Assistance	Subsidy on Sales Tax / Value Added Tax under Sales & Service	1,084.96	2,079.90

#### 42 Exceptional Item:

Exceptional items of ₹ 3,973.81 lacs for the year ended March 31, 2018:

- Owing to invocation of pledge of shares held in one of the subsidiary company M/s Nilachal Iron and Power Limited by M/s Omkara Asset Reconstruction Company Private Limited at a distress value of ₹ 850 lacs, the company has booked loss to the tune of ₹ 6,893.96 lacs and simultaneously wrote-back the residual loan liability of ₹ 2,890.15 lacs.
- The loan was taken from IFCI Limited, which they had assigned to Omkara Assets Reconstruction Company Private Limited

#### 43 Loans and Advances includes the following balances

(₹ in lacs)

Name of the Company	As at March 31, 2018	Maximum Amount due at any time during year ended March 31, 2018	As at March 31, 2017	Maximum Amount due at any time during year ended March 31, 2017
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#### In terms of Regulation 34(3) of the SEBI (LODR) Regulations, 2015

Jai Balaji Jyoti Steels Ltd.	7,945.25	11,323.52	10,326.99	10,326.99
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#### 44 Employee Benefits

##### A. 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:

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

**I. Expenses recognized in the Statement of Profit & Loss Account are as follows :** (₹ in lacs)

Particulars	Current year ended March 31, 2018	Previous year ended March 31, 2017
Current service cost	159.32	161.84
Interest cost on benefit obligation	57.34	57.07
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>194.89</b>	<b>218.92</b>

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

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of Defined Benefits Obligation	(685.94)	(1076.30)
Fair value of plan assets	105.51	239.21
	(580.44)	(837.09)
Less: Unrecognised past service cost	-	-
<b>Total Expenses</b>	<b>(580.44)</b>	<b>(837.09)</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, 2018	As at March 31, 2017
Present value of Defined Benefits Obligation at the beginning of the year	1,020.33	1,000.90
Current Service Cost	159.32	161.83
Interest Cost	68.62	76.78
Settlement Cost	(29.66)	-
Benefits Paid	(134.57)	(55.05)
Actuarial Loss/(Gain)	(405.99)	(105.29)
Plan Amendments	7.89	(2.89)
<b>Present value of Defined Benefits Obligation at the year end</b>	<b>685.94</b>	<b>1,076.29</b>

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

Particulars	As at March 31, 2018	As at March 31, 2017
Fair Value of Plan Assets at the beginning of the year	218.99	278.51
Expected Return	(0.20)	18.13
Interest Income	11.28	0.43
Contribution by Employer	10.00	-
Benefits paid	(134.57)	(57.94)
Actuarial Gains/(Losses)	-	0.06
<b>Fair Value of Plan Assets at the year end</b>	<b>105.51</b>	<b>239.20</b>



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

**V. Expenses recognized in Other comprehensive Income (OCI) for Current Year** (₹ in lacs)

Particulars	As at March 31, 2018	As at March 31, 2017
Acturial(Gain)/Losses due to DBO Assumption changes	(323.40)	90.11
Acturial(Gain)/Losses due to DBO experience	(82.59)	(195.40)
Return on Plan Assets(Greater)/Less than Discount Rate	0.20	1.09
<b>Net (Income)/Expense for the period recognized in OCI</b>	<b>(405.79)</b>	<b>(104.20)</b>

**VI. Balance Sheet Reconciliation** (₹ in lacs)

Particulars	As at March 31, 2018	As at March 31, 2017
Net defined benefit asset/(liability) at end of prior period	(801.34)	(722.39)
Service cost	(137.55)	(161.83)
Net interest on net defined benefit liability/(asset)	(57.34)	(57.07)
Amount recognised in OCI	405.79	104.20
Employer contribution	10.00	-
<b>Amount recognised in Balance Sheet</b>	<b>(580.44)</b>	<b>(837.09)</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, 2018	Previous year ended March 31, 2017
<b>Summary of Financial Assumptions</b>		
Discount Rate	7.60%	7.20%
Salary Escalation Rate	7.00%	10.00%
<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, 2018	Gratuity year ended March 31, 2017
<b>Sensitivity Analysis</b>			
Changes in Defined Benefit Obligations			
Salary Escalation	1%	77.91	135.12
Salary Escalation	-1%	66.83	104.88
Discount Rates	1%	65.88	111.94
Discount Rates	-1%	78.18	150.56

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.

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

**B. Charge to the Statement of Profit and Loss on contributions**

(₹ in lacs)

Particulars	Current year ended March 31, 2018	Previous year ended March 31, 2017
Contribution to Provident Fund and other Funds	588.96	515.37

45. 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:

Sl No.	Particulars	Current year ended March 31, 2018	Previous year ended March 31, 2017
a)	Principal Amount remaining unpaid to the suppliers as at the end of the period	-	-
b)	Interest due on above remaining unpaid to the suppliers as at the end of the period	-	-
c)	Amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006	-	-
d)	Amount of interest due and payable for the period of delay in making payment (which have been paid beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
e)	Amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
f)	Amount of further interest remaining due and payable even in the succeeding years.	-	-

**46 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, 2018	Previous year ended March 31, 2017
Domestic Revenues (Including Subsidy)	232,105.45	167,719.84
Export Revenues (Including Export Benefits)	6,827.84	2,471.07
Total Net Revenue	238,933.29	170,190.91

(₹ in lacs)

Particulars	Current year ended March 31, 2018	Previous year ended March 31, 2017
Domestic Trade Receivables	39,391.63	48,392.18
Export Trade Receivables	547.64	870.49
Total	39,939.27	49,262.67

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

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

Particulars	Foreign Currency (FC)	As at March 31, 2018		As at March 31, 2017	
		in FC	₹ in lacs	in FC	₹ in lacs
Receivables					
(a) Trade Receivables	US\$	842,894	547.64	1,342,556	870.49
(b) Advances	US\$	71,853	46.55	77,177	48.37
	Euro	1,895	1.53	–	–
Total			595.72		918.86
Payables					
(a) Trade Payables	US\$	259,096	168.53	382,478	246.47
	Euro	112,434	90.65	68,712	47.58
	GBP	–	–	15,540	12.57
(b) Advances	US\$	116,995	75.41	–	–
Total			334.59		306.62

48. 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, 2018	Previous year ended March 31, 2017
A	Profit/ (Loss) after Tax	₹ in lacs	(25,666.35)	(25,570.12)
B	Number of shares at the beginning of the year	Nos.	86,281,486	77,781,486
C	Total equity shares outstanding at the end of the year	Nos.	96,386,486	86,281,486
D	Weighted average number of equity shares outstanding at the end of the year	Nos.	93,393,801	83,630,253
E	Nominal Value of each Share	₹	10.00	10.00
F	Basic Earning per Share	₹	(27.48)	(30.58)
G	Diluted Earning per Share	₹	(27.48)	(30.58)

49. 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 Ms. Puja Chourasia, Comapny Secretary
<b>Relatives of Key Management Personnel</b>	Mr. Rajiv Jajodia, Brother of Wholetime Director Mr. Gourav 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) Shri Sankatmochan Steel Private Limited (SSPL) Shri Jaikapish Steel Private Limited (JSPL) Hari Management Limited (HML) Jajodia Estate Private Limited (JEPL)

**Notes to consolidated financial statements for the year ended March 31, 2018 (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 (394,390.00)	-
	Sanjiv Jajodia	-	-	-	-	-	-	-	-	-	-	-	371,357.00 (394,390.00)	-
	Aashish Jajodia	-	-	-	-	-	-	-	-	-	-	-	-	-
	Aashish Jajodia	-	-	-	-	-	-	-	-	-	-	-	(10,033.00)	-
	Ajay Kumar Tania	-	-	-	-	-	-	28.73 (22.34)	-	-	-	-	-	-
	Puja Chourasia	-	-	-	-	-	-	(3.22)	-	-	-	-	-	-
<b>Relatives of Key Management Personnel</b>	Rajiv Jajodia	-	-	-	-	-	0.15 (0.20)	-	-	-	-	-	371,357.00 (394,390.00)	-
	Gaurav Jajodia	-	-	-	-	-	0.15 (0.20)	-	-	-	-	-	371,357.00 (384,357.00)	-
	CSIL	17.71 (35.54)	47.76 (58.46)	-	-	-	-	-	-	-	1,076.95 (1,549.98)	-	-	900.00 (900.00)
<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>	JBSL	354.94 (71.03)	4,062.47 (740.82)	-	-	-	-	-	-	-	7,945.25 (10,327.00)	(4.86)	-	-
	JSBPL	1,329.66 (568.37)	499.77 (87.59)	-	-	-	-	-	-	-	677.55 (1,366.76)	-	-	-
	JSPL	-	-	-	-	-	-	-	-	-	-	-	-	-
	SSPL	-	-	-	-	-	-	-	(318.75)	(425.00)	-	-	-	-
	BIU	-	-	-	-	-	-	-	-	-	-	-	-	-
	JEPL	-	-	0.80 (0.79)	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	ESL	-	-	-	-	-	-	-	-	-	-	651.54 (719.82)	-	-
	HML	-	-	-	-	-	-	-	-	-	-	432.76 (428.75)	-	-
<b>Total</b>		1,702.31 (674.94)	4,610.00 (886.87)	0.80 (0.79)	-	-	0.30 (0.40)	28.73 (25.56)	-	-	9,699.75 (13,243.74)	1,084.30 (1,153.56)	371,357.00 (394,390.00)	900.00 (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



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

#### 50 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, 2018	As at 31st March, 2017	As at 1st April, 2016
i	Equity share capital	9,638.26	8,627.76	7,777.76
ii	Other equity	(152,300.12)	(132,189.64)	(106,517.97)
	<b>Total Equity (a)</b>	<b>(142,661.86)</b>	<b>(123,561.88)</b>	<b>(98,740.21)</b>
i	Borrowings	351,027.60	293,886.01	306,894.42
ii	Interest accrued and due on borrowings	11,501.23	19,250.22	19,794.46
iii	Current maturity of long term debt	-	66,306.27	41,436.11
	<b>Total debt (b)</b>	<b>362,528.83</b>	<b>379,442.50</b>	<b>368,124.99</b>
	Cash and cash equivalents	727.98	463.19	458.95
	<b>Total cash (c)</b>	<b>727.98</b>	<b>463.19</b>	<b>458,946.47</b>
	Net debt (b-c)	361,800.85	378,979.31	367,666.04
	Total capital(equity+ net debt)	219,138.99	255,417.43	268,925.83
	Net debt to equity ratio	(2.54)	(3.07)	(3.72)

#### 51 Fair Value Measurements

##### a) Financial instruments by category

	As at March 31, 2018			As at March 31, 2017			As at April 01, 2016		
	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
<b>Financial Assets</b>									
Investments	27.52	78.93	-	27.52	190.00	-	27.52	186.79	-
Trade receivables	39,939.27	-	-	49,262.67	-	-	58,817.97	-	-
Bank balance other than Cash and cash equivalents	67.98	-	-	961.46	-	-	1,217.53	-	-
Loans	11,712.61	-	-	12,657.49	-	-	11,331.62	-	-
Cash and cash equivalents	731.00	-	-	463.19	-	-	458.95	-	-
Other financial assets	51.44	-	-	219.39	-	-	474.39	-	-
<b>Total Financial Assets</b>	<b>52,529.82</b>	<b>78.93</b>	<b>-</b>	<b>63,591.72</b>	<b>190.00</b>	<b>-</b>	<b>72,327.97</b>	<b>186.79</b>	<b>0.00</b>
<b>Financial Liabilities:</b>									
Non Current Borrowings	5,731.75	-	-	5,311.54	-	-	4,923.49	-	-
Current Borrowings	345,295.85	-	-	288,574.47	-	-	301,970.93	-	-
Other financial Liabilities	28,539.23	-	-	100,675.49	-	-	73,270.83	-	-
Trade payables	64,142.37	-	-	58,139.22	-	-	79,596.39	-	-
<b>Total Financial Liabilities</b>	<b>443,709.20</b>	<b>-</b>	<b>-</b>	<b>452,700.72</b>	<b>-</b>	<b>-</b>	<b>459,761.64</b>	<b>-</b>	<b>-</b>



**Notes to consolidated financial statements for the year ended March 31, 2018 (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 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>

**Financial Assets and Liabilities measured at fair value as at 31 March, 2017**

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Financial Investment	184.06	-		190.00
Security deposit			2,018.96	2,018.96
<b>Total</b>	<b>184.06</b>	<b>-</b>	<b>2,018.96</b>	<b>2,208.96</b>
<b>Financial Liabilities</b>				
Borrowings	-	-	5,311.54	5,311.54
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5,311.54</b>	<b>5,311.54</b>

**Financial Assets and Liabilities measured at fair value as at 01 April, 2016**

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Financial Investment	186.79	-	5,311.54	5,498.33
Security deposit			1,314.95	1,314.95
<b>Total</b>	<b>186.79</b>	<b>-</b>	<b>6,626.49</b>	<b>6,813.28</b>
<b>Financial Liabilities</b>				
Borrowings	-	-	4,923.49	4,923.49
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,923.49</b>	<b>4,923.49</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 31 March 2018, 31 March 2017 and 1 April 2016.

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

**52 First time adoption Ind AS reconciliations**

**I A. Reconciliation of Equity as on 1st April, 2016 and 31st March, 2017**

(₹ in lacs)

	As at 31.03.2017			As at 1.04.2016		
	I GAAP	Adjustment	IND-AS	I GAAP	Adjustment	IND-AS
<b>ASSETS</b>						
<b>Non Current Assets</b>						
Property, Plant and equipment	158,387.98	(114.90)	158,273.08	169,042.71	(115.81)	168,926.90
Capital Work in Progress and Pre-Operative Expenditure						
Pending Allocation	13,400.38	(1.86)	13,398.52	13,003.56	(1.86)	13,001.70
<b>Financial Assets</b>						
i) Investments	445.99	(228.47)	217.52	444.19	(229.88)	214.31
ii) Loans	10,325.10	(9,042.97)	1,282.13	11,327.30	(10,416.96)	910.34
iii) Others		69.38	69.38	-	450.76	450.76
Deferred Tax Assets (Net)	30,716.72	-	30,716.72	30,716.72	0.00	30,716.72
Other Non Current Assets	69.38	8,821.13	8,890.51	450.76	9,800.37	10,251.13
<b>Sub Total</b>	<b>213,345.55</b>	<b>(497.69)</b>	<b>212,847.86</b>	<b>224,985.24</b>	<b>(513.38)</b>	<b>224,471.86</b>
<b>Current Assets</b>						
Inventories	45,957.50	-	45,957.50	52,787.81	-	52,787.81
<b>Financial Assets</b>						
i) Trade Recivable	65,412.12	(16,149.45)	49,262.67	73,681.25	(14,863.31)	58,817.94
ii) Cash and cash equivalents	463.19	-	463.19	458.95	-	458.95
iii) Bank Balance other than Cash and cash equivalents	961.46	-	961.46	1,217.53	-	1,217.53
iv) Loans	30,331.17	(18,955.81)	11,375.36	30,377.22	(19,955.94)	10,421.28
v) Others		150.01	150.01	-	23.63	23.63
Other Current Assets	13,024.80	18,752.25	31,777.05	9,499.10	19,886.78	29,385.88
<b>Sub Total</b>	<b>156,150.24</b>	<b>(16,203.00)</b>	<b>139,947.24</b>	<b>168,021.86</b>	<b>(14,908.84)</b>	<b>153,113.02</b>
<b>TOTAL ASSETS</b>	<b>369,495.78</b>	<b>(16,700.69)</b>	<b>352,795.10</b>	<b>393,007.10</b>	<b>(15,422.22)</b>	<b>377,584.88</b>
<b>EQUITY AND LIABILITIES</b>						
Equity Share Capital	8,627.76	-	8,627.76	7,777.76	-	7,777.76
Other Equity	(119,431.94)	(12,757.70)	(132,189.64)	(95,426.82)	(11,091.15)	(106,517.97)
<b>Sub Total</b>	<b>(110,804.18)</b>	<b>(12,757.70)</b>	<b>(123,561.88)</b>	<b>(87,649.06)</b>	<b>(11,091.15)</b>	<b>(98,740.21)</b>
<b>Non Current Liabilities</b>						
<b>Financial Liabilities</b>						
Long Term Borrowings	214,429.80	(209,118.26)	5,311.54	231,896.92	(226,973.43)	4,923.49
<b>Sub Total</b>	<b>214,429.80</b>	<b>(209,118.26)</b>	<b>5,311.54</b>	<b>231,896.92</b>	<b>(226,973.43)</b>	<b>4,923.49</b>
<b>Current Liabilities</b>						
<b>Financial Liabilities</b>						
i) Short Term Borrowings	83,409.36	205,165.11	288,574.47	79,338.69	222,632.24	301,970.93
ii) Trade Payables	58,139.22	-	58,139.22	79,596.40	-	79,596.40
iii) Other Financial Liabilities	85,111.29	15,564.20	100,675.49	63,380.27	9,890.56	73,270.83
Other Current Liabilities	38,227.56	(15,554.04)	22,673.52	25,604.91	(9,880.45)	15,724.46
Short Term Provisions	982.74	-	982.74	838.98	-	838.98
<b>Sub Total</b>	<b>265,870.17</b>	<b>205,175.27</b>	<b>471,045.44</b>	<b>248,759.24</b>	<b>222,642.36</b>	<b>471,401.60</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>369,495.78</b>	<b>(16,700.69)</b>	<b>352,795.10</b>	<b>393,007.10</b>	<b>(15,422.22)</b>	<b>377,584.88</b>

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

B. Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017

(₹ in lacs)

	For the year ended 31st March, 2017		
	I GAAP	Adjustment	IND-AS
<b>INCOME</b>			
Revenue from Operations	170,190.91	14,335.40	184,526.31
Other Income	2,114.53	0.09	2,114.62
<b>Total Income (I)</b>	<b>172,305.44</b>	<b>14,335.49</b>	<b>186,640.93</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	149,680.13	-	149,680.13
Purchase of Stock in Trade	-	-	-
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(8,699.97)	-	(8,699.97)
Excise Duty on sale of goods	-	14,335.40	14,335.40
Employee Benefits Expense	5,766.60	104.20	5,870.80
Finance costs	4,260.48	388.05	4,648.53
Depreciation and Amortisation Expense	11,757.31	(0.86)	11,756.45
Other Expenses	33,333.21	1286.50	34,619.71
<b>Total Expenses (II)</b>	<b>196,097.76</b>	<b>16,113.29</b>	<b>212,211.05</b>
<b>Profit / (Loss) before exceptional items and Tax (I-II)</b>	<b>(23,792.32)</b>	<b>(1,777.80)</b>	<b>(25,570.12)</b>
<b>Exceptional Item</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit / (Loss) before Tax (I-II)</b>	<b>(23,792.32)</b>	<b>(1,777.80)</b>	<b>(25,570.12)</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>-</b>
<b>Profit/(Loss) for the period</b>	<b>(23,792.32)</b>	<b>(1,777.80)</b>	<b>(25,570.12)</b>
<b>Other Comprehensive Income:</b>			
<b>A (i) Items that will not be reclassified to profit &amp; Loss:</b>			
(a) Remeasurement of net defined benefit Plans	-	102.23	102.23
(b) Gains from investments designated at FVOCI	-	3.38	3.38
<b>Other Comprehensive Income for the year</b>	<b>-</b>	<b>105.61</b>	<b>105.61</b>
<b>Total Comprehensive Income for the year</b>	<b>(23,792.32)</b>	<b>(1,672.19)</b>	<b>(25,464.51)</b>

**II. Effect of Ind AS adoption on Cash Flows for the year ended 31st March, 2017**

(₹ in lacs)

	For the year ended 31st March, 2017		
	I GAAP	Adjustment	IND-AS
Net Cash generated/(used in) Operating Activities	(10447.53)	10.14	(10437.39)
Net Cash generated from Investing Activities	2637.79	-	2637.79
Net Cash generated from Financing Activities	7840.02	(10.14)	7829.88
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>30.28</b>	<b>-</b>	<b>30.28</b>
Cash and Cash Equivalents at the beginning of the year	622.45	-	622.45
Cash and Cash Equivalents at the end of the year	652.72	-	652.72



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

#### 53 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".

#### 54. Auditors Remuneration (included in Legal and Professional Charges)

(₹ in lacs)

Payment to Auditor	Current year ended March 31, 2018		Previous year ended March 31, 2017	
<b>Holding Company</b>				
As auditor:				
Audit fee	3.50		3.50	
Limited Review	7.50		7.50	
Tax Audit	0.50		0.75	
Out-of-pocket expenses	-	11.50	-	11.75
In other manner for Certification		0.28		0.43
<b>Total*</b>		<u>11.78</u>		<u>12.18</u>
<b>Subsidiary Companies</b>				
As Auditor :				
Audit fee	0.12		0.85	
Tax Audit	-		0.25	
Out-of-pocket expenses	-	0.12	-	1.10
In other manner for Certification		-		0.02
<b>Total</b>		<u>0.12</u>		<u>1.12</u>

\*Out of above amount, paid to other auditor amounts to ₹ 0.50 lacs (₹ 0.75 lacs)

#### 55. (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.*	
	2017-18	2016-17	2017-18	2016-17
Company's share in Joint Venture	32.79%	32.79%	6.90%	6.90%
Country of Incorporation	India	India	India	India

\*The Hon'ble Supreme Court vide its Order dated 24th September, 2014 has cancelled number of coal blocks allotted to various companies. These include two coal blocks under development viz. Andal East in West Bengal and Rohne in Jharkhand allocated to the Company jointly with other parties. 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.

#### (b) Subsidiary :

Nilachal Iron & Power Limited (NIPL) ceases to be a subsidiary of the Company subsequent to invocation of pledge of 100% Equity Shares (except 600 equity shares held by the Company as beneficiary shareholder) of NIPL by alender of the Company.



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

**56 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 of 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 recognize a decline other than temporary in the value of the investments.

**57** Previous GAAP figures have been reclassified/regrouped wherever necessary to confirm with financial statements prepared under Ind AS. The figures of the Consolidated Financial Statement of Current Year are not comparable with that of the last year as Current Year's Figures does not include that of M/S Nilachal Iron & Power Limited (NIPL) which was included in the last year for the reasons stated in Note No 55.

**58** The financial statements are approved by the audit committee at its meeting held on 30th June, 2018 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> June, 2018

**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**



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## Corporate Information

### Board of Directors

**Shri Aditya Jajodia**

*Chairman & Managing Director*

**Shri Sanjiv Jajodia**

*Whole-time Director &  
Chief Financial Officer*

**Shri Rajiv Jajodia**

**Shri Gourav Jajodia**

**Shri Amit Kumar Majumdar**

**Shri Ashim Kumar Mukherjee**

**Shri Shailendra Kumar Tamotia**

**Ms. Seema Chowdhury**

**Ms. Swati Agarwal**

**Ms. Rakhi Jain**

**Ms. Swati Bajaj**

**Shri Manas Kumar Nag**

*Nominee Director*

### Company Secretary & Compliance Officer

**Shri Ajay Kumar Tantia**

### Statutory Auditors

**M/s. S. K. Agrawal & Co.**

*Chartered Accountants*  
Suite - 606-08, The Chambers  
1865, Rajdanga Main Road  
Kolkata - 700 107

### Internal Auditor

**M/s. NKAS & Associates**

**(Formerly M/s. Namita Kedia &  
Associates)**

*Chartered Accountants*  
202, Jessore Road, Lake Town  
Block - E, 1st Floor  
Kolkata - 700 089

### Cost Auditor

**M/s. Mondal & Associates**

*Mr. Amiya Mondal, Proprietor*  
*Cost Accountants*  
45, Akhil Mistry Lane  
Kolkata - 700 009

### Registered Office

5, Bentinck Street  
Kolkata – 700 001  
West Bengal, India  
Phone: 91-33-2248 9808  
Fax: 91-33-2243 0021  
E-mail: [jaibalaji@jaibalajigroup.com](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

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

### WEBSITE

[www.jaibalajigroup.com](http://www.jaibalajigroup.com)

### INVESTORS' E-MAIL ID

[jaibalaji@jaibalajigroup.com](mailto:jaibalaji@jaibalajigroup.com)



## **Jai Balaji Industries Limited**

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