



## JINDAL COTEX LIMITED

Regd. Off. : VPO. Jugiana, G.T. Road, Ludhiana (PB) 141017  
Works : Village Mandiala Kalan, P.O. Bija, Tehsil Khanna, Distt. Ludhiana (PB) 141412  
+91 161 2511840 CIN : L17115PB1998PLC021084  
info@sjgroup.in www.jindalcotex.com

Dated: 29.11.2018

Listing Department,  
National Stock Exchange Limited,  
Exchange Plaza,  
Plot No. C/1, G- Block,  
Bandra Kurla Complex,  
Bandra (E), Mumbai – 400 051

**Subject: Submission of Annual Report**

**Symbol: JINDCOT**

**Series: EQ**

**ISIN: INE904J01016**

Sir,

Pursuant to Regulations 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith copy of Annual Report for the year ended 31.03.2018.

Kindly find the same in order and take on your record.

Thanking You,

Yours Faithfully,  
For Jindal Cotex Limited

(Anil Kumar)  
Company Secretary



**21<sup>st</sup>**

***Annual Report***  
***2017-2018***

**JINDAL COTEX LIMITED**



# JINDAL COTEX LIMITED

Annual Report  
2017-2018

## BOARD OF DIRECTORS

Mr. Sandeep Jindal	Managing Director
Mr. Rajesh Khanna	Independent Director
Mr. Anil Kumar	Independent Director
Ms. Alisha	Independent Director
Mr. Kartar Chand Dhiman	Independent Director

## KEY MANAGERIAL PERSONNEL

Mr. Sandeep Jindal	Managing Director
Mr. Anil Kumar	Company Secretary

## MANAGER ACCOUNTS

Mr. Gurvinder Singh

## REGISTRAR & SHARE TRANSFER AGENTS

Bigshare Services Private Limited,  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri East,  
Mumbai - 400059 - Maharashtra  
Phones: (022) 62638200  
Fax: (022) 62638209  
Email ID: info@bigshareonline.com

## AUDITORS

M/s Raj Gupta & Co.,  
Chartered Accountants  
SCO -549/10, Satluj Tower,  
Opp. Petrol Pump,  
Fountain Chowk,  
Ludhiana 141001

## REGISTERED & CORPORATE OFFICE AND WORKS

VPO Jugiana, G.T. Road,  
Ludhiana 141 017  
CIN No: L17115PB1998PLC021084  
Phones: (0161) 2511840  
Fax: (0161) 2511843  
Email: cs@sjgroup.in  
Website: www.jindalcotex.com

## WIND MILL

J-289, Village Pithla,  
Distt. Jaisalmer,  
Rajsthan

## UNITS

Bija, Tehsil Khana,  
Unit – II, Village Mandiala Kalan,  
Distt. Ludhiana– 141412

## BANKERS

Oriental Bank of Commerce  
State Bank of India  
Allahabad Bank  
Corporation Bank  
Bank of Baroda  
Punjab National Bank  
Central Bank of India

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## NOTICE

**NOTICE** is hereby given that the 21<sup>st</sup> Annual General Meeting of the members of **JINDAL COTEX LIMITED** will be held on Saturday, 29<sup>th</sup> day of September, 2018 at 9.00 A.M. at the Registered Office of the Company at V.P.O. Jugiana, G.T. Road, Ludhiana, to transact the following business:-

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March, 2018 and Profit & Loss Account for the year ended on that date together with the reports of the Director's and Auditor's thereon.
2. To appoint auditors of the company and to fix their remuneration.

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. K R Aggarwal & Associates, Chartered Accountants, (Registration No. 030088N), be and is hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of 21<sup>st</sup> Annual General Meeting till the conclusion of 25<sup>th</sup> Annual General Meeting of the Company, on such remuneration including reimbursement of out of pocket expenses as may be mutually agreed upon by the Board of Directors and the Auditors.

RESOLVED FURTHER THAT to give effect to above resolution, the Board of Directors of the Company be and is hereby authorized to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf

### SPECIAL BUSINESS

3. To consider, and if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made there under, read with Schedule IV to the said Act, Mr. Kartar Chand Dhiman (DIN :05143805), who was appointed as the Additional Director pursuant to provisions of section 161(1) of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the

Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years and whose office shall not be liable to determination by retirement of directors by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to sign the form DIR-12 and make arrangement to file the same with Registrar of Companies and intimate to Stock Exchange(s) and to take such other steps as may be necessary in this regard."

4. To consider, and if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution:-

"RESOLVED THAT Board of Directors of the Company on the recommendations of the Audit Committee has approved appointment of the M/s. Gurvinder Chopra and Co., Cost Auditors (Firm Registration No. 100260) of the Jindal Cotex Limited for the financial year 2018-19 at a remuneration of Rs. 25,000/- (Rupees Twenty five Thousand only) plus applicable Goods and service tax and out-of-pocket expense.

"RESOLVED FURTHER THAT the Shareholders hereby ratify the actions of the Board of Directors pursuant to the provisions of Section 148(3) and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, for approving recommendation of Audit Committee for remuneration at Rs. 25,000/- (Rupees Twenty five Thousand only) plus applicable Goods and service tax and out of pocket expenses of M/s Gurvinder Chopra and Co., Cost Auditor(s) to conduct the audit of the cost records of the Company for the financial year 2018-19.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary for the purpose of giving effect to this resolution".

5. To consider, and if thought fit, to pass with or without modifications, the following resolution as an special resolution:-

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with Rules issued there



under, including the Companies (Meetings of Board and its powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulation 23 and other applicable regulations of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015, the consent of the members be and is hereby accorded to the Board of Directors of the company for entering into the contracts / arrangement / transactions (Including material related party transactions as per Regulation 23 of SEBI Listing Regulations, more particularly described in the explanatory statement of this resolution, with related parties either existing on the date of this notice and/ or with any other related party which may be identified or come into existence in the future, for an aggregate maximum amount upto Rs. 100.00 crores (Rs. one hundred crore only) in each financial year on such terms and conditions as may be mutually agreed between the company and the respective related party.

RESOLVED FURTHER THAT pursuant to the provisions of Section 189 of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Sh. Sandeep Jindal, Managing Director of the company be and is hereby authorized to make the necessary entries, where applicable, in the register of contracts or arrangements.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to decide upon the nature and value of the products, goods, materials, services, investment, capital contribution, disinvestment, borrowing, lending etc., to be transacted / availed with/ from the related parties within the aforesaid limit and to take such steps as may be necessary to obtains approvals, sanctions, consents, permission, perform and execute all such act, deeds, matters and things (Including delegation of such authority), as may be deemed necessary for the purpose of giving effect to this resolution".

**BY ORDER OF THE BOARD  
FOR JINDAL COTEX LIMITED**

PLACE: Ludhiana  
DATED: 1<sup>st</sup> September, 2018

(Sandeep Jindal)  
Managing Director  
DIN: 01639743

**NOTES:**

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to vote on his/her**

**behalf at the meeting. The proxy need not be a member of the company. The instrument appointing the proxy in order to be effective must be deposited at the Registered Office of the company at least 48 hours before the time for the meeting. The blank Proxy form is enclosed.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights A proxy shall not have a right to speak at the Annual General Meeting and shall not be entitled to vote except on a poll.

2. The relative explanatory statement pursuant to section 102(1) of the Companies Act, 2013 relating to special business to be transacted at the Annual General Meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 27th September, 2018 to Saturday, 29th September, 2018 (both days inclusive).
4. Members desiring any information as regards accounts are requested to write to the company at its Registered Office at least 10 days before the date of Annual General Meeting so as to enable the Management to keep the information ready.
5. A brief resume in respect of Directors proposed to be appointed at this AGM, the relevant details as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms integral part of the notice.
6. The members who have not registered their e-mail addresses so far, are requested to register the same in respect of electronic holdings with the depository through their depository participants. Members who are holding shares in physical form are requested to get their e-mail addresses registered with the Registrar & Transfer Agent, M/s Bigshare Services Private Limited, Mumbai.
7. The members are requested to intimate changes, if any, pertaining to their email address, postal address, Permanent Account Number (PAN), Bank details such as name of the bank, branch detail, bank account no. MICR code, IFSC code etc., to their DP, in case shares are held by them in electronic form and to the company/ Registrar & Transfer Agent, M/s Bigshare Services Private Limited, Mumbai in case shares are held by them in physical form.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number by every participant in the securities market. Members holding shares in electronic form are, therefore, to submit their PAN to the depository participants with whom they maintained their demat account. Members holding shares in physical form



should submit their PAN to the company/registrars and share transfer agent of the company.

9. Annual accounts and related documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the company.
10. Notice of the 21<sup>st</sup> Annual General Meeting and Annual Report for 2017-18 will also be available on the Company's website [www.jindalcotex.com](http://www.jindalcotex.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. For any communication, the shareholders may also send their request to the Company's Email Id at [cs@sjgroup.in](mailto:cs@sjgroup.in)
11. Members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares. Members can contact the company or Registrar and Share Transfer Agent for assistance in this regard.
12. To support the "Green Initiative", Members who have not yet registered their e-mail address are requested to register the same with their DPs in case the shares are held by them in electronic form and to the company Registrar & Transfer Agent, M/s Bigshare Services Private Limited, Mumbai in case shares are held by them in physical form.
13. A route map showing directions to the venue of the 21<sup>st</sup> Annual General Meeting is given at the end of this Notice.

**BY ORDER OF THE BOARD  
FOR JINDAL COTEX LIMITED**

**PLACE: Ludhiana**

**DATED: 1<sup>st</sup> September, 2018**

**(Sandeep Jindal)  
Managing Director  
DIN: 01639743**

**ANNEXURE TO THE NOTICE**

**Explanatory Statement as required under section 102(1) of the Companies Act, 2013, setting out all material facts relating to special business of the accompanying notice.**

**Item No. 3:**

The Board of Directors at its meeting held on 23<sup>rd</sup> September, 2017, on the recommendation of Nomination and Remuneration Committee appointed Sh. Kartar Chand Dhiman, as Additional Director under section 161 of the Companies Act, 2013. According to the provisions of the Companies Act, 2013, he will hold office upto the date of this meeting. A notice has been received from a member

alongwith deposit as prescribed under the Companies Act, 2013, signifying his intention to propose the candidature of Mr. Kartar Chand Dhiman for the office of Director of the Company. It is considered advisable in the interest of the company to appoint him on the Board to avail of his valuable advice.

None of the Directors, Key Managerial Personnel and any of their relatives are interested in the resolution. The Board recommends the aforesaid resolution for approval of the shareholders.

**Item No. 4:**

The Board of Directors at its meeting held on 14<sup>th</sup> August, 2018, on the recommendations of the Audit Committee, has approved the appointment of M/S, M/s. Gurvinder Chopra and Co., Cost Accountant (Membership No. 42655), as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2019 on a remuneration of Rs. 25,000/- (Rupees Twenty five Thousand only) plus reimbursement of out of pocket expenses.

In accordance with the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the Cost Auditor is required to be ratified by the shareholders of the Company.

The Board recommends the aforesaid resolution for approval of the shareholders.

None of the Directors and key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the above resolution.

**Item No. 5:**

A related party transaction as per SEBI listing Regulations mean "a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged". Regulation 23 of the SEBI listing regulation further provides that all material related party transactions i.e. aggregate transactions entered into with a related party during a financial year exceeding 10% of the annual consolidated turnover of the company as per last audited financial statements, require prior approval of shareholders through resolution.

Section 188 of the Companies Act, 2013 provides that if transactions with the related parties are not in the ordinary course of business or at arm's length basis, such transactions are required to be approved by the Board of Directors and shareholders depending upon the thresholds prescribed under the Companies (Meeting of Board and its Powers) Rules, 2014. In other words, approval of the Board or shareholders, as the case may be, is not required under the Companies Act, 2013, if a particular transaction is in the





ordinary course of business and at arm's length basis.

Considering the present economic environment and for smooth business operations, the company may be required to enter into related party transactions on regular basis. The Board of the company, therefore, considers necessary to take approval of the shareholders for related party transactions for an aggregate maximum amount not exceeding Rs. 100.00 crores (Rs. One hundred crores only) in every financial year.

Information as required to be disclosed under the companies (Meetings of Board and its powers) Rules, 2014, namely, name of the related party/ director/ key managerial personnel who is related, if any, nature of relationship, nature of contract/ arrangement, material terms forms part of this resolution.

The name of related parties (as on the date of this notice) and particulars of the contracts/ arrangements / transactions for which the approval is sought are set out as under:

The list of related parties (as on the date of this notice):

S. No.	Name of Related Party	Relationship
1	Jindal Specialty Textiles Limited	Group company
2	Jindal Medicot Limited	Group company
3	Himachal Textiles Park Limited	Group company
4	Jindal Technotex Limited	Group company
5	Jindal Holdings and Investment Ltd.	Group company

Particulars of the contracts/ arrangements / transactions for which the approval is sought:

S. No.	Nature of contracts / arrangements transactions
1.	Sale, Purchase or supply of any goods or materials directly or through appointment of agent
2.	Sale, purchase, transfer, leasing of any kind of property
3.	Availing or rendering of any services whether technical and/or financial or both
4	Related party's appointment to any office or place of profit in the company, its subsidiaries associates companies
5	Borrowing or lending by way of secured/ unsecured loans from/ to related parties from time to time
6	Investment in the equity capital and /or securities in group companies, subsidiaries or associates companies
7	Disinvestment of shares or securities in related parties

The Board recommends the special resolution set out at item no. 5 of the notice for approval by the members.

None of the directors/ key Managerial Personnel of the company or their relatives are in any way concerned or interested in the resolution except to the extent of their shareholding and /or directorship in the company.

## Information as required under Regulation 36 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of Directors proposed to be appointed at this AGM

Name of the Director	Mr. Kartar Chand Dhiman
Date of Birth	28.03.1957
Date of Appointment	23.09.2017
Expertise in specific functional	35 years of experience in various Business & Industries
Qualification	Graduate
Directorship of other companies	"Jindal Medicot Limited "Jindal SpecialtyTextiles Ltd. "Jindal Holdings and Investment Limited "Himachal Textile Park Ltd. "Jindal Info Media Pv Ltd
Chairmanships/ Memberships of	NIL
Committees of other companies	Two
Number of shares held	NIL
Relationship with other Directors	NIL

**BY ORDER OF THE BOARD  
FOR JINDAL COTEX LIMITED**

**PLACE : Ludhiana  
DATED: 1<sup>st</sup> September, 2018**

**(Sandeep Jindal)  
Managing Director  
DIN: 01639743**



## Voting through electronic means;

1. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2015 as well as Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is providing facility to members to exercise their right to vote at the 21<sup>st</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Securities Depository Limited (CSDL).

**The voting period begins on Wednesday, 26<sup>th</sup> September, 2018, 9:00 A.M. and ends on Friday, 28<sup>th</sup> September, 2018, 05:00 P.M. During this period shareholders' as on the cut-off date Saturday, 22<sup>nd</sup> September, 2018 holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**

2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
3. The instructions for e-voting are as under:
  - (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (ii) Click on Shareholders.
  - (iii) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (iv) Next enter the Image Verification as displayed and Click on Login.
  - (v) 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.
  - (vi) If you are a first time user follow the steps given below

<b>For members holding shares in demat and physical form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). 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 Client Id/Folio Number in the PAN field. In case the Folio 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 Folio Number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat

Dividend Bank Details	account or folio in dd/mm/yyyy format. Enter the Dividend Bank details or date of birth as recorded in your demat account Detail or in the company records for the said demat account or folio. If both the details are not recorded with the depository or company please enter the member id / folio number in the dividend bank details instruction (5)
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- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant Jindal Cotex Limited on which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.





**(xvii) Note for Institutional Shareholders**

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for 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.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xviii) 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).

4. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off date (record date) of 22<sup>nd</sup> September, 2018.
5. M/s Reecha Goel & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
6. The Scrutinizer shall within a period not exceeding three (3) days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

**BY ORDER OF THE BOARD  
FOR JINDAL COTEX LIMITED**

**PLACE: Ludhiana  
DATED: 1<sup>st</sup> September, 2018**

**(Sandeep Jindal)  
Managing Director  
DIN: 01639743**



## DIRECTOR'S REPORT

Dear Members,

The Directors of your Company have pleasure in presenting their 21<sup>st</sup> Annual Report on the affairs of the company together with Audited Annual Accounts for the financial year ended 31st March, 2018.

<b>Financial Results</b> (Rs. in lacs)		
Particulars	2017-18	2016-17
Turnover	3591.77	545.85
Other Income	696.57	684.80
Profit Before Depreciation, Interest, Tax & Exceptional items (PBDIT)	(74.42)	(503.52)
Interest and Financial Expenses	57.35	52.90
Profit Before Depreciation, Tax & Exceptional items (PBDT)	(131.77)	(556.42)
Depreciation	638.87	661.76
Profit Before Tax & Exceptional items (PBT)	(770.64)	(1218.18)
Exceptional items	(46.54)	-
Profit Before Tax	(817.18)	(1218.18)
Less-Provision for Tax (Including Defferred Tax)	-	-
Profit for the year (PAT)	(817.18)	(1218.18)
Other Comprehensive Income	0.19	0.45
Add-Surplus brought forward from previous Year	--	--
Profit available for Appropriations	(816.99)	(1217.73)

During the year under review, manufacturing activities were suspended at both the Units located at VPO Jugiana, G.T. Road, Ludhiana and Village Mandiala Kalan, Bija, Ludhiana due to severe financial constraints. However, manufacturing activities were resumed at Unit -2 located at Village Mandiala Kalan, Bija, Ludhiana from September, 2017 onwards. Your company could achieve total Turnover of Rs. 35.92 Crores during the year under review as against Rs. 5.45 Crores in the previous year. The company has suffered a loss of Rs. 8.17 Crores as against loss of Rs. 12.18 Crores in the previous year which is primarily due to depreciation & notional finance cost.

### Dividend

Your directors do not recommend any dividend for the year under review.

### Transfer to Reserves

The company has not transfer amount to the general reserve.

### Nature of Business

The company is engaged in the textiles business. During the year, under review, there was no change in the business of the company.

### Share Capital

The paid up equity share capital of the company as at 31<sup>st</sup> March, 2018 is Rs. 45.00 crore. There was no public issue, right issue, bonus issue or preferential issue etc., during the year.

### Indian Accounting Standard (Ind AS)

As mandated by Ministry of Corporate Affairs, the company has adopted Indian Accounting Standards ('Ind AS') from 1<sup>st</sup> April, 2017 with a transition date 1<sup>st</sup> April, 2016. The financial results for the year 2017-18 have been prepared in accordance with Indian Accounting Standards ('Ind AS'), prescribed under section 133 of the Companies Act, 2013

read with the relevant rules issued thereunder and the other recognized accounting practices and policies to the extent applicable.

## Management Discussion & Analysis Report

The Management Discussion and Analysis of financial conditions and results of operation of the company for the year under review is attached to this Report.

### Subsidiaries

The consolidated Financial statements presented by the Company include financial information of its subsidiaries prepared in compliance with applicable Accounting Standards are attached to and form part of the Annual Report. Annual accounts of the subsidiary companies and the related detailed information will be made available to the shareholders of the holding and subsidiary companies' seeking such information at any point of time.

Further, the annual accounts of the subsidiary companies will also be kept for inspection by any shareholders at the Registered Office of the holding company and that of the subsidiary companies concerned.

The company has the following subsidiaries:-

#### Jindal Specialty Textiles Ltd.

The company has set up facilities for the manufacture of technical textile products like PVC Flex Sheets and tarpaulins having good printing quality, tear strength, tensile strength, water proofing, glossy and shine. The company has an in house production set up of Fabric with latest of machinery plus technology. The aim of the company is to achieve their products best in terms of quality and at minimum cost.

The company has achieved sales turnover and other income of Rs. 164.22 Crores for the year under review as against of Rs. 149.49 Crores in the previous year.

#### Jindal Medicot Ltd

The company has set up facilities for the manufacture of the technical textile products like cotton crepe bandage, absorbent cotton, cotton balls, pads, dental rolls etc. at its project at Village Thathal, Tehsil Amb, District Una, Himachal Pradesh. The company has achieved sales turnover and other income of Rs. 46.45 Crores as against of Rs. 35.86 Crores in the previous year.

#### Jindal International FZE

This is 100% subsidiary of our company set up in free zone in UAE. The company is engaged in the general trading activities.

### Directors and Key Managerial Personnel

The Board of Directors consists of five members, out of which one is executive and four are Independent directors. The Board also comprises of one woman director.

The composition of the Board is such that it is not possible for the company to retire any director at the ensuing Annual General Meeting as per the provisions of section 152(6) of the Companies Act, 2013.



During the year under review Mr. Kartar Chand Dhiman was appointed as additional director in accordance with the provisions of the Companies Act, 2013 and listing guidelines with effect from 23<sup>rd</sup> September, 2017.

## Corporate Governance

A separate report on Corporate Governance is enclosed as a part of this Annual Report. A certificate from the Auditors of the Company regarding compliance with the Corporate Governance norms stipulated, is annexed to the Report on Corporate Governance.

## Board Evaluation

The Board carried out a formal annual performance evaluation of its own performance and that of its Committees and Individual Directors as required under the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## Declaration By Independent Directors

The Independent directors have submitted their declaration to the Board that they fulfill all the requirements as stipulated under section 149(6) of the Companies Act, 2013, so as to qualify themselves to be appointed as Independent directors of the company.

## Separate Meeting of Independent Directors

The company's Independent Directors met on 22<sup>nd</sup> January, 2018, without the attendance of Non-Independent Directors. All the Independent Directors were present at the meeting. The Independent Directors in its meeting reviewed the performance of Non-Independent Directors and the Board as a whole.

## Directors' Responsibility Statement

Pursuant to the provisions of section 134(5) of the Companies Act, 2013, with respect to Directors responsibility statement, the Directors hereby confirm that:-

- a) In the preparation of Annual Accounts the applicable Accounting Standards have been followed and that there are no material departures;
- b) They have selected such Accounting Policies and applied them consistently and made prudent judgments & estimates that are reasonable so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the company as on date;
- c) They have taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing & detecting the fraud and other irregularities;
- d) The Annual Accounts have been prepared on 'going concern basis'.
- e) They had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Auditors

The term of appointment of M/s. Raj Gupta & Co., Chartered Accountants, (Registration No. 000203N), is going to expire at the conclusion of the ensuing Annual General Meeting of the company. It was necessary to appoint another Statutory Auditors, therefore, the Board of Directors upon the recommendation of Audit Committee, has appointed M/s. K R Aggarwal & Associates, Chartered Accountants, (Registration No. 030088N), as Statutory Auditors of the Company to hold office from the conclusion of 21<sup>st</sup> Annual General Meeting till the conclusion of 25<sup>th</sup> Annual General Meeting of the Company, on such remuneration including out of pocket expenses and other expenses as may be mutually agreed upon by the Board of Directors and the Auditors.

Further, the report of the statutory auditors of the company is self explanatory and has been explained in notes to accounts and hence does not call for any further comments.

## Secretarial Audit

According to the provisions of Section 204 of the Companies Act, 2013, the company has engaged the services of M/s. Reecha Goel & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year 2017-18 and Secretarial Audit Report for the financial year 2017-18 is attached and forms part of the annual report. The reply to the observations of the Secretarial Auditors are as under:

1. Non Payment of Listing Fee and repayment of fixed deposits: The delay is on account of acute financial crunch being faced by the Company.
2. Non filing of documents: The company was unable to file the documents with MCA as the status of the company on the master data of MCA is under liquidation. The same is being corrected.

## Energy Conservation, Technology Absorption & Foreign Exchange

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 as regard disclosure of particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed hereto and forms part of this report.

## Fixed Deposits

During the year under review, your company has not accepted any fixed deposits from the public. Due to severe financial constraints, the company could fulfill its obligation in part for the repayment of fixed deposits, which has become due for repayment after the time extended by the Hon'ble Company Law Board, New Delhi.

## Particulars of Employees

No employee is covered under the provisions of section 197 (12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.

## Corporate Social Responsibility (CSR):

During the year under review, the company was not required



to spend any amount on Corporate Social Responsibility activities as required under section 135 and Schedule VII of the Companies Act, 2013, as the company had incurred losses during the preceding financial years.

## Green Initiative

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies. Further, as per the provisions of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the company may send financial statements and other documents by electronic mode to its members. Your company has decided to join the MCA in its environmental friendly initiative. Accordingly, the company propose to send documents such as Annual Report and other communications to the shareholders via electronic mode at the registers email address of the shareholders. Further, to support this green initiative of the Government, the shareholders are requested to register their email Id with their depository participant with whom they are having demat account.

## Vigil Mechanism

Pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 read with Companies (Meetings of Board and its powers) Rules, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company established, a Vigil Mechanism process whereby any employee, directors, customers, vendors etc., can report the genuine concerns or grievances to the members of Audit Committee about unethical behavior, actual or suspected fraud so that appropriate action can be taken to safeguard the interest of the company. However, no such complaint was received during the year under review. The Vigil Mechanism Policy has been uploaded on the website of the company at [www.jindalcotex.com](http://www.jindalcotex.com).

## Prevention of Sexual Harassment at Workplace

The Company committed to provide a safe and conducive work environment to its employees including women, during the year under review.

Your Directors further state that there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## Related Party Transactions

The Related Party Transactions made during the financial year 2017-18 were on arm's length basis and in the ordinary course of business. There were no materially significant related party transactions with the company's Promoters, Directors, Key Managerial Personnel or their relatives, which could have a potential conflict with the interest of the company. The Related Party Transactions has been reported and annexed hereto in this annual report.

## Extract of Annual Return

As required pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in

MGT 9 is forming a part of this Annual Report.

## Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes to financial statements annexed hereto in this annual report.

## Remuneration Ratio of the Directors/ Key Managerial Personnel (KMP)/ Employees:

The information required pursuant to section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Companies (Particulars of Employees) Rules, 1975 in respect of employees of the company and Directors is furnished as under:

S. No.	Name	Designation	Remuneration paid FY 2016-17	Remuneration paid FY 2015-16	Increase in remuneration from previous year
1	Sandeep Jindal	MD	4,50,000	4,50,000	-
2	Anil Kumar	CS	7,24,020	6,58,020	66,000

## Risk Management Policy

Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. The policy of the company on risk management is provided elsewhere in this Annual Report in Management Discussion and Analysis.

## Associates Companies

Pursuant to section 129(3) of the Companies Act, 2013 a statement containing silent features of financial statement of Associates companies in Form AOC-1 is annexed with financial statements.

## Industrial Relations

Industrial relations remained cordial throughout the year and the Directors express their appreciation towards the workmen for their co-operation and hope for continued cordial relations in the years to come.

## Acknowledgement

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from Bankers, Government Departments, Shareholders and other Business Associates for their continued and valuable co-operation & support extended to the company.

We take this opportunity to place on record our warm appreciation for the employees at all levels for their dedicated services and valuable contributions towards the growth of the Company.

For and on behalf of the Board  
For Jindal Cotex Limited

Date: 30th May, 2018

Place: Ludhiana

(Sandeep Jindal)  
Managing Director  
DIN: 0163974

(Rajesh Khanna)  
Director  
DIN: 06971227

**ANNEXURE TO THE DIRECTORS' REPORT**

Information as per Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2018:-

**I. CONSERVATION OF ENERGY****FORM A**

	PARTICULARS	UNIT	2017-18	2016-17
<b>A.</b>	<b>POWER &amp; FUEL CONSUMPTION</b>			
	a) Electricity purchased			
	Units	KWH in lacs	71.79	--
	Amount	Rs. In lacs	495.31	--
	Rate per unit	Rs. Per unit	6.89	--
	b) Own generation		--	--
	Through Diesel Generator	KWH In lacs	--	--
	Units per litre	Units	--	--
	Cost of Diesel/LDO	Rs. In lacs	--	--
	Rate per unit	Rs. Per unit	--	--
<b>B.</b>	<b>CONSUMPTION PER UNIT OF PRODUCTION</b>			
	Polyster Yarns/Polyester Sewing Thread	KWH/Kg	0.31	--

**II. TECHNOLOGY ABSORPTION**

Efforts made in Technology Absorption are furnished as per Form B of the Annexure to the Rules are as under:-

**A) RESEARCH AND DEVELOPMENT (R&D)**

- a) Specific areas in which Research & Development is carried out by the company Research & Development is carried out for improvement in the production process, appraisal of alternative raw materials and quality of existing products.
- b) Benefits derived as a result of above R&D  
The company has been continuously improving the quality of its existing products and also been able to reduce the cost of production.
- c) Future Plan of Action
  - 1 Increase in Productivity
  - 2 Reduction in operational costs
- d) Expenditure on R&D : Nil

**B) TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION****a) Efforts made**

The company is making efforts for adaption of latest technology in all its units, optimization of processes and efficient utilization of inputs on-going basis.

**b) Particulars of technology imported in the last five years**

- a) Technology Imported Nil
- b) Year of Import N.A.
- c) Has the technology been fully absorbed N.A

**III. FOREIGN EXCHANGE EARNINGS AND OUTGO : NIL**



## CORPORATE GOVERNANCE REPORT

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

### 1. Company's Philosophy on the Code of Governance

The company aims at not only its own growth but also maximization of benefits to the shareholders, employees, customers, Government and also the general public at large. For this purpose the company continuously strives to improve its level of overall efficiency through good corporate governance which, envisages transparency, professionalism and accountability in all its operations.

### 2. Board of Directors

#### a) Composition

The Board of Directors of your company has an optimum combination of executive and non executive directors with rich knowledge and experience in Industry & other sectors for providing strategic guidance and direction to the company.

At present, the company has five Directors (including Woman Director) on its Board with Non Executive Independent Director as Chairman of the company. The Independent Directors are professionals in their field and posses background of financial and legal. During the year under review, there was no pecuniary relationship or business transaction with Independent directors with the company. Besides independent directors, there is one Executive Director on the Board, who is capable of handling diverse nature of business of the Company. The composition of the Board is as per the requirements of Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### b) Meetings of Board and its Committees

Meetings of Board and its committee were held as and when required. During the year, under review, the Board of Directors met 12(Twelve) times on 29.04.2017, 30.05.2017, 17.06.2017, 17.08.2017, 01.09.2017, 14.09.2017, 23.09.2017, 01.10.2017, 20.10.2017, 14.12.2017, 06.02.2018 and 14.02.2018.

The names, categories of Directors on the Board, their attendance at the board meeting during the year and the last Annual General Meeting, and also the number of directorships and Committee membership held by them in other companies are as per details given below:-

Name of Directors	Designation	Category	No. of Board Meeting Attended	Attendance at last AGM	No. of directorship of other Indian public limited companies	No. of chairmanship/ membership of committees in other Companies
Sh. Sandeep Jindal	Managing Director	Promoter Executive	12	Yes	5	2
Sh. Rajesh Khanna	Director	Non-Executive Independent	12	Yes	Nil	Nil
Sh. Anil Kumar	Director	Non-Executive Independent	12	No	Nil	Nil
Ms. Alisha	Director	Non-Executive Independent	2	No	2	2
Sh. Kartar Chand Dhiman#	Director	Non-Executive Independent	5	No	4	2

# # Appointed as additional director in the category of Independent directors w.e.f.23rd September, 2017

#### c) Code of Conduct:

The Company has laid down a Code of Conduct for all Board members and senior management of the company. The code has been circulated to all the members of the Board and senior management and they have affirmed the compliance with the code of conduct. A declaration to this effect signed by the Managing Director forms part of the annual report.

#### d) Promoters/Directors Shareholding as on 31st March, 2018 :-

Name of Directors	No. of Shares	% of total Equity Capital
Sh. Yash Paul Jindal	2240918	4.98
Sh. Sandeep Jindal	446389	0.99
Sh. Ramesh Jindal	2636008	5.86
Sh. Rajinder Jindal	2477052	5.50
Sh. Aman Jindal	844050	1.88
Sh. Sahil Jindal	810000	1.80

\*None of other director holds any share in the equity share capital of the company.





### 3. Others Committees at Board level

#### (A) Audit Committee

The Audit Committee of the company comprises of the following members namely Sh. Rajesh Khanna, Sh. Sandeep Jindal and Sh. Anil Kumar. All members of audit committee have wide exposure and posses sound knowledge in the field of accounts, finance, audit etc. Sh. Rajesh Khanna is the Chairman of the Audit Committee.

The terms of reference of the Audit Committee cover all the matters specified under Listing Regulations and section 177 of the Companies Act, 2013. During the year 2017-18, the Audit Committee met on four occasions. The minutes of audit committee meetings were placed before the Board of Directors in the subsequent board meetings.

The attendance of the members of the audit committee is mentioned below:-

Name of Director	Category	No. of Meetings held & attended
Sh. Rajesh Khanna	Non Executive and Independent Director	4
Sh. Sandeep Jindal	Executive Director	4
Sh. Anil Kumar	Non Executive and Independent Director	4

#### (B) Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of the following Directors namely Sh. Rajesh Khanna, Sh. Anil Kumar and Ms. Alisha. Sh. Anil Kumar is the Chairman of the said Committee. During the year 2017-18, the Nomination and Remuneration Committee met on one occasion.

The terms of reference of Nomination and Remuneration Committee include the followings:-

To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal.

To carry out evaluation of every Director's performance.

To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel.

To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance.

The attendance of the members of the Nomination and Remuneration committee is mentioned below:-

Name of Director	Category	No. of Meetings held & attended
Sh. Anil Kumar	Non Executive and Independent Director	1
Sh. Rajesh Khanna	Non Executive and Independent Director	1
Ms. Alisha	Non Executive and Independent Director	1

#### (C) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises of the following Directors namely Sh. Sandeep Jindal, Sh. Rajesh Khanna and Sh. Anil Kumar.

Due to the average net profit for the last three years being negative, therefore, the company has not spend any amount on social activities during the year under review.

#### (D) Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of the following Directors namely Sh. Rajesh Khanna, Sh. Sandeep Jindal and Sh. Anil Kumar. Sh. Rajesh Khanna is the Chairman and Sh. Anil Kumar, Company Secretary is the compliance officer of the said committee.

The Stakeholders Relationship Committee specifically looks into the redressal of shareholders/investor's complaints, if any, on non-receipt of annual report and also matters related to share transfer, issue of duplicate share certificate, dematerializations etc.. During the year, under review, The Stakeholders Relationship Committee met on four occasions.

### 4. Annual General Meetings

The details of the last three annual general meetings are given as follows:-

Date & time	Year	Venue	No. of Special Resolution Passed
28.09.2017 at 09.00 A.M.	2016-17	Regd. Office: V.P.O. Jugiana, G.T. Road, Ludhiana	Nil
30.09.2016 at 09.00 A.M.	2015-16		Nil
30.09.2015 at 10.00 A.M.	2014-15		Nil

The company has not passed any resolution through postal ballot during the last Annual General Meeting held on 28th September, 2017.



## 5. Disclosures:

- a. **Subsidiaries Companies**
  - i. The Audit Committee of the Company reviews the financial statements of subsidiary companies and in particular the project expenditure made by subsidiary companies.
  - ii. The minutes of Board meeting of subsidiary companies are periodically placed before the Board of the company. The Board is periodically informed about all the significant transactions and arrangements entered into by the subsidiaries companies.
- b. **Related Party transaction**  
All the related parties transactions entered during the year were at arm's length basis as per the provisions of the Companies Act, 2013 and under Listing Regulations. The details of Related Party transactions are given in Note No. 36 of the Audited Accounts of the company for the year ended 31<sup>st</sup> March, 2018. There were no material transactions during the year 2017-18 that are prejudicial to the interest of the company.
- c. **Disclosure of Accounting Treatment**  
The company has followed the guidelines as laid down by the Institute of Chartered Accountants of India (ICAI) while preparation of financial statements in accordance with Indian Accounting Standards ("Ind AS"), and referred section 133 of the Companies Act, 2013.
- d. **Detailed Management Discussion and Analysis Report** have been included in this Annual Report.
- e. The company has complied with all the mandatory requirements of SEBI (LODR) Regulations, 2015 relating to Corporate Governance.

## 6. Statutory Compliance, Penalties and Strictures :

The Company has complied with statutory compliances and no penalty or stricture is imposed on the company by the SEBI or any other statutory authority on any matter related to the capital markets during the last year.

## 7. Means of Communication:

The quarterly/annual results of the company have been forwarded to the Stock Exchanges, where the shares of the company are listed and also published in daily newspapers viz English Newspaper 'Financial Express' and Punjabi newspaper 'Desh Sewak'. The results of the company are also made available at the website of the company [www.jindalcotex.com](http://www.jindalcotex.com).

## 8. General Shareholders information:

### a. 21<sup>st</sup> Annual General Meeting

Date : Saturday, 29<sup>th</sup> September, 2018  
Time : 9.00 A.M.  
Place : V.P.O. Jugiana, G.T. Road, Ludhiana

### b. Financial Year : 1st April to 31st March

### c. Listed on stock : BSE Limited

**Exchanges**  
Phiroze Jeejee Bhoy Towers, Dalal Street, Mumbai-400 001  
National Stock Exchange of India Ltd.  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai-400 051

(The company has not paid annual listing fees of both BSE Limited and National Stock Exchange of India Limited for the financial year 2018-19)

### d. Stock Code

BSE : 533103  
NSE : JINDCOT

### e. ISIN No:-

NSDL : INE904J01016  
CDSL : INE904J01016

### f. Market Price Data:

The month wise highest and lowest and closing share prices of the company from vis – a – vis BSE Sensex during the year from April, 2017 to March, 2018 is given below

Month	Share Price of Jindal Cotex Ltd				BSE Sensex			
	High	Low	Closing	% change over last month's closing	High	Low	Closing	% change over last month's closing April,
Particulars								
April, 2017	16.15	13.05	14.11	7.30	30,184.22	29,241.48	29,918.40	1.01
May, 2017	14.70	11.88	12.44	-11.84	31,255.28	29,804.12	31,145.80	4.10
June, 2017	14.07	11.10	12.40	-0.32	31,522.87	30,680.66	30,921.61	-0.72
July, 2017	16.20	12.30	13.67	10.24	32,672.66	31,017.11	32,514.94	5.15
August, 2017	14.00	11.40	12.30	-10.02	32,686.48	31,128.02	31,730.49	-2.41
September, 2017	12.46	10.90	11.48	-6.67	32,524.11	31,081.83	31,283.72	-1.41
October, 2017	12.50	10.70	11.05	-3.75	33,340.17	31,440.48	33,213.13	6.17
November, 2017	12.00	10.10	11.49	3.98	33,865.95	32,683.59	33,149.35	-0.19
December, 2017	12.04	8.91	9.12	-20.63	34,137.97	32,565.16	34,056.83	2.74
January, 2018	9.96	8.45	9.10	-0.22	36,443.98	33,703.37	35,965.02	5.60
February, 2018	9.10	6.86	7.00	-23.08	36,256.83	33,482.81	34,184.04	-4.95
March, 2018	7.86	6.56	7.04	0.57	34,278.63	32,483.84	32,968.68	-3.56



**g. Share Transfer System:**

The company has appointed M/s. Bigshare Services Private Limited, RTA, 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400059, RTA, as the Registrar and transfer agent for the equity shares of the company to provide services in both physical and electronic mode.

The Stakeholders Relationship Committee deals with various matters relating to share transfer through transfer agent of the Company. As per the arrangement with Transfer Agents, the list of valid transfers prepared by them in respect of share transfer cases and objections, if any, is placed before the Stakeholders Relationship Committee of the company.

As stipulated by the Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out Reconciliation of Share Capital Audit. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the shares of the company are listed and is also placed before the Board of Directors.

**h. Distribution Schedule as on 31/03/2018:**

No. of Shares	No. of Shareholders	% to total Shareholders	No. of Shares held	% to total share held
Upto 500	5621	72.63	857387	1.91
501-1000	884	11.42	753069	1.67
1001-2000	486	6.28	773636	1.72
2001-3000	204	2.64	525207	1.17
3001-4000	99	1.28	358069	0.80
4001-5000	94	1.21	455045	1.01
5001-10000	150	1.94	1151472	2.56
Above 10000	201	2.60	40129255	89.17
<b>Total</b>	<b>7739</b>	<b>100</b>	<b>45003140</b>	<b>100</b>

**I. Shareholding Pattern as on 31/03/2018**

Category	No. of Shares held	% to total paid up Share capital
Promoter and Promoter Group	9473399	21.05
Foreign Portfolio Investors	1593600	3.54
Foreign Institutions Investors	6722000	14.94
Bodies Corporate	10346048	22.99
Clearing Member	29564	0.07
NRI	190112	0.42
Public (Individual)	16648417	36.99
<b>TOTAL</b>	<b>45003140</b>	<b>100</b>

**j. Dematerialization of Shares and Liquidity:**

As on 31st March, 2018, 100% of the equity capital was in dematerialized form with NSDL and CDSL. The shares of the company are traded on BSE Limited and National Stock Exchange of India Limited and have good liquidity.

**k. Outstanding GDRs/ADRs/any other convertibles Instruments:**

The company has not issued any GDRs/ADRs during the year under review

**l. Plant Locations:-**

- i. VPO Jugiana, Ludhiana (Punjab)
- ii. Village Mandiala Kalan, Bija, (Punjab)
- iii. Wind Mill - J - 289, Village Pithla, Jaisalmer (Rajasthan)

**Plant Location of subsidiaries:-**

Jindal Medicot Limited  
VPO Thathal, Tehsil Amb,  
District Una, Himachal Pradesh

Jindal Specialty Textiles Limited  
VPO Thathal, Tehsil Amb,  
District Una, Himachal Pradesh

**m. Corporate and Registered Office:**

V.P.O. Jugiana, G.T. Road,  
Ludhiana – 141017  
Tel. No. 0161 – 2511840  
Fax No. 0161- 2511843  
CIN NO: L17115PB1998PLC021084  
Email ID: cs@sjgroup.in  
Website: www.jindalcotex.com

**n. Registrar and Transfer Agent:**

Bigshare Services Private Limited  
1<sup>st</sup> Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri East,  
Mumbai – 400059 - Maharashtra  
Fax: 022- 62638209 Tel. No. : 022-62638200  
Email :info@bigshareonline.com

**o. Compliance Officer:**

Mr. Anil Kumar,  
Company Secretary  
Email ID: cs@sjgroup.in



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management discussion and Analysis Report, is a reflection of the current state of business of the company. It also deals with opportunities and challenges faced by your company and future outlook.

### Industry structure & Outlook

India's economy picked up some pace in FY 2017-18 and the gross domestic product growth was better than FY 2016-17. The structural reform of The Goods and Services Tax (GST) within a year of demonetisation is expected to provide a boost to the economic growth and investments in the long run.

Textile plays a major role in the Indian economy. It contributes 14% to industrial production and 4% to GDP. Importantly, the sector contributes 15% to the export earnings of India and employs more than 45 million people, the industry is one of the largest sources of employment generation in the country. The Textile Industry has played a key role in the country's progress.

The Textile industry has the right potential and a great challenge ahead. It is worth noting that China, Hong Kong, South Korea and Taiwan have registered their presence significantly in the world textile market through conscious efforts.

The Indian textile industry will have to look for competing and surviving purely on its strength and competitive edge. A comprehensive strategy, involving the Government and industry partnership is the need of the hour to convert the threats into opportunities and enlarge our domestic and international market shares.

Your company is facing various challenges in terms of higher production costs, power cost, inputs cost like the fluctuation in prices of the raw cotton prices, foreign exchange rates, increase of crude oil prices. The continuing short fall in the working capital and sluggishness in demand of the products indicate that there is no immediate upswing in the performance of your company. However, the future outlook of the Indian Textile Industry looks optimistic as the Government of India has taken several Initiatives for the development of textile Industry.

### Financial Analysis and Review of operations

(On standalone basis):

#### Product wise performance

(Rs. in lacs)

Particulars	Year ended March 31, 2018			Year ended March 31, 2017		
	Qty	Sales Amount	As % to Total Sales	Qty	Sales Amount	As % to Total Sales
<b>Textiles</b>						
Yarn (in MT.)	2,408.31	3,064.21	85.31	-	-	-
Fabrics (in MT.)	114.70	181.41	5.05	15.40	493.50	90.41
<b>Flex Sheet</b>						
(in Sq. meter)	1,026,706	296.26	8.25	-	-	-
<b>Total (A)</b>		<b>3,541.88</b>	<b>98.61</b>	<b>15.40</b>	<b>493.50</b>	<b>90.41</b>
Elec. Sales	--	49.89	1.39	--	52.35	9.59
<b>Total (B)</b>	--	<b>49.89</b>	<b>1.39</b>	--	<b>52.35</b>	<b>9.59</b>
<b>Total (A+B)</b>	-	<b>3,591.77</b>	<b>100.00</b>	<b>15.40</b>	<b>545.85</b>	<b>100.00</b>

### Financial Analysis

#### Revenue Break – up

(Rs. in lacs)

Particulars	2017-18	% to Total Income	2016-17	% to Total Income
Sales	3591.77	83.76	545.85	81.56
Other Income	696.57	16.24	684.80	18.44
<b>Total Income</b>	<b>4288.34</b>	<b>100.00</b>	<b>1230.65</b>	<b>100.00</b>

The net turnover of the company has been increased to Rs. 3591.77 lacs in the year 2017-18 as against Rs. 545.85 lacs in the previous year.

### Profitability/Losses

(Rs. in lacs)

Particulars	2017- 18	% of turnover	2016- 17	% of turnover
Profit/losses before depreciation, interest and tax & Exceptional items (PBDIT)	(74.42)	(2.07)	(503.52)	(92.25)
Interest & Financial Expenses	57.35	1.60	52.90	9.69
Profit Before Desreciation, Tax & Exceptional items (PBDT)	(131.77)	(3.67)	(556.42)	(101.94)
Depreciation	638.87	17.79	661.76	121.23
Profit Before Tax & Exceptional items (PBT)	(770.64)	(21.46)	(1,218.18)	(223.17)
Exceptional items	(46.54)	(1.30)	-	-
Profit Before Tax	(817.18)	(22.75)	(1,218.18)	(223.17)
Less- Provision for Tax (Including Deferred Tax)	--	-	--	-
Profit for the year (PAT)	(817.18)	(22.75)	(1,218.18)	(223.17)
Other Comprehensive Income	0.19	0.01	0.45	0.08
Add - Surplus brought forward from previous Year		-	-	-
Profit available for Appropriations	(816.99)	(22.75)	(1,217.73)	(223.09)



## Resource Utilization

### a) Fixed Assets

The gross fixed assets (including work-in-progress & capital advances) as at 31st March, 2018 are Rs.19652.75 lacs (19218.05 lacs in the previous year). The net fixed assets (including work-in-progress & capital advances) as on 31st March, 2018 are Rs.10872.19 lacs as compared to Rs. 11464.35 lacs in the previous year.

### b) Investments

The Company has made investments (net of provision) in its subsidiaries to the tune of Rs.122.89 lacs by way of equity capital.

### c) Current Assets

Sundry debtors (Net of Provision) of the company are Rs 1086.07 lacs in the year 2017-18 as against Rs. 923.72 lacs in the previous year. Inventory level is at Rs 193.39 lacs in the year 2017-18 as against Rs. 68.21 lacs in the previous year. Cash and cash equivalents decreased from Rs.63.20 lacs in the year 2016-17 to Rs. 46.37 lacs in the year 2017-18.

## Risk and Concerns

The implementation of Goods and Service Tax (GST) during the year 2017-18 has mixed impact on trade and commerce. Further, increase in the raw materials prices and non availability of skilled labour has become hindrance in the long term sustainability of the textile industry. Moreover, Increase in the price of crude oil and depreciation of Indian rupee against US dollar has serious impact on textile industry. The company is mitigating all these risks through internal as well as external audits.

## Internal Control and their Adequacy

### Adequacy

The company has an adequate Internal control system commensurate with the size and the nature of its business operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses executing transactions with proper authorization. Processes for formulating and reviewing long term business plans have been laid down to ensure adequacy of the control system, adherence to the management decisions and legal compliances. The company uses ERP (Enterprise Resource Planning) system to record data for accounting. The management though continuing its efforts further strengthening the Internal control system of the company.

## Health, safety and environment

The Company gives importance to Safety, Health and Environment and improving safe work culture, health awareness and environment protection. The management of the Company recognizes protection environment as one of its highest priority and every effort is made to conserve and protect the environment.

During the year, your Company continued its focus in creating friendly environment in its factory units, mobilizing support and generating interest among staff and labour for maintaining hygienic and green surrounding. More emphasis is given to cleanliness, workplace and good house-keeping.

## Material Development in terms of Human Resources

The Company maintained healthy, cordial and harmonious industrial relations at all levels during the year under review. Your company believes that human resource is its most valuable resource. The company has taken lot of initiatives to train its employees.

Your Directors wish to place on record their appreciation for the dedicated and commendable services rendered by the employees of the Company. During the year, industrial relations remained cordial.

## Cautionary Statement

Statements made herein on Management Discussion & Analysis, describing the Company's expectations or predictions are "forward-looking statements", considering the applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. The actual results may differ from those expected or predicted. Prime factors that may make a difference to the company's performance include market conditions, input cost, Government policies/regulations, economic conditions, and other incidental factors.

**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To  
The Members of  
Jindal Cotex Limited,

We have examined the compliance of the conditions of Corporate Governance by Jindal Cotex Limited for the year ended on 31st March, 2018 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

**FOR RAJ GUPTA & CO.**  
**Chartered Accountants,**  
**Firm Regn. No. : 000203N**

**Date: 1<sup>st</sup> September, 2018**  
**Place: Ludhiana**

**(Raj Gupta)**  
**Partner**  
**M.No. 017039**

**DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT BY MANAGING DIRECTOR**

The Company has a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company in terms of Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to further strengthen corporate governance practices of the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them.

**Date: 1<sup>st</sup> September, 2018**  
**Place: Ludhiana**

**(Sandeep Jindal)**  
**Managing Director**  
**DIN: 01639743**





## EXTRACT OF ANNUAL RETURN FORM MGT-9

As at the end of financial year 31.03.2018

(Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the company (Management & Administration) Rules, 2014)

### 1. Registration & other details:

S. No.	Particulars		Details
i	CIN	:	L17115PB1998PLC021084
ii	Registration Date	:	18-02-1998
iii	Name of the company	:	M/s Jindal Cotex Limited
iv	Category/sub-category of the company	:	Company limited by shares
v	Address of the Registered office & contact details	:	VPO Jugiana, G. T. Road, Ludhiana (Pb) -141017 cs@sjgroup.in Ph : 0161-2511840, Fax : 0161-2511843
vi	Whether listed company	:	Yes
vii	Name, Address & contact details of the registrar & transfer agent, if any	:	Bigshare Services Private Limited, 1st Floor, Bharat Tin Works Building Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059

### 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

S. No.	Name & Description of main products/services	NIC code of the product/service	% to total turnover of the company
i	Textile	113-Spinning, weaving and finishing to textiles	90.36%

### III. Particulars of Holding, Subsidiary and Associate Companies:

S. No.	Name of the company	Address of the company	CIN	Holding / Subsidiary/ Associate Company	% of shares held
1	Jindal Medicot Limited	VPO Jugiana, G. T. Road, Ludhiana (Pb)	U17100PB2008PLC031964	Subsidiary	51.35
2	Jindal Specialty Textiles Limited	VPO Jugiana, G. T. Road, Ludhiana (Pb)	U17100PB2008PLC031968	WOS	100
3	Himachal Textile Park Limited	Upmahal, Ramnagar, VPO Thathal, Tehsil Amb, District Una, H.P.	U74990HP2009PLC031264	Associates	23.29
4	Jindal International FZE	Jebel Ali Free Zone, Post Box - 261943 Dubai (U.A.E.)	--	WOS	100

### IV. SHAREHOLDING 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				No. of Shares held at the end of the year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Promoter</b>									
<b>1. Indian</b>									
(a) Individual/HUF	9565854	-	9565854	21.26	9473399	-	9473399	21.05	(0.21)
(b) Central Government	-	-	-	-	-	-	-	-	-
(c) State Government	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	-	-	-	-	-	-	-	-	-
(e) FI/Banks	-	-	-	-	-	-	-	-	-
(f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total(A)(1)</b>	<b>9565854</b>	<b>-</b>	<b>9565854</b>	<b>21.26</b>	<b>9473399</b>	<b>-</b>	<b>9473399</b>	<b>21.05</b>	<b>(0.21)</b>
<b>(2) Foreign</b>									



(a) Individual/HUF	-	-	-	-	-	-	-	-	-
(b) Central Government	-	-	-	-	-	-	-	-	-
(c) State Government	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	-	-	-	-	-	-	-	-	-
(e) FI/Banks	-	-	-	-	-	-	-	-	-
(f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total(A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>9565854</b>	-	<b>9565854</b>	<b>21.26</b>	<b>9473399</b>	-	<b>9473399</b>	<b>21.05</b>	<b>(0.21)</b>
<b>B Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds/ UTI	-	-	-	-	-	-	-	-	-
b) FI / Banks	-	-	-	-	-	-	-	-	-
c ) Central Government	-	-	-	-	-	-	-	-	-
d) State Government	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors	6722000	-	6722000	14.94	6722000	-	6722000	14.94	-
h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
j) Foreign Portfolio Investors	6668600	-	6668600	14.82	1593600	0	1593600	3.54	(11.28)
j) Any Other (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1)</b>	<b>13390600</b>	-	<b>13390600</b>	<b>29.75</b>	<b>8315600</b>	-	<b>8315600</b>	<b>18.48</b>	<b>(11.28)</b>
<b>2. Non- Institutions</b>									
a) Bodies Corporate	5254811	-	5254811	11.68	10346048	-	10346048	22.99	11.31
b) Individuals									
Individuals - i. Individual shareholders holding nominal share Capital up to Rs 1 lakh	4236583	5	4236588	9.41	4561023	5	4561028	10.13	0.72
ii. Individual shareholders holding nominal share Capital in excess of Rs. 1 lakh.	11590351	-	11590351	25.75	12076293	-	12076293	26.83	1.08
c) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
d)									
i) Clearing Member	780813	-	780813	1.74	29564	-	29564	0.07	(1.67)
ii) Employee	-	-	-	-	-	-	-	-	-
iii) Trust	-	-	-	-	-	-	-	-	-
iv) Foreign Nationals									
v) Non resident Indian (NRI)	173027	-	173027	0.38	190112	-	190112	0.42	0.04
vi) Non resident Indian (Repat)	-	-	-	-	-	-	-	-	-
vii) Non resident Indian (Non Repat)	-	-	-	-	-	-	-	-	-
viii) Overseas Bodies									
Corporates	11096	-	11096	0.02	11096	-	11096	0.02	-
<b>Sub-Total (B)(2)</b>	<b>22046681</b>	<b>5</b>	<b>22046686</b>	<b>48.99</b>	<b>27214136</b>	<b>5</b>	<b>27214141</b>	<b>60.47</b>	<b>11.48</b>
<b>Shareholding</b>									
<b>(B)= (B)(1)+(B)(2)</b>	<b>35437281</b>	<b>5</b>	<b>35437286</b>	<b>78.74</b>	<b>35529736</b>	<b>5</b>	<b>35529741</b>	<b>78.95</b>	<b>0.21</b>
<b>TOTAL (A)+(B)</b>	<b>45003135</b>	<b>5</b>	<b>45003140</b>	<b>100</b>	<b>45003135</b>	<b>5</b>	<b>45003140</b>	<b>100</b>	<b>-</b>
<b>C Shares held by Custodians for GDRs</b>									
i) Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
ii) Public	-	-	-	-	-	-	-	-	-
<b>Grand Total (A)+(B)+(C)</b>	<b>45003135</b>	<b>5</b>	<b>45003140</b>	<b>100</b>	<b>45003135</b>	<b>5</b>	<b>45003140</b>	<b>100</b>	<b>-</b>



## (ii) SHAREHOLDING OF PROMOTERS

SN	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding at the end of year			% Change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbers to total share	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	
1	Ramesh Kumar Jindal	2636008	5.86	5.86	2636008	5.86	5.86	0.00
2	Rajinder Kumar Jindal	2587052	5.75	5.75	2477052	5.50	5.50	(0.25)
3	Yash Paul Jindal	2261918	5.02	4.69	2240918	4.98	4.80	(0.05)
4	Sandeep Jindal*	407844	0.91	0.33	446389	0.99	0.33	0.08
5	Aman Jindal	844050	1.88	1.88	844050	1.88	1.88	0.00
6	Sahil Jindal	810000	1.80	1.80	810000	1.80	1.80	0.00
7	Jagdish Rai Jindal	16946	0.04	0.00	16946	0.04	0.00	0.00
8	Vidyawati Jindal	1550	0.00	0.00	1550	0.00	0.00	0.00
9	Santosh Jindal	162	0.00	0.00	162	0.00	0.00	0.00
10	Geeta Jindal	162	0.00	0.00	162	0.00	0.00	0.00
11	Reen Prabha Jindal	162	0.00	0.00	162	0.00	0.00	0.00
	<b>TOTAL</b>	<b>9565854</b>	<b>21.26</b>	<b>20.31</b>	<b>9473399</b>	<b>21.05</b>	<b>20.31</b>	<b>(0.22)</b>

\*\* Increase in the shareholding of Sh. Sandeep Jindal due to inter-see transfer of shares between the promoters (off Market)

## (iii) Change in Promoter's Shareholding (Please specify if there is no change)

S No.	Particular		Reasons for increase/decrease	No. of shares held at the beginning of the year		No. of shares held at the end of the year	
				No. of shares of the company	% of total shares	No. of shares of the company	% of total shares
	Yash Paul Jindal						
	<b>At the beginning of the year</b>			2261918	5.03		
	(Decrease) 29.05.2017 13.06.2017 15.06.2017	1000 10000 10000	Sale of shares	21000	0.05		
	<b>At the end of the year</b>					2240918	4.98
	<b>Sandeep Jindal</b>						
	<b>At the beginning of the year</b>			407844	0.91		
	(Decrease) 05.04.2017 06.04.2017 10.04.2017 17.04.2017 18.04.2017 25.04.2017 09.05.2017 15.06.2017	10000 10000 10000 8740 10000 5000 7715 10000	Sale of shares	71455	0.05		
	(Increase) 17.11.2017	110000	Inter see transfer between promoters		110000		
	<b>At the end of the year</b>					446389	0.99



S No.	Particular		No. of shares held at the beginning of the year			No. of shares held at the end of the year	
			Reasons for increase/decrease	No. of shares of the company	% of total shares	No. of shares of the company	% of total shares
	Rajinder Jindal						
	At the beginning of the year			2587052	5.75		
	(Decrease) 17.11.2017	110000	Intersee transfer between promoters	110000	0.25	2240918	4.98
	At the end of the year						

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (Other than Directors, Promoters and holder of GDRs)

S.No	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative shareholding during the year(01.04.2017) to (31.03.2018)	
		No. of shares held at the beginning of the year (01.04.2016) /end of the year (31.03.2017)	% of total shares of the company				No. of Shares	% of total shares of the company
1	Shriram Insight Share Brokers Ltd	935613	2.08	01.04.2017				
				07.04.2017	-1555	Trf	934058	2.08
				14.04.2017	376	Trf	934434	2.08
				21.04.2017	-376	Trf	934058	2.08
				05.05.2017	500	Trf	934558	2.08
				12.05.2017	-50	Trf	934508	2.08
				19.05.2017	-450	Trf	934058	2.08
				26.05.2017	100	Trf	934158	2.08
				09.06.2017	201	Trf	934359	2.08
				16.06.2017	89699	Trf	1024058	2.28
				30.06.2017	100	Trf	1024158	2.28
				07.07.2017	425	Trf	1024583	2.28
				14.07.2017	-325	Trf	1024258	2.28
				21.07.2017	1000	Trf	1025258	2.28
				04.08.2017	-1550	Trf	1023708	2.27
				18.08.2017	100	Trf	1023808	2.28
				25.08.2017	-100	Trf	1023708	2.27
				08.09.2017	-200	Trf	1023508	2.27
				28.09.2017	600	Trf	1024108	2.28
				29.09.2017	-310	Trf	1023798	2.27
				06.10.2017	-190	Trf	1023608	2.27
				13.10.2017	-100	Trf	1023508	2.27
				20.10.2017	84	Trf	1023592	2.27
				27.10.2017	-6484	Trf	1017108	2.26
				31.10.2017	200	Trf	1017308	2.26
				03.11.2017	-100	Trf	1017208	2.26
				10.11.2017	400	Trf	1017608	2.26
				17.11.2017	-550	Trf	1017058	2.26
				24.11.2017	-1400	Trf	1015658	2.26
				01.12.2017	-349941	Trf	665717	1.48
				08.12.2017	1300	Trf	667017	1.48
				15.12.2017	-1300	Trf	665717	1.48
				22.12.2017	-1500	Trf	664217	1.48
				12.01.2018	2000	Trf	666217	1.48
				19.01.2018	-2000	Trf	664217	1.48
				26.01.2018	20	Trf	664237	1.48
				09.02.2018	-20	Trf	664217	1.48
				09.03.2018	2155598	Trf	2819815	6.27



		4904715	10.90	16.03.2018 23.03.2018 30.03.2018 31.03.2018	905500 892400 287000	Trf Trf Trf	3725315 4617715 4904715 4904715	8.28 10.26 10.90 10.90
2	Clareville Capital Opportunities Master Fund Ltd	4475000 4475000	9.94 9.94	01.04.2017 31.03.2018	0	Nil	4475000	9.94
3.	Albula Investment fund Ltd	4183000 1328000	9.29 2.95	01.04.2017 09.03.2018 31.03.2018	-2855000	Trf	1328000 1328000	2.95 2.95
4	Avtar India Opportunities Fund	2247000 2247000	4.99 4.99	01.04.2017 31.03.2018	0	Nil	2247000	4.99
5	LTS Investment Fund Ltd	2220000	4.99	01.04.2017 16.03.2018 23.03.2018 31.03.2018	-1375000 -845000	Trf Trf	845000 0 0	4.93 1.88 0.00
6	Khushru Dali Petigara	1984045 1984045	4.41 4.41	01.04.2017 31.03.2018	0	Nil	1984045	4.41
7	Giraben Atulbhai Shah	1507541 1640500	3.35 3.65	01.04.2017 30.06.2017 31.03.2018	132959	Trf	1640500 1640500	3.65 3.65
8	Hiral Anand Karbhari	1150000 1150000	2.56 2.56	01.04.2017 31.03.2018	0	Nil	1150000	2.56
9	IL And FS Securites Service Limited	0	0.00	01.04.2017 02.06.2017 09.06.2017 08.09.2017 15.09.2017 22.09.2017 20.10.2017 08.12.2017 15.12.2017 09.02.2018	2793 -2793 7580 5000 -7580 -5000 -10000 931001	Trf Trf Trf Trf Trf Trf Trf Trf	2793 0 7580 12850 5000 0 10000 0 931001	0.01 0.00 0.02 0.03 0.01 0.00 0.02 0.00 2.07
		931001	2.07	31.03.2018			931001	2.07
10	Nagji Keshavji Rita	787389 787389	1.75 1.75	01.04.2017 31.03.2018	0	Nil	787389	1.75

## (V) Shareholding of Directors and Key Managerial Personnel (KMP):

S.No.	For each of the Directors of the Company and KMP	No. of shareheld at the beginning of the year		No. of share held end of the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>At the beginning of the year</b>				
1.	Mr. Sandeep jindal, Managing Director	407844	0.91		
2.	Anil Kumar, Company Secretary	Nil	Nil		
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.	No. of shares sold by Sh. Sandeep Jindal (Decrease) 05.04.2017 10000 06.04.2017 10000 10.04.2017 10000 17.04.2017 8740 18.04.2017 10000 25.04.2017 5000 09.05.2017 7715 15.06.2017 10000 <b>Total 71,455</b> Inter-see transfer of shares by Sh. Sandeep Jindal (Increase) 17.11.2017 110000 <b>Total 110000</b>			
	<b>At the end of the year</b>				
1.	Mr. Sandeep jindal, Managing Director Increase in the shareholding of Sh. Sandeep Jindal due to inter-see transfer of share between the promoters			446389	0.99
2.	Anil Kumar, Company Secretary			Nil	Nil



(vi) Indebtedness of the company including interest outstanding/accrued but not due for payment (Rs. in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtedness at the beginning of the financial year				
i) Principal Amount	22868.31	2161.47	1324.96	26354.74
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	514.91	514.91
Total (i+ii+iii)	22868.31	2161.47	1839.87	26869.65
Change in Indebtedness during the financial year				
Additions	--	2.85	--	2.85
Reduction	9.93	--	43.55	53.48
<b>Net Change</b>	(9.93)	2.85	(43.55)	(50.63)
Indebtedness at the end of the financial year				
i) Principal Amount	22858.38	2164.32	1279.62	26302.32
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	516.70	516.70
Total (i+ii+iii)	22858.38	2164.32	1796.32	26819.02





## VI). REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A) Remuneration to Managing Director, Whole-time Directors and/or Manager

S. No.	Particulars of Remuneration	Name of MD/WT/Manager
		<b>Sandeep Jindal Managing Director</b>
1	Gross salary	4,50,000
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,50,000
	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	Sweet Equity	-
4	Commission	-
	- as % of profit	-
	- others, specify	-
5	other, please specify	-
	Total (A)	4,50,000

### B) Remuneration to other Directors

S. No.	Particulars of Remuneration	Name of Directors	Rajesh Khanna	Anil Kumar	Alisha	Kartar Chand	Dhiman
1	<b>Independent Directors</b>						
	Fee for attending board committee meeting	-	-	-	-	-	-
	commission	-	-	-	-	-	-
	others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	-	-	-	-	-	-
2	<b>Other Non-Executive Directors</b>						
	Fee for attending board committee meeting	-	-	-	-	-	-
	commission	-	-	-	-	-	-
	others, please specify	-	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-	-
	<b>Total = (1+2)</b>	-	-	-	-	-	-

### C) Remuneration to Key Managerial Personal other than MD/WT/Manager

S. No.	Particulars of Remuneration	Key Managerial Personnel	
		Anil Kumar CS	Total
1	Gross salary	7,24,020	7,24,020
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,24,020	7,24,020
	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	Sweet Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	other, please specify	-	-
	Total (A)	7,24,020	7,24,020

## VII) Penalties/ Punishment / Compounding Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal Made if any (give Details)
<b>A. COMPANY</b> Penalty Punishment Compounding			<b>NONE</b>		
<b>B. DIRECTORS</b> Penalty Punishment Compounding			<b>NONE</b>		
<b>C. OTHER OFFICERS IN DEFAULT</b> Penalty Punishment Compounding			<b>NONE</b>		

By Order of the Board  
For Jindal Cotex Limited

Place : Ludhiana  
Date : 01.09.2018

**Rajesh Khanna**  
Director  
06971227

**Sandeep Jindal**  
Managing Director  
01639743



## Annexure-II

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR- 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018

[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,  
Jindal Cotex Limited  
Ludhiana.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Jindal Cotex Limited (hereinafter referred to as Company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts, statutory compliances and expressing my opinion thereon.

Based on our verification of the Jindal Cotex Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - (v) 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, 1992;
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the company during the audit period.)
    - (e) 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;
    - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the company during the audit period.)
    - (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; ((Not applicable to the company during the audit period.)
    - (h) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Further, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 are not applicable to the company as the company has not issued/listed any debt securities.

We have also examined compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned therein except:

- *payment of Annual Listing Fee to the stock exchanges where the company is listed;*
- *delay in filing of Financial Results and Annual Report with stock exchanges.*
- *non-filing of several e-forms, Balance sheet etc. and Annual return at MCA for the FY ended 31.03.2017.*
- *non-compliance of order passed by Hon'ble Company Law board, New Delhi, regarding repayment of fixed deposits and consequent disqualification of directors.*



We further report that as per the Master Data of the Company at MCA, the company is stated to be under liquidation.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever applicable.

We 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.

We further report that during the audit period, there were no other specific events/actions in pursuance of above referred laws, rules, regulations and guidelines.

For Reecha Goel & Associates  
Company Secretaries  
(Reecha Gupta)  
Prop.  
FCS: 6562  
CP No.: 7012  
Place: Ludhiana  
Date: 01.09.2018

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## **ANNEXURE A'**

To  
The Members,  
Jindal Cotex Limited  
Ludhiana  
Our report of even date is to be read along with this letter.

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

For Reecha Goel & Associates  
Company Secretaries

(Reecha Gupta)  
Prop.  
FCS: 6562  
CP No.: 7012  
Place: Ludhiana

**Form AOC - 2**  
**As on 31.03.2018**

(Pursuant to clause (h) of sub section(3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangement entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below:

**1. Details of contracts or arrangements or transactions not at Arm's length basis:**

S. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of contracts/arrangements/transaction	Nil
d)	Silent terms of the contracts/arrangements/transaction including the value, if any	Nil
e)	Justification for entering into such contracts/arrangements/transaction	Nil
f)	Date of approval by the Board	Nil
g)	Amount paid as advance, if any	Nil
h)	Date on which the special resolution was passed in general meeting as required under first proviso of section 188	Nil

**2. Details of contracts or arrangements or transactions at Arm's length basis:**

S. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	
b)	Nature of contracts/arrangements/transaction	
c)	Duration of contracts/arrangements/transaction	
d)	Silent terms of the contracts/arrangements/transaction including the value, if any	Details of Related Party Transactions are disclosed in note No. 36 of the Financial Statements
e)	Justification for entering into such contracts/arrangements/transaction	
f)	Date of approval by the Board	
g)	Amount paid as advance, if any	
h)	Date on which the special resolution was passed in general meeting as required under first proviso of section 188	



## INDEPENDENT AUDITOR'S REPORT

To the Members of  
JINDAL COTEX LTD.

### **Report on the Standalone Ind AS financial statements**

We have audited the accompanying standalone Ind AS financial statements of **JINDAL COTEX LTD.** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

### **Management's Responsibility for the Standalone Ind AS financial statements**

The Management and board of directors of the company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.

This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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

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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 the Company's management and Board of Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for audit **opinion.**

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS 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 including the Ind AS, of the state of affairs of the company as at 31 March, 2018 and its profit & loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Emphasis of Matter**

We draw our attention towards a list of matters, considered significant for the users of the standalone Ind AS financial statements, adequately disclosed by the management:

1. Note No. 17 to the Ind AS financial statements which indicate that the Company eroded its peak level net worth by more than 50% and as such has become potentially sick company. Moreover, the company has not been able to pay the debt availed from the banks and financial institutions. Recovery actions for the same have been initiated by the banks. The following is the current status of the dues of the company:



Bank's Name	Current Status
Oriental Bank of Commerce and Allahabad Bank	JM Financial Assets Reconstruction Company Private Limited has acquired account from Oriental Bank of Commerce and Allahabad bank.
Corporation Bank, State Bank of India, Punjab & Sind Bank and Central Bank of India and Central Bank of India.	Corporation Bank, State Bank of India, Punjab & Sind Bank and Central Bank of India have filed cases for recovery against the company in Debt Recovery Tribunal, Chandigarh and cases are pending there.
The Catholic Syrian Bank Limited	Catholic Syrian Bank has assigned the debt to Phoenix ARC Private Limited. Phoenix has filed a case against the company under IBC at NCLT Chandigarh, which has not been admitted till date.

Hence, there are conditions indicating an uncertainty on the going concern. However, the standalone financial statements have been prepared by the management on a going concern basis in spite of the reason stated in the said note.

2. Note no.3, 4, 5, 7 and 15 to the standalone financial statements regarding the company's Non-current Financial assets, other non-current assets, long term loans/advances, other current assets includes amount advanced and invested in M/S Jindal International FZE, its foreign subsidiary company, carried in the balance sheet at Rs.135.79 crores. The amount has been long outstanding since 2011.
3. Manufacturing facilities were suspended at Units located at VPO Jugiana, G.T. Road, Ludhiana and Village Mandiala Kalan, Bija, Ludhiana due to severe financial constraints. However, manufacturing activities were resumed from September, 2017 at Unit -2 located at Village Mandiala Kalan, Bija, Ludhiana.
4. There is non-submission of various statutory returns acknowledged by the respective authorities, non provision/deposition of various overdue statutory liabilities like PF/Service Tax/TDS/ Vat/ GST& CST/WCT/TCS/ESI & related over dues viz Interest and penalty as exact amount of which could not be ascertained in present scenario.
5. Since all the accounts of the company have been declared sub-standard over a period of time, the balances with banks are subject to confirmation.
6. Note No. 41 to the financial statement on various litigations/suits pending in the court of law at different levels. We cannot comment regarding the outcome of law suits filed against the company.
7. Actuarial valuation of employee benefits was not conducted during the year. Hence IND AS 19 has not been followed
8. The company has in the past received/accepted deposits from public for different time frames for maturity. Due to financial constraints, the company was not able to repay the deposits within the scheduled time period. The Company applied to the

Company Law Board for the deferment of repayments of deposits (refer clause 2(a) of note no. 18 of financial statements), which was allowed.

9. Fair valuation of unquoted investments has not been considered
10. Amortization of processing fees of term loans has not been done as required by IND AS, since the accounts of the company have been slipped into sub-standard category.
11. Capital work in progress has been standing in books of accounts since last few years.
12. Trade receivables, Trade payables, Loans, Advances and other recoverable and payable are subject to confirmation from the management.
13. Stock is subject to confirmation from management.

#### **Report on Other Legal and Regulatory Requirements<sup>1</sup>.**

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 statement on the matters Specified in paragraphs 3 and 4 of the Order.

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 purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, Statement of Profit and loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the applicable Indian Accounting Standards specified under Section 133 of the Act
- e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure "B"; and
- g) in our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014: sums does not arise.





- i. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
- ii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.
- iii. The company has disclosed the impact of its pending litigations on its financial position in its standalone financial statements refer note no 41 to standalone financial statements.

For Raj Gupta & Co  
Chartered Accountants  
FRN: 000203N

Place: Ludhiana  
Date: 30/05/2018

Raj Kumar Gupta  
(Partner)  
Membership No.: 017039

## **ANNEXURE A TO THE INDEPENDENT AUDITORS REPORT**

### **Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements."**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

#### **i. In respect of fixed assets:**

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us the Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of regular intervals, which in our opinion, is reasonable having regard to the size of the company and nature of its business.
- (c) According to information and explanation given to us, the title deeds of immovable Property is held in the name of the company. However, we have not verified the same as they are pledged with financial Institutions and not made available to us.

#### **ii. In respect of Inventories:-**

- (a) According to information and explanations given to us, the inventories have been physical verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical

verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

- (c) The company has maintained proper records of inventory. As explained to us, the discrepancies noticed on physical verification were not material. However, the discrepancies noticed have been properly dealt with in the books of account.
- iii. According to the information and explanations given to us, the Company, during the year, has not granted secured or unsecured loans to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. There are however, outstanding loans and advances to the tune of Rs. 173.94 crore as on 31.03.2018 the terms and conditions of which are not specified and hence we are unable to comment upon.
- iv. In our opinion and according to the information and explanations given to us, the company has not granted loans during the year. So the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable. However the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of investment made. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution during the year. However Company has outstanding corporate guarantees of Rs.327.56 crore for loan availed by its subsidiaries from banks and financial institutions.
- v. In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public covered under Section 73 to 76 of the Companies Act, 2013 during the Year. However, for the repayment of the fixed deposits received in earlier years by the company from the public, the company has taken permission from the Hon'ble Company Law Board, New Delhi, for extension of time for repayment of fixed deposits as the company was unable to repay the same on due dates due to financial crisis.
- vi. We have broadly reviewed the records maintained by the company pursuant to the rules prescribed by the central government for maintenance of cost records under sub-section (l) of section 148 of the act and are of the opinion that prima facie, the prescribed accounts have been prepared and maintained.



- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is not regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, GST, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India. TCS 161061, Vat 83,83,384/-, CST 4,66,303/- PF Payable 50,12,029/- ESI Payable 38,50,029/-
- (b) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of reporting delay in transferring such sums does not arise.
- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has defaulted in repayment of loans or borrowings to banks and financial institution. The company has not issued any debentures during the year. Banks have recalled entire advances from the company and have started recovery proceedings under SARFAESI ACT.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.
- Xi Based on the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.
- 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 Based upon the audit procedures performed and the information and explanations given by the management, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Standalone financial statements as required by the applicable

accounting standards.

- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 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 him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the order are not applicable to the Company and hence not commented upon.

**Annexure - B to Independent Auditors' Report**  
**(Referred to in our report of even date)**

**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 JINDAL COTEX LTD. as of 31st March, 2018 in conjunction with our audit of the Standalone IND AS 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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, we assure the effectiveness of internal financial controls system over financial reporting and give assurance that transactions are recorded as necessary to permit preparation of standalone 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.

**For Raj Gupta & Co**  
**Chartered Accountants**  
FRN:000203N  
**Raj Kumar Gupta**  
(Partner)  
Membership No.: 017039

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2018**

(Rs. in Lacs)

<b>PARTICULARS</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and Extra Ordinary Activities	(865.49)	(1,217.73)
Adjustment For: -		
Depreciation	638.87	661.76
Interest Received	(686.57)	(625.27)
Finance Cost	57.35	52.90
Prior Period Expense	48.50	-
Sub Total	58.15	89.38
A. Operating Profit before working capital Changes	(807.33)	(1,128.35)
Adjustment For		
Trade Receivables	(162.35)	(101.88)
Inventories	(125.18)	423.19
Increase /Decrease in current tax asset	0.79	14.65
Increase /Decrease in other current assets	(103.05)	(263.43)
Increase /Decrease in current financial loans	(0.19)	(0.45)
Increase /Decrease in other non current assets	875.73	875.74
Increase /Decrease in other non current assets	(0.16)	-
Increase /Decrease in Non current financial loans	(641.42)	(92.83)
Increase /Decrease in current financial loans	(108.64)	0.47
Increase /Decrease in other current financial Liabilities	34.94	13.59
Increase /Decrease in other current Liabilities	124.12	(186.26)
Increase /Decrease in other current provision	30.33	1.66
Increase /Decrease in Trade Payables	360.04	(47.85)
Increase /Decrease in other Non current financial Liabilities	57.03	(16.85)
Increase /Decrease in other Non current Liabilities	(81.58)	(17.31)
Sub Total	260.40	602.43
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(546.93)</b>	<b>(525.92)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(94.01)	(0.08)
Increase in Intangible Asset	(2.52)	-
Sale of Fixed Assets	49.83	-
Interest Received	686.57	625.27
Sub Total	639.87	625.20
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>639.87</b>	<b>625.20</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings/ Financial Liability	(47.28)	2.35
Proceeds from Short term borrowings	(5.13)	-
Finance Cost	(57.35)	(52.90)
Sub Total	(109.77)	(50.55)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(109.77)</b>	<b>(50.55)</b>
Net increase/(decrease) in cash & Cash equivalents (A+B+C)	(16.81)	48.73
Cash and Cash Equivalent at beginning of year	64.89	16.17
Cash and Cash Equivalent at the end of year	48.08	64.89

Significant Accounting Policies and Notes to Accounts 1 to 42

**For & On behalf of the Board**

**Sandeep Jindal**  
Managing Director  
DIN 01639743

**Rajesh Khanna**  
Director  
DIN 06971227

**Gurvinder Singh**  
Manager Accounts

**Anil Malhan**  
Company Secretary

As per our report of even date attached  
**Raj Gupta & Co.**  
Chartered Accountants  
Firm Regn no. 000203N

**Raj Gupta**  
Partner  
(M.No.017039)

**Place : Ludhiana**  
**Date : 30.05.2018**



## BALANCE SHEET AS AT 31ST MARCH, 2018

(Rs. in Lacs)

Particulars	Note No.	As at	As at	As at
		31 March, 2018	31 March, 2017	1 April, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
a) Property, Plant and Equipment	2	7,153.47	7,744.15	8,402.31
b) Capital work in progress	2	3,716.00	3,716.00	3,716.00
c) Other Intangibles assets	2	2.71	4.20	7.72
d) Financial Assets				
i) Investments	3	133.71	133.52	133.07
ii) Loans	4	6,322.33	5,680.91	5,588.07
iii) Other Financial assets	5	3.39	3.39	3.39
e) Deferred Tax asset (net)	6			
f) Other non current assets	7	7,888.81	8,764.54	9,640.28
<b>Total</b>		<b>25,220.42</b>	<b>26,046.71</b>	<b>27,490.85</b>
<b>Current assets</b>				
a) Inventories	8	193.39	68.21	491.40
b) Financial Assets				
i) Trade receivable	9	1,086.07	923.72	821.83
ii) Cash and cash equivalents	10	46.37	63.20	14.47
iii) Other bank balances	11	1.70	1.70	1.70
iv) Loans	12	0.16	-	-
v) Other financial assets	13	393.27	284.63	285.10
c) Current tax assets	14	1.66	2.44	17.10
d) Other current assets	15	2,364.44	2,309.89	2,046.45
<b>Total</b>		<b>4,087.05</b>	<b>3,653.77</b>	<b>3,678.05</b>
<b>Total Assets</b>		<b>29,307.47</b>	<b>29,700.48</b>	<b>31,168.89</b>
<b>EQUITY AND LIABILITIES</b>				
a) Equity Share Capital	16	4,500.31	4,500.31	4,500.31
b) Other Equity	17	(3,723.40)	(2,857.92)	(1,640.19)
<b>Total</b>		<b>776.90</b>	<b>1,642.39</b>	<b>2,860.12</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
a) Financial Liabilities				
i) Borrowings	18	20,885.04	20,932.32	20,929.97
ii) Other Financial Liabilities	19	(1,059.89)	(1,116.92)	(1,100.07)
b) Deferred tax liabilities (net)	20			
c) Other non current liabilities	21	734.92	816.51	833.82
<b>Total</b>		<b>20,560.07</b>	<b>20,631.91</b>	<b>20,663.72</b>
<b>Current liabilities</b>				
a) Financial Liabilities				
i) Borrowings	22	5,232.58	5,237.71	5,237.71
ii) Trade payables	23	1,366.58	1,006.54	1,054.40
iii) Other Financial Liabilities	24	734.65	699.71	686.12
b) Other current liabilities	25	591.19	467.07	653.32
c) Provisions	26	45.49	15.15	13.49
<b>Total</b>		<b>7,970.49</b>	<b>7,426.19</b>	<b>7,645.05</b>
<b>Total Equity and Liabilities</b>		<b>29,307.47</b>	<b>29,700.48</b>	<b>31,168.89</b>

Significant Accounting Policies and Notes to Accounts 1to 42

For & On behalf of the Board

As per our report of even date attached

**Sandeep Jindal**  
Managing Director  
DIN 01639743

**Rajesh Khanna**  
Director  
DIN 06971227

**Gurvinder Singh**  
Manager Accounts

**Anil Malhan**  
Company Secretary

**Raj Gupta & Co.**  
Chartered Accountants  
Firm Regn no. 000203N

Place : Ludhiana  
Date : 30.05.2018

**Raj Gupta**  
Partner  
(M.No.017039)

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

(Rs. in Lacs)			
PARTICULARS	NOTE NO.	Current Year	Previous Year
I Revenue from Operations	27	3,591.77	545.85
II Other Income	28	696.57	684.80
III Total income(I+II)		<b>4,288.34</b>	<b>1,230.66</b>
IV EXPENSES			
Cost of materials consumed	29	2,384.90	-
Purchases of stock-in-trade	30	224.53	58.82
Change in inventories of finished goods stock in trade and work -in-progress	31	(58.28)	423.19
Employee benefit expense	32	264.52	53.07
Finance costs	33	57.35	52.90
Depreciation and amortisation expense	2	638.87	661.76
Other expnses	34	1,547.08	1,199.10
<b>Total expenses(IV)</b>		<b>5,058.98</b>	<b>2,448.84</b>
V Profit/(loss) before exceptional items and tax (III-IV)		(770.64)	(1,218.18)
VI Exceptional items		(46.54)	
VII Profit/(loss) before tax		(817.18)	(1,218.18)
VIII Tax expense			
(1) Current tax		-	-
(2) Deferred tax		-	-
<b>IX Profit/(loss) for the period (VII-VIII)</b>		<b>(817.18)</b>	<b>(1,218.18)</b>
X Other Comprehensive Income			
Altems that will be reclassified to profit or loss			
(i) Net (loss)/gain on FVOCI equity securities		0.19	0.45
(ii) Income tax effect		-	-
<b>XI Total other comprehensive income</b>		<b>0.19</b>	<b>0.45</b>
XII Total Comprehensive Income for the period (IX+XI)			
(Comprising Profit (Loss) and Other Comprehensive Income for the period)		(816.99)	(1,217.73)
XIII Earnings per equity share (Basic and diluted )			
(1) Basic		(1.82)	(2.71)
(2) Diluted		(1.82)	(2.71)
<b>Significant Accounting Policies and Notes to Accounts</b>	<b>1 to 42</b>		

**For & On behalf of the Board**

As per our report of even date attached

**Raj Gupta & Co.**Chartered Accountants  
Firm Regn no. 000203N**Sandeep Jindal**  
Managing Director  
DIN 01639743**Rajesh Khanna**  
Director  
DIN 06971227**Gurvinder Singh**  
Manager Accounts**Anil Malhan**  
Company Secretary**Raj Gupta**  
Partner  
(M.No.017039)**Place : Ludhiana**  
**Date : 30.05.2018**





## SIGNIFICANT ACCOUNTING POLICIES

I) **BACKGROUND:**

"Jindal Cotex Limited ("the Company") is public limited entity incorporated in India, having its registered office at VPO Jugiana, G.T. Road Ludhiana.

II) **SIGNIFICANT ACCOUNTING POLICIES:**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

III) **BASIS OF PREPARATION:**

I **Compliance with Ind AS**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per Companies Indian Accounting Standard Rules, 2015 notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act. The financial statements up to year ended 31st March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements for the year ended 31st March 2018 under Ind AS. The Financial statements of the company for the year ended 31st March, 2018 have been approved by the Board of Directors at their meetings held on 30 May, 2018. The accounts of the Company have been prepared on going concern basis and historical cost basis except certain financial assets and liabilities measured at fair value and defined benefit plans-assets measured at fair value.

ii **Historical Cost Convention**

The Financial Assets have been prepared on a historical cost basis, except Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

iii **Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

iv **Current/Non-current classification :**

All assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

v **Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. On transition to Ind AS, the Company has adopted optional exemption under Ind AS 101 to measure Property, Plant and Equipment at previous GAAP carrying value. Consequently, the previous GAAP carrying value has been assumed to be deemed cost of Property, Plant and Equipment on the date of transition i.e. 1st April, 2016.

vi **Capital Work in Progress**

Projects under commissioning and other Capital Work in Progress are carried at Cost, comprising direct cost, related incidental expenses, indirect expenditure, Capital Advances and attributable interest related to that project.

vii **Depreciation methods, estimated useful lives and residual value**

Pursuant to the enactment of the companies Act 2013, the Company has applied the estimated Useful lives as specified in schedule II. Accordingly the unamortized carrying value is being Depreciated over the revised/remaining useful lives

**Intangible assets**

Computer software are stated at cost, less accumulated amortization and impairment, if any

viii **Impairment of Non-financial assets**

"The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual assets, the Company estimates the recoverable amount of the (CGU) to which the asset belongs."

"An impairment loss is recognized in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets."

"The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount."

ix **INVENTORIES**

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and stores & spares at the weighted average cost. Cost of work in progress and finished goods 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. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts.

x **Borrowing costs**

"(refer note 18 of Financial Statements)"

xi **Provisions, Contingent liabilities and Contingent Assets**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. A present obligation that arises from past events where it is neither probable that an outflow of resources will be required to settle nor a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also 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. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

xii **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivables. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates and value added Taxes. The Company recognizes revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and specific of each arrangement.

**Timing of recognition-**The company manufactures and sells hosiery knitwears, cotton yarn/blended yarn. Revenue from sales are recognized when significant risk and rewards of ownership of the goods has been transferred to the buyer and entity does not have the effective control over the goods sold.

xiii **Accounting for Taxes on Income**

Provision for current tax is made in accordance with the provisions of the Income Tax law applicable for the relevant year. Deferred tax asset/liability is created only to the extent there is virtual certainty that future taxable income will be available against which such deferred tax asset can be realized. As there is no virtual certainty available So deferred tax assets/ Liability not created.

In terms of the Guidance Note on "Accounting for Credit available in respect of Minimum Alternate Tax (MAT) under the Income Tax Act, 1961" issued by the Institute of Chartered Accountants of India, MAT credit is recognized as an asset only to the extent there is a convincing evidence that the company will be paying regular income tax during the specified period.





**xiv Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other bank balances.

**xv Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

**xvi Employee Benefits**

(a) Short-Term Employee benefits

Employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits and are recognized in the period in which the employee renders the related services.

(b) Post-employment benefits

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service

The liability on account of compensated absences i.e. leave with wages is accounted for on the basis of unutilized leave standing to the credit of the employee at the close of the year.

Since company has not conducted actuarial valuation of employee benefits during the previous years, hence Ind AS 19, Employee Benefits is not applied.

**xvii Borrowings**

Amortization of processing fees of term loans has not been done as required by Ind AS, since accounts of the company has been classified as NPA before the transition date as per Ind AS.

Since all the accounts of the company has been declared Sub-standard over a period of time, the banks have started recovery action under SARFAESI Act. In the absence of any information on interest on outstanding dues to the bank, the provision of interest has not been made by the company.

**xviii Financial instruments**

"Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments."

**Initial Recognition:**

"Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in Statement of Profit and Loss."

**Classification and Subsequent Measurement: Financial Assets**

"The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:- The entity's business model for managing the financial assets and- The contractual cash flow characteristics of the financial asset."

**Amortized Cost:**

"A financial asset shall be classified and measured at amortized cost if both of the following conditions are met:- The financial asset is held within a business model whose objective is to hold financial assets 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."

"Fair Value through OCI: A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:- The financial asset 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."

**Fair Value through Profit or Loss:**

"A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through OCI. All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets."

**Classification and Subsequent Measurement: Financial liabilities:**

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

**Financial Liabilities at FVTPL:**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL:

Gains or Losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

**Other Financial Liabilities:**

"Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using the effective interest method."

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Impairment of financial assets:**

"Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company assesses on a forward looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. In case of trade receivables, the Company Follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience."

**Derecognition of financial assets:**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

**xix Critical Accounting Judgment and Key of Estimation Uncertainty**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

**xx Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) the managing committee is considered to the chief operating decision maker as defined in IND AS 108 the operating segment is the level at which discrete financial information is available. the CODM allocate the resources and assess performance at this level. the group has Operating segments comprising of textile & wind mill.



(Rs. in Lacs)

DEPRECIATION CHART 2017-18												
2. PROPERTY, PLANT AND EQUIPMENT				GROSS BLOCK				DEPRECIATION				NET BLOCK
PARTICULARS	As at 31.03.2017	Additions during the year	other Adjustment	As at 31.03.2018	As at 31.03.2017	Addition during the year	Deduction during the year	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017		
(i) Property, Plant and Equipment												
2												
1 Land	696.87	-	-	696.87	-	-	-	-	696.87	696.87		
2 Factory Building	558.28	19.63	-	577.90	366.59	9.45	-	376.04	201.87	191.69		
3 Building	2,404.46	-	-	2,404.46	537.13	73.11	-	610.23	1,794.22	1,867.33		
4 Plant & Machinery	10,808.13	65.14	-	10,873.27	5,932.61	548.26	-	6,480.87	4,392.39	4,875.52		
5 Weigh Bridge & scales	13.77	-	-	13.77	9.45	0.01	-	9.47	4.30	4.31		
6 Electrical Installations	604.10	-	531.23	72.87	541.27	2.32	481.40	62.19	10.68	62.83		
7 Office Equipments	45.16	1.15	-	46.31	41.96	0.11	-	42.07	4.24	3.20		
8 Computer	101.61	-	-	101.61	96.50	0.04	-	96.54	5.07	5.11		
9 Scooter	0.33	-	-	0.33	0.21	0.05	-	0.26	0.07	0.12		
10 Furniture & Fixtures	34.59	1.85	-	36.44	30.29	0.98	-	31.28	5.16	4.29		
11 Wind Mill	657.48	-	-	657.48	624.61	-	-	-	32.87	32.87		
12 Vehicles	-	1.45	-	1.45	-	0.10	-	0.10	1.35	-		
13 Cars	-	4.80	-	4.80	-	0.43	-	0.43	4.37	-		
<b>Total</b>	<b>15,924.77</b>	<b>94.01</b>	<b>531.23</b>	<b>15,487.54</b>	<b>8,180.62</b>	<b>634.86</b>	<b>481.40</b>	<b>7,709.48</b>	<b>7,153.47</b>	<b>7,744.15</b>		
(ii) Capital Work in Progress												
2												
1	3,716.00	-	-	3,716.00	-	-	-	-	3,716.00	3,716.00		
<b>Total</b>	<b>3,716.00</b>	<b>-</b>	<b>-</b>	<b>3,716.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,716.00</b>	<b>3,716.00</b>		
(iii) INTANGIBLE ASSET												
2												
1 Trademark	1.34	-	-	1.34	1.04	0.11	-	1.15	0.19	0.30		
2 ERP Software	10.65	2.52	-	13.17	6.75	3.90	-	10.64	2.53	3.90		
<b>Total</b>	<b>11.99</b>	<b>2.52</b>	<b>-</b>	<b>14.51</b>	<b>7.79</b>	<b>4.01</b>	<b>-</b>	<b>11.79</b>	<b>2.71</b>	<b>4.20</b>		



2. PROPERTY, PLANT AND EQUIPMENT										
(Rs. in Lacs)										
DEPRECIATION CHART 2016-17										
PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.2016	Additions during the year	other Adjustment	Deduction During the year	As at 31.03.2017	As at 31.03.2016	Addition during the year	Deduction during the year	As at 31.03.2017	As at 31.03.2016
<b>(i) Property, Plant and Equipment</b>										
2 Land	696.87	-	-	-	696.87	-	-	-	696.87	696.87
1 Factory Building	558.28	-	-	-	558.28	358.72	7.87	-	366.59	199.56
2 Building	2,404.46	-	-	-	2,404.46	464.02	73.11	-	1,867.33	1,940.44
3 Plant & Machinery	10,808.13	-	-	-	10,808.13	5,370.281	562.33	-	5,932.61	5,437.85
4 Weigh Bridge & scales	13.77	-	-	-	13.77	9.42	0.03	-	9.45	4.35
5 Electrical Installations	604.10	-	-	-	604.10	527.70	13.57	-	541.27	76.41
6 Office Equipments	45.08	0.08	-	-	45.16	41.79	0.17	-	41.96	3.30
7 Computer	101.61	-	-	-	101.61	96.45	0.04	-	96.50	5.15
8 Scooter	0.33	-	-	-	0.33	0.17	0.05	-	0.21	0.16
9 Furniture & Fixtures	34.59	-	-	-	34.59	29.33	1.06	-	30.29	5.36
10 Wind Mill	657.48	-	-	-	657.48	624.61	-	-	624.61	32.87
11 <b>Total</b>	<b>15,924.69</b>	<b>0.08</b>	-	-	<b>15,924.77</b>	<b>7,522.39</b>	<b>658.23</b>	-	<b>8,180.62</b>	<b>8,402.31</b>
<b>(ii) Capital Work in Progress</b>										
2										
1	3,716.00	-	-	-	3,716.00	-	-	-	3,716.00	3,716.00
<b>Total</b>										
<b>(iii) INTANGIBLE ASSET</b>										
2 Trademark	1.34	-	-	-	1.34	0.89	0.15	-	1.04	0.45
1 ERP Software	10.65	-	-	-	10.65	3.37	3.37	-	6.75	7.28
2 <b>Total</b>	<b>11.99</b>	<b>-</b>	-	-	<b>11.99</b>	<b>4.26</b>	<b>3.52</b>	-	<b>7.79</b>	<b>7.72</b>



(Rs. In Lacs)			
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>3 Financial Assets</b>			
Investments			
i) Investments in Equity shares			
Unquoted fully paid up equity shares			
<b>Subsidiary Companies</b>			
<b>M/s Jindal Medicot Limited</b>	3,005.00	3,005.00	3,005.00
50000 (prev. yr. 50000) Equity Shares of Rs. 10 each			
3750000 fully (Prev. yr 3750000) Shares @ Rs. 10 each			
fully paid up at a premium of Rs. 70 per share.			
Less :Provision of Diminution in value of Investment	3,005.00	3,005.00	3,005.00
	-	-	-
<b>M/s Jindal Specialty Textiles Ltd.</b>			
(50000 (prev. yr. 50000) Equity Shares of	5,117.50	5,117.50	5,117.50
Rs 10/- each fully paid up and			
4050000 (prev. yr. 4050000) shares @ Rs.10/-each			
at a premium of Rs.90/- each and			
850000 (prev. yr.850000) shares @ Rs.10/-each			
at a premium of Rs.115/- each			
Less :Provision of Diminution in value of Investment	5,117.50	5,117.50	5,117.50
	-	-	-
<b>M/s Jindal International FZE</b>	122.89	122.89	122.89
(No record on number of shares and value available with the company)			
<b>Associate Company</b>			
M/s Himachal Textile Park Ltd	8.85	8.85	8.85
88500(Prev Year 88500) Equity Shares of Rs 10 /- Each			
Fully Paid Up			
ii) <b>Other Non Current Investments</b>			
(Quoted -Fully paid up )other than Subsidiaries			
Investment at fair value through profit or loss			
<b>Baroda Pioneer PSU Equity Fund</b>	1.97	1.78	1.34
(20000 Growth Equity Fund @ Rs. 10 each)			
<b>Total</b>	<b>133.71</b>	<b>133.52</b>	<b>133.07</b>
1. Market Value of Quoted Investment	1.97	1.78	1.34
2. Aggregate amount of Unquoted Investment	131.74	131.74	131.74
3. Aggregate amount of Total Investment	133.71	133.52	133.07
4 Aggregate Provision for diminution in Value of Investments	8,122.50	8,122.50	8,122.50
Note : Quoted investments are valued at market value as on 31-03-2018. All other investments are valued at cost.			



	(Rs. In Lacs)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>4 Loans</b>			
i) Security Deposit			
Lease Securities	45.00	45.00	45.00
Electricity Security	65.36	65.36	65.36
Telephone Security	0.19	0.24	0.25
Sale Tax Security	0.20	0.20	0.20
LPG Security	0.02	0.02	0.02
Advance Cosumption Deposit PSPCL	57.16	57.16	57.16
ii) <b>Loans and Advances to Related Parties</b>			
a) Jindal Medicot Ltd.	627.61	520.97	456.71
b) Jindal Speciality Textiles Ltd.	55.24	67.72	532.33
c )Jindal International FZE (Current Account)	5,504.44	4,958.95	4,467.39
d) Poonam Enterprises	0.88	0.88	0.88
e) Rajinder Jindal	(5.18)	(5.46)	(5.71)
f) Jindal Fine Industries	(28.60)	(30.14)	(31.52)
<b>Total</b>	<b>6,322.33</b>	<b>5,680.91</b>	<b>5,588.07</b>
<b>5 Other Financial Assets</b>			
M/s Jindal International FZE	3.39	3.39	3.39
<b>Total</b>	<b>3.39</b>	<b>3.39</b>	<b>3.39</b>
<b>6 Deferred Tax asset (net)</b>			
Deferred Tax asset	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>7 Other Non-Current Assets</b>			
<b>Prepaid Expense(Ind AS)</b>			
a) Jindal Medicot Ltd.	696.47	773.79	850.89
b) Jindal Speciality Textiles Ltd.	21.77	24.19	26.60
c )Jindal International FZE (Current Account)	7,145.82	7,939.07	8,732.55
d) Rajinder Jindal	3.80	4.21	4.64
f) Jindal Fine Industries	20.95	23.28	25.59
<b>Total</b>	<b>7,888.81</b>	<b>8,764.54</b>	<b>9,640.28</b>
<b>8 Inventories</b>			
(As taken, valued and approved by management)			
a) Raw Materials	67.32	-	-
b) Work-in-Progress	79.01	-	-
c) Finished Goods/ Stock in Trade	39.10	60.45	483.64
d) Waste Stock	0.62	-	-
e) Store, Spares, Dyes & Chemicals & Packing Material	7.34	7.76	7.76
<b>Total</b>	<b>193.39</b>	<b>68.21</b>	<b>491.40</b>



(Rs. In Lacs)			
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:			
- In case of raw material at actual cost determined on FIFO basis plus direct expenses.			
- In case of Stores and spares at weighted average cost			
- In case of Work in process at raw material cost plus appropriate proportion of direct labour and overheads.			
- In case of finished goods at raw material cost plus conversion cost and appropriate proportion of overheads			
- In case of Knitted Cloth Valued at actual cost determined on FIFO basis plus direct expenses.			
<b>FINANCIAL ASSETS</b>			
<b>9 Trade receivables</b>			
a Outstanding for a period less than six months from the date they are due for payment	491.07	518.60	-
b Outstanding for a period more than six months from the date they are due for payment	7,105.26	7,198.41	7,332.10
	-	-	-
<b>Sub Total</b>	<b>7,596.33</b>	<b>7,717.02</b>	<b>7,332.10</b>
Less provision for doubtful bad debts	6,510.27	6,510.27	6,510.27
Less bad debts written off	-	283.04	-
<b>Total</b>	<b>1,086.07</b>	<b>923.72</b>	<b>821.83</b>
<b>10 Cash and Cash Equivalents</b>			
a) Balance with banks	41.57	21.31	11.20
b) Cash-in-Hand	4.80	6.14	3.27
c) Cheque in Hand	-	35.74	-
<b>Total</b>	<b>46.37</b>	<b>63.20</b>	<b>14.47</b>
<b>11 Other bank balances</b>			
Fixed deposit (Kept as Margin Money With Banks )	1.70	1.70	1.70
<b>Total</b>	<b>1.70</b>	<b>1.70</b>	<b>1.70</b>
<b>12 Loans</b>			
Advances to employees	0.16	-	-
<b>Total</b>	<b>0.16</b>	<b>-</b>	<b>-</b>
<b>13 Other Financial assets</b>			
Interest accrued but not received	393.27	284.63	285.10
<b>Total</b>	<b>393.27</b>	<b>284.63</b>	<b>285.10</b>
<b>14 Current tax assets</b>			
Advance Income Tax TDS/TCS/Other	1.66	2.44	17.10
<b>Total</b>	<b>1.66</b>	<b>2.44</b>	<b>17.10</b>
<b>15 Other current assets</b>			
a) Prepaid expense (IND AS)	875.73	875.73	875.73
b) Advance to Suppliers	-	11.50	0.74
c) Prepaid Insurnace	7.20	6.38	6.26
d) Balance with Excise and Taxation Dept	447.48	492.24	493.04
e) Prepaid expense	4.11	-	-
f) Others advances	1,029.92	924.03	670.68
<b>Total</b>	<b>2,364.44</b>	<b>2,309.89</b>	<b>2,046.45</b>



## EQUITY AND LIABILITIES

(Rs. In Lacs)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>16 Equity Share Capital</b>			
Authorised, issued, subscribed and paid-up share capital and par value per share			
Authorised			
60,00,0000 EQUITY SHARES OF RS. 10/- EACH	6,000.00	6,000.00	6,000.00
<b>Total</b>	<b>6,000.00</b>	<b>6,000.00</b>	<b>6,000.00</b>
<b>Issued, subscribed and fully paid up</b>			
45003140(previous year 45003140) equity shares of Rs. 10 each fully paid up	4,500.31	4,500.31	4,500.31
Add:- Share Foreited			
<b>Total</b>	<b>4,500.31</b>	<b>4,500.31</b>	<b>4,500.31</b>

### SHAREHOLDERS HOLDING MORE THAN 5% SHARES

	As at 31 March 2018		As at 31 March 2017		As at 1 ST April 2016	
NAME OF PERSON	% held	No. of Shares	% held	No. of Shares	% held	No. of Shares
^Ramesh Kumar Jindal	5.86	2636008	5.86	2636008	6.11	2,747,816
^Rajinder Kumar Jindal	5.50	2477052	5.75	2587052	5.79	2,607,052
Yash Paul Jindal			5.03	2261918	5.03	2,261,918
Clareville Capital Opportunities Master Fun	9.94	4475000	9.94	4475000	9.94	4,475,000
Albula investment Fund Ltd.			9.29	4183000	9.29	4,183,000
Shri Ram Insight Share Brokers Ltd.	10.90	4904525				

#### Foot Notes :-

^ As per family arrangement, these persons have relinquished all their rights in respect of their entire shareholdings in the company in favour of Sh. Sandeep Jindal. Since these shares are pledged with banks/ARC at the moment, the permission has been applied and is being sought from them for transfer of shares in the name of Sh. Sandeep Jindal.

As per records of the Company, including its Register of Members and other declarations received from them regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

	31.03.2018	31.03.2017
(Equity share issued as Bonus share on 04.7.2008( in no.)	4,801,596.00	4,801,596.00

### Rights, preference and restrictions attaching to each class of shares

**"Equity Shares:** The company has only one class of equity shares having par value of Rs. 10/- per share. Each holders of equity shares present is entitled to have one vote upon show of hands and upon a poll every member entitled to vote and present in person or by proxy shall have one vote, for every share held by him "

The profits of the Company subject to any special rights relating thereto created or authorised to be created shall be divisible among the members in proportion to the amount of Capital paid up or credited as paid up on the shares held by them respectively.

The Company in general meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits and may fix the time for payment

Dividend shall be paid by the Company in respect of any share only to the registered holder of such share or to his order or to his banker.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realized value of the assets of the Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

### Reconciliation of the Shares outstanding at the beginning and at the end of the reporting year.

At the beginning of the year	4,500.31	4,500.31	4,500.31
Shares issued during the year	-	-	-
<b>Outstanding at the end of year</b>	<b>4,500.31</b>	<b>4,500.31</b>	<b>4,500.31</b>





(Rs. In Lacs)			
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>17 Other Equity</b>			
i) Retained Earnings			
Balance as per Last Balance sheet	(25,666.60)	(24,448.87)	(17,570.83)
Add/Less- Measurement of financial assets and financial liabilities at amortized cost	-	-	(1,684.51)
Adjustment of previous years expenses	(48.50)	-	-
Add/Less :Profit/Loss for the Year	(816.99)	(1,217.73)	(5,193.53)
<b>Total</b>	<b>(26,532.09)</b>	<b>(25,666.60)</b>	<b>(24,448.87)</b>
ii) Foreign Currency Translation Reserve	23.09	23.09	23.09
Add Received during the year	-	-	-
<b>Total</b>	<b>23.09</b>	<b>23.09</b>	<b>23.09</b>
iii) Securities Premium Reserve	22,785.58	22,785.58	22,785.58
Add Received during the year	-	-	-
<b>Total</b>	<b>22,785.58</b>	<b>22,785.58</b>	<b>22,785.58</b>
<b>Total other equity(i+ii+iii)</b>	<b>(3,723.40)</b>	<b>(2,857.92)</b>	<b>(1,640.19)</b>
<b>18 Borrowings</b>			
1. Term Loans From Banks (Secured)			
a) Oriental Bank of Commerce	8,341.27	8,341.27	8,341.27
b) Allahabad bank	1,851.06	1,851.06	1,851.06
c) Corporation Bank	969.86	977.00	973.83
d) State Bank Of India	1,228.73	1,226.38	1,226.38
e) Punjab And Sind Bank	285.53	285.53	263.11
f) Central Bank of India	352.58	352.58	352.58
g).The Catholic Syrian Bank Limited	2,263.07	2,263.07	2,263.07
h) Axis bank	-	-	7.35
I) Provision of Interest	2,333.71	2,333.71	2,360.98
<b>Total (1)</b>	<b>17,625.80</b>	<b>17,630.59</b>	<b>17,639.62</b>
2. Others Unsecured			
a) FDR Deposits from Public	1,094.91	1,140.26	1,163.26
b) Loans and advances from related parties	1,580.30	1,660.44	1,733.61
c) From Others	584.02	501.02	393.47
<b>Total (2)</b>	<b>3,259.23</b>	<b>3,301.73</b>	<b>3,290.35</b>
<b>Total(1+2)</b>	<b>20,885.04</b>	<b>20,932.32</b>	<b>20,929.97</b>

\*Maturity profile and repayment schedule of principal/interest on secured loan is not possible to determine by the company as accounts with banks slipped into sub standard category after restructuring , Hence banks has recalled the entire outstanding and started recovery action under SARFESI Act.

\*\*Maturity Profile of Deposits are as set out below:

	1-2 years	2-3 years	3-5 years	Beyond 5 years
Current Year	-	-	-	-
Prev Year	-	-	-	-

1 (a&b) Term Loan from OBC & Allahabad Bank has assigned to JM Financial Assets Reconstruction Company Private Limited are secured by way of Ist Pari Passu charge on the Fixed Assets of the Company and 2nd charge on the Current Assets of the Company. Further these Loans are Secured by way of equitable mortgage of Factory Land and Building of the company situated at VPO Jugiana, G.T. Road , Ludhiana and at Village Mandiala Kalan,



(Rs. In Lacs)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
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Tehsil Khanna, Distt. Ludhiana. However Corporate Loan & FITL pertaining to Oriental bank of commerce Corporate Loan have exclusive charge on Residential Land & Building in the name of Mr. Sandeep Jindal Measuring 8061 sq yard situated at golf link Ludhiana.

1 (c&d) Term Loan from Corporation Bank and from State Bank of India are secured by way of Ist Pari Passu charge on the Fixed Assets of the Company and 2nd charge on the Current Assets of the Company. Further these Loans are Secured by way of equitable mortgage of Factory Land and Building of the company situated at VPO Jugiana, G.T. Road, Ludhiana and at Village Mandiala Kalan, Tehsil Khanna, Distt. Ludhiana.

1 (e) Term Loan From Punjab and Sind Bank is secured by way of exclusive charge on Windmill purchased out of the Term Loan..

1 (f) Term Loan from Central Bank Of India is secured by way of equitable mortgage of Land in the name of the Company situated at village Mandiala Kalan, Tehsil Khanna, Distt. Ludhiana

1 (g) Term borrowing from The Catholic Syrian Bank Limited has transfer to Phoenix ARC Ltd due to non servicing of Interest. The above said term loan is secured by equitable mortgage of commercial plot in name of M/s Jindal Cycles Pvt. Ltd. and Personal Guarantee of Promoter Directors.

1 (h) Loans from Axis bank are secured by way of hypothecation of respective vehicles.

1 (I) Provision for Interest on Term Loan has not been provided for the Financial Year 2017-18

All Secured Loans have also been guaranteed by following Promoters & Directors of the company:-

Sh. Sandeep Jindal

Sh. Yash Paul Jindal

Sh. Rajinder jindal

Sh. Ramesh Jindal

2 (a) The company has received/accepted the deposits from General Public in shape of FDR for different time frames for maturity. Due to financial constraints, the company has not able to repay the deposits within the schedule time period. The Company applied to the Company Law Board for deferment of repayment of deposits vide its order no. C.P. NO. 25/5/2013-CLB Dt. 23.12.2013 and has deferred the repayments of deposits. The company Law Board has reconstituted as National Company Law Tribunal. NCLT constitute a hardship committee & company will also repay Rs. 5 lacs on quarterly basis through hardship meeting. Since the company is facing liquidity crunch & not able to make payments to FDR holder as per CLB order. Provision for Interest on FDR has not been provided for the Financial Year 2017-18

(b & c) All the unsecured loan received from related parties & others are repayable after 12 months from the date of squaring up bank dues. However the company reserve the right to prepay it.

## 19 Other Financial Liabilities

Loans & Advances

a) Loans and advances from related parties	(922.81)	(972.46)	(1,017.21)
b) From Others	(137.08)	(144.45)	(82.86)
<b>Total</b>	<b>(1,059.89)</b>	<b>(1,116.92)</b>	<b>(1,100.07)</b>

## 20 Deferred Tax Liabilities (net)

Deferred Tax Liabilities	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 21 Other Non-current Liabilities

Deferred Income (IND AS)

a) From Related Party	627.21	696.84	766.48
b) From Other	107.71	119.67	67.34
<b>Total</b>	<b>734.92</b>	<b>816.51</b>	<b>833.82</b>

**Current Liabilities**

**Financial Liabilities**

## 22 Borrowings

1) From Banks			
a) Allahabad Bank	419.68	419.68	419.68
b) Oriental Bank of Commerce	3,622.61	3,622.61	3,622.61
c) Corporation Bank	252.83	252.83	252.83
d) State Bank of India	937.46	942.60	942.60
<b>Total</b>	<b>5,232.58</b>	<b>5,237.71</b>	<b>5,237.71</b>



(Rs. In Lacs)			
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
(1) (a,b,c,d) Borrowings from OBC & Allahabad Bank has assigned to JM Financial Assets Reconstruction Company Private Limited .All Borrowings are Secured by way of 1st charge on Current Assets (Stock & Book debts) of the Company and 2nd charge on the fixed assets of the Company. Further these Limits are secured by way of equitable mortgage of Factory Land and Building of the company situated at VPO Jugiana, G.T. Road , Ludhiana and at Village Mandiala Kalan, Tehsil Khanna, Distt. Ludhiana and Personal guarantees of the following promoter directors:-			
i Sh. Sandeep Jindal			
ii Sh. Yash Paul Jindal			
iii Sh. Rajinder jindal			
iv Sh. Ramesh Jindal			
Since accounts of the company slipped into sub standard category after restructuring , Hence banks has recalled the entire outstanding and started recovery action under SARFESI Act. Provision for Interest has not been provided for the Financial Year 2017-18			
<b>23 Trade Payables</b>			
a) Due to Micro and small Enterprises	-	-	-
b) Due to others	1,366.58	1,006.54	1,054.40
<b>Total</b>	<b>1,366.58</b>	<b>1,006.54</b>	<b>1,054.40</b>
Note : The Company has not received any communication from any of its suppliers/ service providers in response to letters issued by the Company, confirming whether or not they are registered under the Micro, Small and Medium Enterprises Development Act, 2006. In the absence of any positive confirmation from the suppliers/ service providers, the information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 could not be determined.			
<b>24 Other Financial Liabilities</b>			
a) Deposit due with in one year	184.70	184.70	171.11
b) Due to Employees	21.23	-	-
c) Cheques under reconciliation	12.02	-	-
d) Security (Loading/Unloading From Contractor )	-	0.10	0.10
e) Interest Payable On FDR	516.70	514.91	514.91
<b>Total</b>	<b>734.65</b>	<b>699.71</b>	<b>686.12</b>
<b>25 Other current Liabilities</b>			
a) Cheques under reconciliation	-	-	11.57
b) Provident Fund Payable	47.75	57.68	57.68
c) ESI Payable	38.50	38.50	38.50
d) Welfare Fund Payable	0.67	0.36	0.33
e) Electricity Expense Payable	285.55	165.23	344.53
f) Rent Payable	0.48	0.48	1.08
h) Expense Payable	-	0.15	-
i) Government Dues Payable	101.79	99.42	123.29
j) Advance from Customers	34.86	23.37	-
k) Audit Fee Payable	-	0.30	0.60
l) Deferred Income	81.58	81.58	75.74
<b>Total</b>	<b>591.19</b>	<b>467.07</b>	<b>653.32</b>
<b>26 Provisions</b>			
a) Provision for Employee benefits	33.87	15.15	13.49
b) Provident Fund Payable	11.62	-	-
<b>Total</b>	<b>45.49</b>	<b>15.15</b>	<b>13.49</b>



		(Rs. In Lacs)	
		As at 31 March, 2018	As at 31 March, 2017
<b>27</b>	<b>Revenue from operations</b>		
	Sale of products	3,591.77	545.85
	<b>Total</b>	<b>3,591.77</b>	<b>545.85</b>
<b>27.1</b>	<b>Particulars of Sale of Products</b>		
	Electricity	49.89	52.35
	Flex Sheet	296.26	-
	Yarn	3,022.21	-
	Fabrics	181.41	493.51
	Other	42.00	-
	<b>Total</b>	<b>3,591.77</b>	<b>545.85</b>
<b>28</b>	<b>Other Income</b>		
	Interest income	0.12	2.64
	Lease Rent	10.00	59.48
	Rebate & Discount	0.07	0.05
	Interest Income (Ind AS)	604.79	544.86
	Others Income (Ind AS)	81.58	77.78
		<b>696.57</b>	<b>684.80</b>
<b>29</b>	<b>Cost of materials consumed</b>		
	Opening stock		
	Add : Purchases (Net)	2,452.22	-
	Less: Closing Stock	67.32	-
	<b>Total</b>	<b>2,384.90</b>	<b>-</b>
<b>29.1</b>	<b>Detail of cost of Material Consumed</b>		
	Polyester Fiber	2,229.62	-
	Flex Sheet	222.60	-
	<b>Total</b>	<b>2,452.22</b>	<b>-</b>
<b>30</b>	<b>Purchases of stock-in-trade</b>		
	Yarn	214.54	-
	Fabric	8.40	58.82
	Other	1.59	-
	<b>Total</b>	<b>224.53</b>	<b>58.82</b>
<b>31</b>	<b>Change in inventories of finished goods, stock in trade and work -in-progress</b>		
A)	Opening stock		
	Work-in-Progress	-	-
	Finished Goods / Stock in Trade	60.45	483.64
	Waste Stock	-	-
	<b>Sub Total A</b>	<b>60.45</b>	<b>483.64</b>
B)	Closing Stock		
	Work-in-Progress	79.01	-
	Finished Goods / Stock in Trade	39.10	60.45
	Waste Stock	0.62	-
	<b>Sub Total B</b>	<b>118.73</b>	<b>60.45</b>
	<b>TOTAL (A-B)</b>	<b>(58.28)</b>	<b>423.19</b>



(Rs. In Lacs)		
	As at 31 March, 2018	As at 31 March, 2017
<b>32 Employee benefit expense</b>		
Salary, Wages and other Allowances	250.78	53.02
Contribution to Provident and other funds	6.45	0.02
Staff Welfare Expenses	7.29	0.03
<b>Total</b>	<b>264.52</b>	<b>53.07</b>
<b>33 Finance cost</b>		
Bank Charges	0.23	3.44
Other Interest	0.10	0.01
Interest Expenses (IND AS)	57.03	49.45
<b>Total</b>	<b>57.35</b>	<b>52.90</b>
<b>34 Other expenses</b>		
a) Manufacturing Expenses		
Packing Material	24.91	-
Power and Fuel	5.69	-
Freight inward & other exp.of Store	0.66	-
Building Repair	4.57	-
Electricity Expenses	495.31	-
Machinery Repair and Maintenance	28.75	0.15
Electric Repair and maintenance	8.38	-
Other Manufacturing Expenses	8.92	-
<b>Total</b>	<b>577.19</b>	<b>0.15</b>
b) Administrative & Other Expenses		
Fine & Penalty	0.15	-
Loading & unloading	3.41	-
Fee & Taxes	0.51	-
Listing charges	1.08	1.23
Computer Repair & Maintenance	0.23	0.05
Travelling & Conveyance	30.59	4.06
Telephone & Internet Expenses	0.86	0.37
Printing and Stationary	1.60	0.48
Rent Rates & Taxes	1.36	1.85
Annual Maintenance Charges	18.76	17.44
Energy Loss	0.12	2.65
Payments to auditors	1.01	0.47
Legal & Professional Charges	14.17	7.35
Insurance Charges	2.69	2.72
Misc. Expenses	2.85	0.79
Repairs to other Assets	2.43	-
Vehicle Running & Maintenance	0.20	-
Car Repair & Maintenance	2.62	-
Bad Debt Written off	-	283.04
Other Expenses (Ind AS)	875.76	875.73
<b>Total</b>	<b>960.40</b>	<b>1,198.21</b>



	(Rs. In Lacs)	
	As at 31 March, 2018	As at 31 March, 2017
c) Selling Expenses	-	-
Advertisement Expenses	0.46	0.57
Other Expense	-	0.17
Freight Carriage and outward	9.02	-
<b>Total</b>	<b>9.49</b>	<b>0.74</b>
	-	-
<b>Total (a+b+c)</b>	<b>1,547.08</b>	<b>1,199.10</b>

## 34.1 Payment to Auditors

Statutory Audit Fee	0.81	0.20
Vat Audit Fees	0.02	0.05
Company Law Matters	0.15	0.05
Reimbursement of expenses	0.03	0.17
<b>Total</b>	<b>1.01</b>	<b>0.47</b>

## 35 EARNINGS PER SHARE

PARTICULARS	(Rs. In Lakhs)	
	31.03.2018	31.03.2017
i) Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholder	(816.99)	(1273.73)
ii) Weighted Average number of equity shares used as denominator for calculating EPS	450	450
iii) Basic Earnings per share	(1.82)	(2.71)
iv) Diluted Earnings per share	(1.82)	(2.71)
v) Face Value per equity share	10	10

## 36 Information Related to Relating Party Transaction As Per IND AS - 24, issued by Institute of Chartered Accountants of India is given below:

- A) Associate Concerns
  - Himachal Textile Park Limited
- B) Subsidiary Co.
  - Jindal Medicot Limited
  - Jindal Specialty Textiles Limited
  - Jindal International FZE(foreign subsidiary)
- C) Key Management Personnel
  - Mr. Sandeep Jindal (MD)
  - Mr. Anil Malhan (CS)
- D) KMP or their relatives are influence or control the enterprises
  - Jindal Cycles Pvt Ltd
  - Jindal Fine Industries
  - Leader Cycles Ltd
  - Jindal Infomedia Pvt Ltd
  - Jindal Holdings & Investment Limited
  - Poonam Enterprises
  - Jindal Technotex Limited
- E) Relatives of Key Management Personnel
  - Mrs. Manu Jindal
  - Mr. Yash Paul Jindal
  - Mr. Ramesh Jindal
  - Mr. Rajinder Jindal



# JINDAL COTEX LIMITED

Annual Report  
2017-2018

## Transactions with Related party

		Subsidiaries	Key Management Personnel	KMP or their relatives are influence or control the enterprises	(Rs. In Lakhs) Relatives of Key Management Personnel
Particulars	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017	31 st March 2018 31 st March 2017
Lease Rent Income	10	10.83	-	-	- -
Lease Rent Expenses	-	-	-	-	- 1.44
Director Remuneration	-	4.50	4.50	-	- -
Remuneration	-	7.24	6.58	-	7.20 10.20
Purchase of goods	516.95	-	-	-	- -
Sale of Goods	-	-	-	-	- -
Loans & Advance Given (Net)	0.00	-	-	-	- -
Loan & Advance paid (Net)	-	-	-	-	15.10 -
Balances Outstanding	17383.21	-	-	-	- -

37 Segment Information as required by Ind AS-108 "Operating Segments" issued by the ICAI and compiled on the basis of the financial s tatements is as under :-

(i) Management has identified two reportable business segments, namely:

- Textile: – Production/Trading of Acrylic Yarn, Polyester Yarn, Poly/cotton Blended Yarn, Cotton Yarn, Blended Yarns & Knitted cloth.
- Energy Generation: - Generation of Energy from Wind Mill.

Segments have been identified and reported taking into account the nature of products.

### (a) Information about Primary Business Segments

(Rs. in Lacs)

	Textile		Wind Mill		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Revenue:						
External (Net of Excise)	3,541.87	493.51	49.90	52.35	3,591.77	545.85
Inter-segment	-	-	-	-	-	-
Total Revenue	3,541.87	493.51	49.90	52.35	3,591.77	545.85
Result:						
Segment Result	(848.32)	(1,253.09)	31.14	34.91	(817.18)	(1,218.18)
Unallocated Expenditure	-	-	-	-	-	-
Profit before Tax	(848.32)	(1,253.09)	31.14	34.91	(817.18)	(1,218.18)
Provision for Tax/Adjustment of tax for Earlier Years	-	-	-	-	-	-
Profit After Tax	(848.32)	(1,253.09)	31.14	34.91	(817.18)	(1,218.18)

	Textile		Wind Mill		Total	
Particulars	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Segment Assets	29,274.60	29,667.61	32.87	32.87	29,307.47	29,700.48
Segment Liabilities	28,195.30	27,772.57	335.26	285.52	28,530.56	28,058.09
Capital Expenditure	-	-	-	-	-	-
Depreciation	638.87	661.76	-	-	638.87	661.76

38 In the opinion of the Board, current assets, loans and advances have a value in the ordinary course of business at least equal to that stated in the balance sheet and adequate provisions have been made for all known liabilities and depreciation in the books of accounts.

39 Debit or Credit Balance on what so ever accounts are subject to confirmation from parties.

### 40 CONTINGENT LIABILITIES AND COMMITMENTS

(Rs. in Lacs)

PARTICULARS	31.03.2018	31.03.2017
( To the extent not provided for)		
(a) Contingent Liabilities		
(i) Duty saved upon procurement of machinery pending fulfillment of export obligation	5.06	5.06
(ii) Corporate Guarantee given to Banks for grant of Term Loan and CC Limits to Subsidiaries	32756.39	32756.89
(b) Commitments		
(i) Estimated amount of contracts remaining to be executed on capital and not provided for	8863.45	8863.45
<b>Total</b>	<b>41625</b>	<b>41625</b>

### 41 Pending Legal Cases

1. The suppliers has filed the cases against the company at various levels of Distt. & Session Courts. Total amount of exposure involved in the petitions filed in the court amounts to Rs.1156.83 lacs

2. There are various suits filed against the company u/s 138.

3. One of the creditor being 'vinod cotton corporation' has even filed petition application for winding up of the company.

4. Phoenix ARC has acquired the Account of The Catholic Syrian Bank Limited and filed case against the company under IBC through NCLT Chandigarh, which is still pending and as explained by the management the company is in the process of settlement with Phoenix ARC under OTS route.

42 "The Company has accumulated losses of Rs.265.32 Crores which has eroded its peak level net worth by more than 50% and as such has become potentially sick company. Based on the detailed evaluation of the current situation, plans formulated management is confident of raising adequate finance and rescheduling its debt. Therefore, the management is of the view that the company will realize its assets and discharge the liabilities in the normal course of business. Taking into account the above facts, the financial statements have been prepared on the basis that the company is a going concern."

### For & On behalf of the Board

**Sandeep Jindal**  
Managing Director  
DIN 01639743

**Rajesh Khanna**  
Director  
DIN 06971227

**Gurvinder Singh**  
Manager Accounts

**Anil Malhan**  
Company Secretary

**Raj Gupta & Co.**  
Chartered Accountants  
Firm Regn no. 000203N  
**Raj Gupta**  
Partner  
(M.No.017039)

**Place : Ludhiana**  
**Date : 30.05.2018**

As per our report of even date attached





Statement of changes in equity for the period ended 31 March 2018

	Attributable to the equity holders of the parent							(Rs. in Lacs)
	Issued capital	Share forfeited	Retained earnings	Foreign currency Translation Reserve	General reserve	Capital Redemption Reserve	Securities Premium	Total Equity
As at 1 April 2016	4,500.31	-	(24,448.87)	23.09	-	-	22,785.58	2,860.12
Issue of share capital	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
	4,500.31	-	(24,448.87)	23.09	-	-	22,785.58	2,860.12
Profit for the period	-	-	(1,218.18)	-	-	-	-	(1,218.18)
Other Comprehensive Income	-	-	0.45	-	-	-	-	0.45
Transfer to General Reerve	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	(1,217.73)	-	-	-	-	(1,217.73)
Grand Total as at 31 March 2017	4,500.31	-	(25,666.60)	23.09	-	-	22,785.58	1,642.39
As at 1 April 2017	4,500.31	-	(25,666.60)	23.09	-	-	22,785.58	1,642.39
Issue of share capital	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
	4,500.31	-	(25,666.60)	23.09	-	-	22,785.58	1,642.39
Profit for the period	-	-	(817.17)	-	-	-	-	(817.17)
Other Comprehensive Income	-	-	0.19	-	-	-	-	0.19
Adjustments of Exp.Previous Years	-	-	(48.50)	-	-	-	-	(48.50)
Transfer to General Reerve	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	(865.48)	-	-	-	-	(865.48)
Grand Total as at 31 March 2018	4,500.31	-	(26,532.08)	23.09	-	-	22,785.58	776.91



## Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### FAIR VALUE MEASUREMENT

#### (a) Financial instruments by category & hierarchy

For amortized cost instruments, carrying value represents the best estimates of fair value

(Rs In LAKHS)

Particular	As at 31st March, 2018			As at 31st March, 2017			As at 1st April, 2016		
Financial Assets	FVTPL	FVOCI	Amortized cost	FVTPL	FVOCI	Amortized cost	FVTPL	FVOCI	Amortized cost
Investments	-	1.97	-	-	1.78	0.00	-	1.34	-
Security deposits	-	-	6,322.33	-	-	5680.91	-	-	5,588.07
Other Financial assets	-	-	3.39	-	-	3.39	-	-	3.39
Trade Receivable	-	-	1,086.07	-	-	923.72	-	-	821.83
Cash & Cash Equivalent	-	-	46.37	-	-	63.20	-	-	14.47
Other Bank Balance	-	-	1.70	-	-	1.70	-	-	1.70
Other Financial assets	-	-	393.43	-	-	284.63	-	-	285.10
<b>Total</b>	<b>-</b>	<b>1.97</b>	<b>7,853.28</b>	<b>-</b>	<b>1.78</b>	<b>6,957.53</b>	<b>-</b>	<b>1.34</b>	<b>6,714.57</b>

(Rs In LAKHS)

Particulars	As at 31st March, 2018			As at 31st March, 2017			As at 1st April, 2016		
Financial Liabilities	FVTPL	FVOCI	Amortized cost	FVTPL	FVOCI	Amortized cost	FVTPL	FVOCI	Amortized cost
Non-Current Borrowings			20,885.04			20,932.32	-	-	20,929.97
Other Financial Non-Current Liabilities			(1,059.89)			(1,116.92)	-	-	(1,100.07)
Current Borrowings			5,232.58			5,237.71	-	-	5,237.71
Trade Payable			1,366.58			1,006.54	-	-	1,054.40
Other Financial Current Liabilities			734.65			699.71	-	-	686.12
<b>Total</b>	<b>-</b>	<b>-</b>	<b>27,158.96</b>	<b>-</b>	<b>-</b>	<b>26,759.37</b>	<b>-</b>	<b>-</b>	<b>26,808.13</b>

#### (b) Fair Value hierarchy

The Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standards. An Explanation of each level follows under the table:

Financial assets & liabilities measured at fair value - recurring fair value measurements

(Rs. In Lakhs)

Particulars	As at 31st March, 2018			As at 31st March, 2017			As at 1st April, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets									
Investments	1.97		-	1.78		0.00	1.34		0.00
Security deposits	-	-	6,322.33	-	-	5680.91	-	-	5588.07
Other Financial assets	-	-	3.39	-	-	3.39	-	-	3.3
Trade Receivable	-	-	1,086.07	-	-	923.72	-	-	821.83



Cash & Cash Equivalent	-	-	46.37	-	-	63.20			14.47
Other Bank Balance	-	-	1.70	-	-	1.70		-	1.70
Other Financial assets	-	-	393.43	-	-	284.63		-	285.10
Total Financial assets	1.97	-	7,853.28	1.78	-	6,957.53	1.34	-	6,714.57

Financial liabilities	As at 31st March, 2018			As at 31st March, 2017			As at 1st April, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non-Current Borrowings			20,885.04			20,932.32			20,929.97
Other Financial Non-Current Liabilities			(1,059.89)			(1,116.92)			(1,100.07)
Current Borrowings			5,232.58			5,237.71			5,237.71
Trade Payable			1,366.58			1,006.54			1,054.40
Other Financial Current Liabilities			734.65			699.71			686.12
Total	-	-	27,158.96	-	-	26,759.37	-	-	26,808.13

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level

## © Fair Value of Financial Assets/ Liabilities measured at amortized cost

(Rs. In Lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>						
Security deposits	6,322.33	6,322.33	5,680.91	5,680.91	5,588.07	5,588.07
<b>Total Financial assets</b>	6,322.33	6,322.33	5,680.91	5,680.91	5,588.07	5,588.07
<b>Financial liabilities</b>						
Other financial Liabilities	(1,059.89)	(1,059.89)	(1,116.92)	(1,116.92)	(1,100.07)	(1,100.07)
<b>Total Financial Liabilities</b>	(1,059.89)	(1,059.89)	(1,116.92)	(1,116.92)	(1,100.07)	(1,100.07)

The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to short term nature. The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk. The fair values of non-current borrowings are based on discounted cash flows using a current borrowings rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

## 2 Financial risk management objectives and policies

"The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include



loans, trade and other receivables, and cash & cash equivalents that derived directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarized as below:"

**(A) Market risk**

"Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits and payables /receivables in foreign currencies."

**(I) Interest rate risk**

"Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the accounts of the company with banks slipped into sub standard category over a period of time and banks has recalled the entire outstanding and started recovery action under SARFESI Act. 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 the provision of interest on bank borrowing has not been provided."

**(ii) Foreign currency risks**

The company has no foreign exchange exposure hence, no currency is risk involved.

**(iii) Price risk**

"The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. The company has lower price risk which will not material impact on the financial statements"

**(B) Credit risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business. The Company has already made a provision for trade receivables aggregating to Rs. 6510.26 lakhs in previous years. For other customers, the Company has moderate credit risk which does not significantly require to impair the financial assets

**(C) Liquidity risk management**

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Since the accounts of the company with banks slipped into sub standard category over a period of time. The Company is passing through a phase of liquidity stress and there is a mismatch in cash flows. Due to this, the capacities of the Company are running at sub-optimal level. The Company is at an advanced stage of negotiations with the banks for restructuring of its debt which would correct the cash flow mismatch. The Company believes that post restructuring, the Company would be able to generate enough cash inflows to meet its working capital requirements in the medium and long run. The company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

**(D) Capital risk management**

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The director's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. No Changes were made in the objectives, policies or processes during the years ended 31st March 2018 and 31st March 2017.

**3C. Transition to Ind AS - Reconciliations**

"The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

1) Reconciliation of Balance sheet as at 1st April, 2016 (Transition Date)

2) (a) Reconciliation of Balance sheet as at 31st March, 2017

(b) Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017

3) Reconciliation of Equity as at 1st April, 2016 and as at 31st March, 2017

4) Reconciliation of Net Profit as reported Previously referred to as "Previous GAAP" and total comprehensive Income as per Ind AS. The presentation requirement under previous GAAP differ from Ind AS and hence, previous GAAP information has re-grouped for case of reconciliation with Ind AS. The re-grouped previous GAAP information is derived from the financial statement of the company prepared in accordance with previous GAAP."



## 1) Reconciliation of Balance Sheet as at 1st April 2016

	Notes	GAAP	Ind AS Adjustments	(Rs. in Lacs) Ind AS
<b>ASSETS</b>				
Non-current assets				
a) Property, Plant and Equipment		8,402.31	-	8,402.31
b) Capital work in progress		3,716.00	-	3,716.00
c) Other Intangibles assets		7.72	-	7.72
d) Financial Assets				
i) Investments	(i)	133.74	(0.66)	133.07
ii) Loans	(ii)	17,978.43	(12,390.35)	5,588.07
iii) Other Financial assets		3.39	-	3.39
e) Deferred Tax asset (net)		-	-	-
f) Other non current assets	(ii)	-	9,640.28	9,640.28
		30,241.59	(2,750.74)	27,490.85
Current assets				
a) Inventories		491.40	-	491.40
b) Financial Assets				
i) Trade receivable		821.83	-	821.83
ii) Cash and cash equivalents		14.47	-	14.47
iii) Other bank balances		1.70	-	1.70
iv) Loans		-	-	-
v) Other financial assets		285.10	-	285.10
d) Current tax assets		17.10	-	17.10
e) Other current assets	(ii)	1,170.72	875.73	2,046.45
		2,802.31	875.73	3,678.05
Total Assets		33,043.90	(1,875.00)	31,168.89
<b>Equity and Liabilities</b>				
Equity				
a) Equity Share Capital		4,500.31	-	4,500.31
b) Other Equity	(i)(ii)(iii)	44.31	(1,684.49)	(1,640.19)
		4,544.62	(1,684.49)	2,860.12
<b>Liabilities</b>				
Non-current liabilities				
a) Financial Liabilities				
i) Borrowings		20,929.97	-	20,929.97
ii) Other Financial Liabilities	(iii)	-	(1,100.07)	(1,100.07)
c) Deferred tax liabilities (net)		-	-	-
d) Other non current liabilities	(iii)	-	833.82	833.82
		20,929.97	(266.25)	20,663.72
Current liabilities				
a) Financial Liabilities				
i) Borrowings		5,237.71	-	5,237.71
ii) Trade payables		1,054.40	-	1,054.40
iii) Other Financial Liabilities		686.12	-	686.12
b) Other current liabilities	(iii)	577.58	75.74	653.32
c) Provisions		13.49	-	13.49
		7,569.30	75.74	7,645.05
Total Equity and Liabilities		33,043.90	(1,875.00)	31,168.89



## 2(a) Reconciliation of Balance Sheet as at 31 March 2017

Particulars	Notes	GAAP	Ind AS Adjustments	(Rs. in Lacs) Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
a) Property, Plant and Equipment		7,744.15	-	7,744.15
b) Capital work in progress		3,716.00	-	3,716.00
c) Other Intangibles assets		4.20	-	4.20
d) Financial Assets				-
i) Investments	(I)	133.74	(0.22)	133.52
ii) Loans	(ii)	17,526.41	(11,845.50)	5,680.91
ii) Other Financial assets		3.39	-	3.39
e) Deferred Tax asset (net)		-	-	-
f) Other non current assets	(ii)	-	8,764.54	8,764.54
		29,127.88	(3,081.17)	26,046.71
<b>Current assets</b>				
a) Inventories		68.21	-	68.21
b) Financial Assets				
i) Trade receivable		923.72	-	923.72
ii) Cash and cash equivalents		63.20	-	63.20
iii) Other bank balances		1.70	-	1.70
v) Other financial assets		284.63	-	284.63
c) Current tax assets		2.44	-	2.44
d) Other current assets	(ii)	1,434.15	875.73	2,309.89
		2,778.04	875.73	3,653.77
<b>Total Assets</b>		31,905.92	(2,205.44)	29,700.48
<b>Equity and Liabilities</b>				
<b>Equity</b>				
a) Equity Share Capital		4,500.31	-	4,500.31
b) Other Equity	(i)(ii)(iii)	(871.31)	(1,986.61)	(2,857.93)
		3,629.00	(1,986.61)	1,642.39
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
a) Financial Liabilities				
i) Borrowings		20,932.32	-	20,932.32
ii) Other Financial Liabilities	(iii)	-	(1,116.92)	(1,116.92)
c) Deferred tax liabilities (net)		-	-	-
d) Other non current liabilities	(iii)	-	816.51	816.51
		20,932.32	(300.41)	20,631.91
<b>Current liabilities</b>				
a) Financial Liabilities				
i) Borrowings		5,237.71	-	5,237.71
ii) Trade payables		1,006.54	-	1,006.54
iii) Other Financial Liabilities		699.71	-	699.71
b) Other current liabilities	(iii)	385.48	81.58	467.07
c) Provisions		15.15	-	15.15
		7,344.60	81.58	7,426.19
<b>Total Equity and Liabilities</b>		31,905.92	(2,205.44)	29,700.48



## 2(b) Reconciliation of Total Comprehensive Income for the year ended 31 March, 2017

				(Rs. in Lacs)
Particulars	Notes	GAAP	Ind AS Adjustments	Ind AS
I Revenue from Operations		545.85	-	545.85
II Other Income	(ii) (iii)	62.17	622.64	684.80
III Total income(I+II)		608.02	622.64	1,230.66
IV EXPENSES				
Cost of materials consumed		-	-	-
Purchases of stock-in-trade		58.82	-	58.82
Change in inventories of finished goods, stock in trade and work-in-progress		423.19	-	423.19
Employee benefit expense		53.07	-	53.07
Finance costs	(iii)	3.45	49.45	52.90
Depreciation and amortisation expense		661.76	-	661.76
Other expenses	(ii)	323.37	875.74	1,199.10
Total expenses(IV)		1,523.64	925.19	2,448.84
V Profit/(loss) before exceptional items and tax (III-V)		(915.62)	(302.55)	(1,218.18)
VI Exceptional items				
VII Profit/(loss) before tax		(915.62)	(302.55)	(1,218.18)
VIII Tax expense				
(1) Current tax		-	-	-
(2) Deferred tax		-	-	-
IX Profit/(loss) for the period		(915.62)	(302.55)	(1,218.18)
X Other Comprehensive Income	(i)(iv)			
A Items that will be reclassified to profit or loss				
(I) Net (loss)/gain on FVOCI equity securities		-	0.45	0.45
(ii) Income tax effect		-	-	-
Total other comprehensive income		-	0.45	0.45
XI Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit (Loss) and Other Comprehensive Income for the period)		(915.62)	(302.11)	(1,217.73)

## 3) Reconciliation of Total Equity as at 1st April, 2016 and as at 31st March, 2017

Particulars	(Rs. In Lakhs)	
	31st March 2017	1st April 2016
Shareholders equity as per previous GAAP	3,629.00	4544.62
Ind AS Adjustments		
(I) Impact of fair valuation of equity instrument at FVOCI	0.45	-0.66
(ii) Fair valuation of financial assets and financial liabilities at amortized cost	(1,987.06)	(1683.84)
(iii) Deferred tax on above Ind AS adjustments		
Total Ind AS adjustments	(1,986.61)	(1,684.50)
Total equity as per Ind AS	1,642.39	2860.12





4) Reconciliation of Net Profit as reported Previously referred to as “Previous GAAP” and total comprehensive Income as per Ind AS

PARTICULARS	31st March 2017 (Rs. in Lacs)
Profit after tax as reported under Previous GAAP	(915.62)
(i) Measurement of financial assets and financial liabilities at amortized cost	(302.55)
(ii) Fair value of Investment in OCI	0.45
Total adjustments	(302.11)
Total profit after tax as per Ind AS	(1,217.73)
Total Comprehensive income for the year as per Ind AS	(1,217.73)

**The following explains the material adjustments made while transition from previous accounting standards to Ind AS**

**(I) Fair valuation of Investments**

Under the previous GAAP, investments in equity instruments were classified as long-term investments based on the intended holding period and reliability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Under Ind AS all investments (other than investments in associates and subsidiaries) to be measured at fair value at the reporting date and all changes in the fair value have been recognized in retained earnings as at the date of transition and subsequent to the transition date to be recognized in the Other Comprehensive Income. The fair value changes of these investments resulting in decrease in investments by ` 0.22 lacs as at 31st March, 2017 ( ` 0.664 lacs As at 1st April, 2016) and correspondingly there is increase in other comprehensive income by ` 0.45 lacs as at 31st March, 2017 and also decrease in retained earning by 0.664 lacs As at 1st April, 2016.

**(ii) Security deposits Paid**

Under Previous GAAP, the security deposits are accounted at an undiscounted value. Under Ind AS, these are carried at amortized cost. The security deposits have been recognized at discounted value and the difference between undiscounted and discounted value has been recognized as ‘Prepaid expense’ which has been amortized over respective term as notional expense under ‘other expenses’. The discounted value of the security deposits is increased over the period of respective term by recognizing the notional interest income under ‘other income’. the effect of this change is decrease in non-current loans under financial assets by 11845.50 lacs as at 31st March, 2017 ( ` 12390.35 lacs as at 1st April, 2016) and increase in other non current assets by ` 8764.54 lacs as at 31st March, 2017 ( ` 9640.27 lacs as at 1st April, 2016) and increase in other current assets by 875.73 lacs as at 31st March, 2017 ( ` 875.73 lacs as at 1st April, 2016). There had been increase in Other income by ` 544.87 lacs and other expenses by 875.74 lacs for the year ended 31st March, 2017 and decrease in retained earnings by ` 1874.34 lacs as at 1st April, 2016.

**(iii) Security deposits Received**

Under Previous GAAP, the security deposits are accounted at transaction value. Under Ind AS, these are carried at amortized cost. The security deposits have been recognized at discounted value and the difference between undiscounted and discounted value has been recognized as ‘Deferred Income’ which has been amortized over respective term as notional interest income under ‘other income’. The discounted value of the security deposits is increased over the period of lease term by recognizing the notional interest expense under ‘Finance cost’. the effect of this change is decrease in other financial liabilities by ` 1116.92 lacs as at 31st March, 2017 ( ` 1100.07 lacs as at 1st April, 2016) and increase in other non current liabilities by 816.51 lacs as at 31st March, 2017 ( ` 833.82 lacs as at 1st April, 2016) and increase in other current liabilities by 81.58 lacs as at 31st March, 2017 ( ` 75.74 lacs as at 1st April, 2016). There had been increase in other income by 77.77 lacs and finance cost by 49.45 lacs for the year ended 31st March, 2017 and increase in retained earnings by 190.50 lacs as at 1st April, 2016.

**(iv) 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. Item 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 fair value gain / loss on FVOCI equity instruments and re-measurement of defined benefit plan. The concept of other comprehensive income did not exist under previous GAAP.

**(v) Retained earnings**

Retained earnings as at 1st April, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

**(vi)** The transition from previous GAAP to Ind AS has not made a material impact on the statement of cash flows.

**For & On behalf of the Board**

**Sandeep Jindal**  
Managing Director  
DIN 01639743

**Rajesh Khanna**  
Director  
DIN 06971227

**Gurvinder Singh**  
Manager Accounts

As per our report of even date attached

**Anil Malhan**  
Company Secretary

**Raj Gupta & Co.**  
Chartered Accountants  
Firm Regn no. 000203N  
**Raj Gupta**  
Partner  
(M.No.017039)

**Place : Ludhiana**  
**Date : 30.05.2018**

**INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENT**

To

The Members of

**JINDAL COTEX LTD.**

**Report on the Financial Statements**

We have audited the accompanying Consolidated Ind AS financial statements of JINDAL COTEX LTD. ("the holding Group") and its subsidiary and associates (collectively referred to as the Group) which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Consolidated Ind AS financial statements").

**Management's Responsibility for the Financial Statements**

The holding company's Management and board of directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated change in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.

The holding company's management and board of directors and the respective Board of directors/management of the subsidiary and associates included in the Group are responsible for design, implementation and maintenance of adequate internal financial control relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Further, in terms of the provisions of the Act the respective Board of directors/management of the subsidiary and associates included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of consolidated financial statements of the holding company as aforesaid.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these Our

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

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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS 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 of the Consolidated IND AS 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 Holding company's management and directors, as well as evaluating the overall presentation of the Consolidated IND AS financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Ind AS 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 including the Ind AS, of the consolidated state of affairs of the company as at 31 March, 2018 and its consolidated profit & loss, total comprehensive income, its consolidated cash flows and consolidated changes in equity for the year ended on that date.

**Emphasis of Matter**

We draw our attention towards a list of matters, considered significant for the users of the Consolidated Ind AS financial statements, adequately disclosed by the management:

1. Note No. 16 to the Ind AS financial statements which indicate that the Group eroded its peak level net worth by more than 100% and as such has become



potentially sick Group. Moreover, the Group has not been able to pay the debt availed from the banks and financial institutions. Recovery actions for the same have been initiated by the banks. The following is the current status of the dues of the company:

	Current Status
Oriental Bank of Commerce and Allahabad Bank	JM Financial Assets Reconstruction Company Private Limited has acquired account from -- Oriental Bank of Commerce and Allahabad bank.
Corporation Bank, State Bank of India, Punjab & Sind Bank and Central Bank of India.	Corporation Bank, State Bank of India, Punjab & Sind Bank and Central Bank of India have - filed cases for recovery against the company in Debt Recovery Tribunal, Chandigarh and cases are pending there.
The Catholic Syrian Bank Limited	Catholic Syrian Bank has assigned the debt to Phoenix ARC Private Limited. Phoenix has filed a case against the company under IBC at NCLT Chandigarh, which has not been admitted till date.
Punjab National Bank & Allahabad Bank (In Subsidiary Company)	JM Financial Assets Reconstruction Company Private Limited has acquired account from Punjab National Bank & Allahabad Bank.
Corporation Bank (In Subsidiary Company)	Corporation Bank has taken decree against the company for amount of Rs. 32,38,20,971 vide recovery certificate in OA No. 2629 of 2017 issued by Recovery officer of Debt Recovery Tribunal Chandigarh.
Bank of Baroda & Punjab & Sind Bank (In Subsidiary Company)	Bank of Baroda & Punjab & Sind Bank has taken decree against the company for amount of Rs. 27,20,95,183.18/- & Rs. 4,93,59,184.80/- vide recovery certificate in OA No. 542 of 2017, OA No. 1586 of 2017 issued by Recovery officer of Debt Recovery Tribunal, Chandigarh.
State bank of India & Central Bank of India (In Subsidiary Company)	State bank of India & Central Bank of India has filed case for recovery against the company in Debt Recovery Tribunal, Chandigarh and case is pending there.

Hence, there are conditions indicating an uncertainty on the going concern. However, the Consolidated financial statements have been prepared by the management on a going concern basis in spite of the reason stated in the said note.

- Note no.3, 4, 6, and 14 to the Consolidated financial statements regarding the company's Non-current Financial assets, other non-current assets, long term loans/advances, other current assets includes amount advanced and invested in M/S Jindal International FZE, its foreign subsidiary company, carried in the balance sheet at Rs.135.79 crores. The amount has been long outstanding since 2011.
- Manufacturing facilities were suspended at Units located at VPO Jugiana, G.T. Road, Ludhiana and Village Mandiala Kalan, Bija, Ludhiana due to severe financial constraints. However, manufacturing activities were resumed from September, 2017 at Unit -2 located at Village Mandiala Kalan, Bija, Ludhiana.
- There is non-submission of various statutory returns acknowledged by the respective authorities, non-provision/deposition of various overdue statutory

liabilities like PF/Service Tax/TDS/ Vat/ GST& CST/WCT/TCS/ESI & related over dues viz Interest and penalty as exact amount of which could not be ascertained in present scenario.

- Since all the accounts of the group have been declared sub-standard over a period of time, the balances with banks are subject to confirmation.
- Note No. 41 to the financial statement on various litigations/suits pending in the court of law at different levels. We cannot comment regarding the outcome of law suits filed against the company.
- Actuarial valuation of employee benefits was not conducted during the year. Hence IND AS 19 has not been followed.
- The company has in the past received/accepted deposits from public for different time frames for maturity. Due to financial constraints, the company was not able to repay the deposits within the scheduled time period. The Company applied to the Company Law Board for the deferment of repayments of deposits (refer clause 2(a) of note no. 18 of financial statements), which was allowed.
- Fair valuation of unquoted investment has not been considered.
- Amortization of processing fees of term loans has not been done as required by IND AS, since the accounts of the company have been slipped into sub-standard category.
- Capital work in progress has been standing in books of accounts since long. No reliable explanation has been provided to us.
- Trade receivables, Trade payables, Loans, Advances and other recoverable and payable are subject to confirmation from the management.
- Stock is subject to confirmation from management.

#### Report on Other Legal and Regulatory Requirements

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- In our opinion proper books of account as required by law have been kept so far as appears from our examination of those books.
- The consolidated Balance Sheet, consolidated Statement of Profit and loss including Other Comprehensive Income, consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flow dealt with by this report are in agreement with the books of account.
- In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the applicable Indian Accounting Standards specified under Section 133 of the Act.
- On the basis of written representations received from the directors of holding company as on March 31,



- 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure "A"; and
- g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
- i. The Group did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
- ii. There has not been an occasion during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.
- iii. The Consolidated IND AS financial statements has disclosed the impact of its pending litigations on its financial position in its Consolidated financial statements refer note no 41 to Consolidated financial statements.

**For Raj Gupta & Co**  
**Chartered Accountants**  
**FRN:000203N**

**Place: Ludhiana**  
**Date: 30/05/2018**

**Raj Kumar Gupta**  
**(Partner)**  
**Membership No.: 017039**

**Annexure - "A" to Independent Auditors' Report**  
**(Referred to in our report of even date)**

**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 Holding company as of 31st March 2018 in conjunction with our audit of the Consolidated Ind AS financial statements of the Holding Company for the year ended on that date.

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

The Group's management is responsible for establishing

and maintaining internal financial controls 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 ("the Guidance Note"). 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 Group'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 Consolidated IND AS 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 Group'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 Consolidated 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 Consolidated 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 Consolidated financial statements.

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

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

### **Opinion**

In our opinion to the best of our information and according to the explanations given to us, the Group 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 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.

**For Raj Gupta & Co  
Chartered Accountants  
FRN: 000203N**

**Place: Ludhiana  
Date: 30/05/2018**

**Raj Kumar Gupta  
(Partner)  
Membership No.: 017039**



**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018****(Rs. in Lacs)**

Particulars	Note No.	As at	As at	As at
		31 March, 2018	31 March, 2017	1 April, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
a) Property, Plant and Equipment	2	21,742.41	23,477.04	25,344.62
b) Capital work in progress	2	8,382.96	8,193.14	8,227.07
c) Other Intangibles assets	2	6.71	4.20	7.72
d) Financial Assets				
i) Investments	3	20.32	20.14	19.69
ii) Loans	4	256.47	245.79	692.55
e) Deferred Tax asset (net)	5	-	-	-
f) Other non current assets	6	778.40	790.44	802.47
<b>Total</b>		<b>31,187.26</b>	<b>32,730.74</b>	<b>35,094.12</b>
<b>Current assets</b>				
a) Inventories	7	1,423.04	1,721.94	1,651.54
b) Financial Assets				
i) Trade receivable	8	27,871.08	27,301.07	26,414.10
ii) Cash and cash equivalents	9	407.81	382.88	696.59
iii) Other bank balances	10	283.53	292.03	241.53
iv) Loans	11	8.71	4.09	21.77
v) Other financial assets	12	819.70	711.06	711.52
c) Current tax assets	13	1.90	2.65	24.44
d) Other current assets	14	2,890.31	2,754.36	2,144.19
<b>Total</b>		<b>33,706.08</b>	<b>33,170.08</b>	<b>31,905.69</b>
<b>Total Assets</b>		<b>64,893.34</b>	<b>65,900.82</b>	<b>66,999.81</b>
<b>EQUITY AND LIABILITIES</b>				
a) Equity Share Capital	15	4,500.31	4,500.31	4,500.31
b) Other Equity	16	(7,179.66)	(4,895.52)	(3,097.09)
c) Non-controlling Interest	17	(507.23)	101.03	360.0
<b>Total</b>		<b>(3,186.58)</b>	<b>(294.17)</b>	<b>1,763.23</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
a) Financial Liabilities				
i) Borrowings	18	48,850.13	48,957.78	49,482.87
ii) Other Financial Liabilities	19	(2,631.00)	(2,772.59)	(2,831.90)
b) Provisions	20	100.62	76.72	62.10
b) Deferred tax liabilities (net)	21	-	-	-
c) Other non current liabilities	22	1,106.77	1,229.27	1,287.46
<b>Total</b>		<b>47,426.51</b>	<b>47,491.18</b>	<b>48,000.52</b>
<b>Current liabilities</b>				
a) Financial Liabilities				
i) Borrowings	23	12,173.87	12,181.43	12,134.98
ii) Trade payables	24	6,434.20	4,173.60	3,132.17
iii) Other Financial Liabilities	25	772.55	855.62	968.55
b) Other current liabilities	26	1,227.28	1,478.01	986.85
c) Provisions	27	45.49	15.15	13.49
<b>Total</b>		<b>20,653.40</b>	<b>18,703.81</b>	<b>17,236.04</b>
<b>Total Equity and Liabilities</b>		<b>64,893.34</b>	<b>65,900.82</b>	<b>66,999.81</b>

**Significant Accounting Policies and Notes to Accounts 1to 42****For & On behalf of the Board****Sandeep Jindal**  
Managing Director  
DIN 01639743**Rajesh Khanna**  
Director  
DIN 06971227**Gurvinder Singh**  
Manager AccountsAs per our report of even date attached  
**Anil Malhan**  
Company Secretary**Raj Gupta & Co.**  
Chartered Accountants  
Firm Regn no. 000203N  
**Raj Gupta**  
Partner  
(M.No.017039)**Place : Ludhiana**  
**Date : 30.05.2018**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

(Rs. In Lacs)

PARTICULARS	NOTE NO.	Current Year	Previous Year
I Revenue from Operations	28	23,729.54	18,942.74
II Other Income	29	272.42	189.24
<b>III Total income(I+II)</b>		<b>24,001.96</b>	<b>19,131.98</b>
IV EXPENSES			
Cost of materials consumed	30	17,400.31	12,209.70
Purchases of stock-in-trade	31	499.51	1,470.43
Change in inventories of finished goods, stock in trade and work -in-progress	32	556.63	70.72
Excise duty expense		323.06	1,172.96
Employee benefit expense	33	1,135.63	891.26
Finance costs	34	177.02	70.30
Depreciation and amortisation expense	2	1,994.31	1,951.69
Other expenses	35	4,644.35	3,263.23
<b>Total expenses(IV)</b>		<b>26,730.82</b>	<b>21,100.28</b>
V Profit/(loss) before exceptional items and tax (III-IV)		(2,728.86)	(1,968.30)
VI Exceptional items		(99.09)	-
VII Profit/(loss) before tax		(2,827.95)	(1,968.30)
VIII Tax expense			
(1) Current tax		-	-
(2) Deferred tax		-	-
<b>IX Profit/(loss) for the period (VII-VIII)</b>		<b>(2,827.95)</b>	<b>(1,968.30)</b>
X other Comprehensive Income			
Items that will be reclassified to profit or loss			
(i) Net (loss)/gain on FVOCI equity securities		0.19	0.45
(ii) Income tax effect		-	-
XI Total other comprehensive income		0.19	0.45
XII Total Comprehensive Income for the period (IX+XI)(Comprising Profit (Loss) and Other Comprehensive Income for the period)		(2,827.76)	(1,967.86)
-Net Profit for the period attributable to			
Owners of the parent		(2,219.69)	(1,760.36)
Non-controlling interests		(608.26)	(258.97)
Other Comprehensive Income attributable to			
Owners of the parent		0.19	0.45
Non-controlling interests			
Total Comprehensive Income for the period			
Owners of the parent		(2,219.50)	(1,759.91)
Non-controlling interests		(608.26)	(258.97)
III Earnings per equity share (Basic and diluted )			
(1) Basic		(6.28)	(4.37)
(2) Diluted		(6.28)	(4.37)
Significant Accounting Policies and Notes to Accounts	1 to 42		

**For & On behalf of the Board**

As per our report of even date attached

**Raj Gupta & Co.**

Chartered Accountants

Firm Regn no. 000203N

Sandeep Jindal  
Managing Director  
DIN 01639743Rajesh Khanna  
Director  
DIN 06971227Gurvinder Singh  
Manager AccountsAnil Malhan  
Company SecretaryRaj Gupta  
Partner  
(M.No.017039)Place : Ludhiana  
Date : 30.05.2018



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2018**

(Rs. In Lacs)

<b>PARTICULARS</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and Extra Ordinary Activities	(2,219.50)	(2,018.88)
Adjustment For: -		
Depreciation	1,994.31	1,951.69
Interest Received	-	(131.43)
Finance Cost	177.02	70.30
Prior Period Expense	64.64	(38.52)
<b>Sub Total</b>	<b>2,235.97</b>	<b>1,852.03</b>
<b>A. Operating Profit before working capital Changes</b>	<b>16.47</b>	<b>(166.85)</b>
Adjustment For		
Trade Receivables	(570.01)	(886.98)
Inventories	298.90	(70.39)
Increase /Decrease in current tax asset	0.75	21.79
Increase /Decrease in other current assets	(200.59)	(575.36)
Increase /Decrease in current financial loans	(0.18)	(0.46)
Increase /Decrease in other non current assets	12.04	12.04
Increase /Decrease in non current Provisions	-	14.62
Increase /Decrease in other non current assets	(4.62)	(17.68)
Increase /Decrease in Non current financial loans	(10.68)	446.76
Increase /Decrease in current financial loans	(108.64)	0.47
Increase /Decrease in other current financial Liabilities	(83.06)	(112.93)
Increase /Decrease in other current Liabilities	(250.73)	491.16
Increase /Decrease in other current provision	30.33	1.66
Increase /Decrease in Trade Payables	2,260.60	1,041.43
Increase /Decrease in other Non current financial Liabilities	141.58	59.31
Increase /Decrease in other Non current Liabilities	(122.51)	(58.19)
<b>Sub Total</b>	<b>1,393.19</b>	<b>367.26</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>1,409.66</b>	<b>200.41</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-	(367.85)
Increase in Intangible Asset	-	-
Increase/decrease In Capital Work In Process		33.93
Sale of Fixed Assets	0.28	291.78
Interest Received	-	131.43
<b>.Sub Total</b>	<b>0.28</b>	<b>89.29</b>
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>0.28</b>	<b>89.29</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings/ Financial Liab	(107.64)	(525.09)
Proceeds from Short term borrowings	(7.56)	46.45
Finance Cost	(177.02)	(70.30)
<b>Sub Total</b>	<b>(292.22)</b>	<b>(548.94)</b>
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(292.22)</b>	<b>(548.94)</b>
Net increase/(decrease) in cash & Cash equivalents (A+B+C)	1,117.75	(259.25)
Cash and Cash Equivalent at beginning of year	678.87	938.12
Cash and Cash Equivalent at the end of year	1,796.62	678.87

Significant Accounting Policies and Notes to Accounts 1 to 42

**For & On behalf of the Board**

As per our report of even date attached

**Raj Gupta & Co.**

Chartered Accountants

Firm Regn no. 000203N

**Sandeep Jindal**  
Managing Director  
DIN 01639743**Rajesh Khanna**  
Director  
DIN 06971227**Gurvinder Singh**  
Manager Accounts**Anil Malhan**  
Company Secretary**Raj Gupta**  
Partner  
(M.No.017039)**Place : Ludhiana**  
**Date : 30.05.2018**



## SIGNIFICANT ACCOUNTING POLICIES

I) **BACKGROUND:**

"Jindal Cotex Limited ("the Company") is public limited entity incorporated in India, having its registered office at VPO Jugiana, G.T. Road Ludhiana.

II) **SIGNIFICANT ACCOUNTING POLICIES:**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

III) **BASIS OF PREPARATION:**

I **Compliance with Ind AS**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per Companies Indian Accounting Standard Rules, 2015 notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act. The financial statements up to year ended 31st March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements for the year ended 31st March 2018 under Ind AS. The Financial statements of the company for the year ended 31st March, 2018 have been approved by the Board of Directors at their meetings held on 30 May, 2018. The accounts of the Company have been prepared on going concern basis and historical cost basis except certain financial assets and liabilities measured at fair value and defined benefit plans - assets measured at fair value.

ii **Historical Cost Convention**

The Financial Assets have been prepared on a historical cost basis, except Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

iii **Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

iv **Current/Non-current classification :**

All assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

v **Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. On transition to Ind AS, the Company has adopted optional exemption under Ind AS 101 to measure Property, Plant and Equipment at previous GAAP carrying value. Consequently, the previous GAAP carrying value has been assumed to be deemed cost of Property, Plant and Equipment on the date of transition i.e. 1st April, 2016.

vi **Capital Work in Progress**

Projects under commissioning and other Capital Work in Progress are carried at Cost, comprising direct cost, related incidental expenses, indirect expenditure, Capital Advances and attributable interest related to that project.

vii **Depreciation methods, estimated useful lives and residual value**

Pursuant to the enactment of the companies Act 2013, the Company has applied the estimated Useful lives as specified in schedule II. Accordingly the unamortized carrying value is being Depreciated over the revised/remaining useful lives

**Intangible assets**

Computer software are stated at cost, less accumulated amortization and impairment, if any

viii **Impairment of Non-financial assets**

"The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual assets, the Company estimates the recoverable amount of the (CGU) to which the asset belongs."

"An impairment loss is recognized in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets."

"The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount."

ix **INVENTORIES**

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and stores & spares at the weighted average cost, Cost of work in progress and finished goods 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. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts.

x **Borrowing costs**

"(refer note 18 of Financial Statements)"

xi **Provisions, Contingent liabilities and Contingent Assets**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. A present obligation that arises from past events where it is neither probable that an outflow of resources will be required to settle nor a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also 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. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

xii **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivables. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates and value added Taxes. The Company recognizes revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and specific of each arrangement.

**Timing of recognition**-The company manufactures and sells hosiery knitwears, cotton yarn/blended yarn. Revenue from sales are recognized when significant risk and rewards of ownership of the goods has been transferred to the buyer and entity does not have the effective control over the goods sold.

xiii **Accounting for Taxes on Income**

Provision for current tax is made in accordance with the provisions of the Income Tax law applicable for the relevant year. Deferred tax asset/liability is created only to the extent there is virtual certainty that future taxable income will be available against which such deferred tax asset can be realized. As there is no virtual certainty



**xiv Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other bank balances.

**xv Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

**xvi Employee Benefits**

(a) Short-Term Employee benefits

Employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits and are recognized in the period in which the employee renders the related services.

(b) Post-employment benefits

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service

The liability on account of compensated absences i.e. leave with wages is accounted for on the basis of unutilized leave standing to the credit of the employee at the close of the year.

Since company has not conducted actuarial valuation of employee benefits during the previous years, hence Ind AS 19, Employee Benefits is not applied.

**xvii Borrowings**

Amortization of processing fees of term loans has not been done as required by Ind AS, since accounts of the company has been classified as NPA before the transition date as per Ind AS.

Since all the accounts of the company has been declared Sub-standard over a period of time, the banks have started recovery action under SARFAESI Act. In the absence of any information on interest on outstanding dues to the bank, the provision of interest has not been made by the company.

**xviii Financial instruments**

"Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments."

Initial Recognition:

"Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in Statement of Profit and Loss."

**Classification and Subsequent Measurement: Financial Assets**

"The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:- The entity's business model for managing the financial assets and- The contractual cash flow characteristics of the financial asset."

**Amortized Cost:**

"A financial asset shall be classified and measured at amortized cost if both of the following conditions are met:- The financial asset is held within a business model whose objective is to hold financial assets 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."

"Fair Value through OCI: A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:- The financial asset 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."

Fair Value through Profit or Loss:

"A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through OCI. All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets."

**Classification and Subsequent Measurement: Financial liabilities:**

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

**Financial Liabilities at FVTPL:**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL:

Gains or Losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

**Other Financial Liabilities:**

"Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using the effective interest method."

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Impairment of financial assets:**

"Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company assesses on a forward looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. In case of trade receivables, the Company Follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience."

**Derecognition of financial assets:**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

**xix Critical Accounting Judgment and Key of Estimation Uncertainty**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

**xx Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) the managing committee is considered to the chief operating decision maker as defined in IND AS 108 the operating segment is the level at which discrete financial information is available. the CODM allocate the resources and assess performance at this level. the group has Operating segments comprising of textile & wind mill.



(Rs. in Lacs)

DEPRECIATION CHART 2017-18											
2. PROPERTY, PLANT AND EQUIPMENT						GROSS BLOCK			DEPRECIATION		
PARTICULARS						As at 31.03.2017	Additions during the year	Deduction during the year	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
<b>1. Tangible Assets</b>											
1	Land	696.87	-	-	696.87	1,587.25	-	-	-	-	696.87
2	Factory Building	6,560.92	21.24	-	6,582.16	-	196.64	-	1,783.88	4,798.28	4,973.68
3	Building	-	-	-	-	-	-	-	-	-	-
4	Plant & Machinery	28,985.76	351.72	-	29,337.48	11,738.78	1,730.83	-	13,469.61	15,867.87	17,246.97
5	Weigh Bridge & scales	13.77	-	-	13.77	9.45	0.01	-	9.47	4.30	4.31
6	Electrical Installations	1,239.77	0.36	733.86	506.27	790.46	45.39	595.92	239.92	266.35	449.31
7	Scoter	0.33	-	-	0.33	0.21	0.05	-	0.26	0.07	0.12
8	Vehicles	7.33	1.45	-	8.78	6.43	0.64	-	7.06	1.71	0.90
9	Furniture & Fixtures	55.42	4.42	-	59.84	40.67	3.01	-	43.68	16.16	14.74
10	Cars	-	4.80	-	4.80	-	0.43	-	0.43	4.37	-
11	Office Equipment	162.35	4.87	-	167.22	113.67	10.22	-	123.89	43.33	48.68
12	Computer	120.77	3.70	-	124.47	112.19	2.05	-	114.24	10.23	8.58
13	Wind Mill	657.48	-	-	657.48	624.61	-	-	624.61	32.87	32.87
<b>SUB TOTAL-CURRENT YEAR (A)</b>						<b>38,500.76</b>	<b>392.57</b>	<b>733.86</b>	<b>38,159.46</b>	<b>15,023.72</b>	<b>21,742.41</b>
<b>II INTANGIBLE ASSET</b>											
	Trademark	1.34	-	-	1.34	1.04	0.11	-	1.15	0.18	0.30
14	ERP Software	10.65	7.56	-	18.21	6.75	4.94	-	11.69	6.52	3.90
<b>Total</b>						<b>11.99</b>	<b>7.56</b>	<b>5.06</b>	<b>12.84</b>	<b>6.71</b>	<b>4.20</b>
<b>III Capital Work in Progress</b>						8,193.14	189.83	-	-	8,382.96	8,193.14
<b>Sub Total (C)</b>						<b>8,193.14</b>	<b>189.83</b>	-	-	-	-
<b>Total (A+B+C) Current Year</b>						<b>46,705.88</b>	<b>589.95</b>	<b>733.86</b>	<b>46,561.97</b>	<b>15,031.50</b>	<b>31,574.38</b>

**Notes on Financial Statements for the year ended 31st March, 2018**

(Rs. In Lacs)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>3 Financial Assets</b>			
Investments (Long Term)			
i) <b>Associate company</b>			
<b>M/s Himachal Textile Park Ltd</b>	18.35	18.35	18.35
183500 (prev. yr. 345000) Equity Shares of Rs. 10 each fully paid up			
ii) Quoted-Fully paid up) other than Subsidiaries			
Investment at fair value through profit or loss			
Baroda Pioneer PSU Equity Fund			
(20000 growth Equity Fund @ Rs. 10 each)	1.97	1.79	1.34
<b>Total</b>	<b>20.32</b>	<b>20.14</b>	<b>19.69</b>
1. Market Value of Quoted Investment	1.97	1.79	1.34
2. Aggregate amount of Unquoted Investment	18.35	18.35	18.35
3. Aggregate amount of Total Investment	20.32	20.14	19.69
Note : Quoted investments are valued at market value as on 31-03-2018. All other investments are valued at cost.			
<b>4 Loans</b>			
a) Security Deposit	167.94	167.98	168.00
b) Loans and Advances to Related Parties	69.81	31.32	481.69
c) Others	18.72	46.49	42.86
<b>Total</b>	<b>256.47</b>	<b>245.79</b>	<b>692.55</b>
<b>5 Deferred Tax asset (net)</b>			
Deferred Tax asset	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>6 Other Non-Current Assets</b>			
<b>Prepaid Expense(Ind AS)</b>			
a) Prepaid Expense (HTPL)	753.65	762.95	772.24
b) Others	24.75	27.49	30.23
<b>Total</b>	<b>778.40</b>	<b>790.44</b>	<b>802.47</b>
<b>CURRENT ASSETTS</b>			
<b>7 Inventories</b>			
(As taken, valued and approved by management)			
a) Raw Materials	491.44	179.14	79.78
b) Work-in-Progress	157.19	166.39	149.60
c) Finished Goods/ Stock in Trade	654.70	1,192.33	1,284.75
d) Waste Stock	33.84	43.64	38.73
e) Store, Spares, Dyes & Chemicals & Packing Material	85.87	140.44	98.69
<b>Total</b>	<b>1,423.04</b>	<b>1,721.94</b>	<b>1,651.54</b>



## Notes on Financial Statements for the year ended 31st March, 2018

(Rs. In Lacs)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:			
- In case of raw material at actual cost determined on FIFO basis plus direct expenses.			
- In case of Stores and spares at weighted average cost.			
- In case of Work in process at raw material cost plus appropriate proportion of direct labour and overheads.			
- In case of finished goods at raw material cost plus conversion cost and appropriate proportion of overheads.			
- In case of Knitted Cloth Valued at actual cost determined on FIFO basis plus direct expenses.			
<b>FINANCIAL ASSET</b>			
<b>8 Trade receivables</b>			
a Outstanding for a period less than six months from the date they are due for payment	1,182.70	1,190.60	1,661.49
		-	-
b Outstanding for a period more than six months from the date they are due for payment	33,198.64	32,903.77	31,262.87
	-	-	-
<b>Sub Total</b>	<b>34,381.35</b>	<b>34,094.37</b>	<b>32,924.36</b>
Less provision for doubtful bad debts	6,510.27	6,510.27	6,510.27
Less bad debts written off	-	283.04	-
<b>Total</b>	<b>27,871.08</b>	<b>27,301.07</b>	<b>26,414.10</b>
<b>9 Cash and Cash Equivalents</b>			
a) Balance with banks	348.53	313.81	372.27
b) Cash-in-Hand	55.21	33.33	324.33
c) Cheque in Hand	4.07	35.74	-
<b>Total</b>	<b>407.81</b>	<b>382.88</b>	<b>696.59</b>
<b>10 Other bank balances</b>			
Fixed deposit (Kept as Margin Money With Banks )	283.53	292.03	241.53
<b>Total</b>	<b>283.53</b>	<b>292.03</b>	<b>241.53</b>
<b>11 Loans</b>			
Advances to employees	8.71	4.09	21.77
<b>Total</b>	<b>8.71</b>	<b>4.09</b>	<b>21.77</b>
<b>12 Other Financial assets</b>			
Interest accrued but not received	393.27	284.63	285.10
Tuf Claim Receivable	426.43	426.43	426.43
<b>Total</b>	<b>819.70</b>	<b>711.06</b>	<b>711.52</b>
<b>13 Current tax assets</b>			
Advance Income Tax TDS/TCS	1.90	2.65	24.44
<b>Total</b>	<b>1.90</b>	<b>2.65</b>	<b>24.44</b>



## Notes on Financial Statements for the year ended 31st March, 2018 (Rs. In Lacs)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>14 Other current assets</b>			
a) Prepaid expense(Ind AS)	12.05	12.05	12.05
b) Advance to Suppliers	597.36	610.56	0.74
c) Prepaid Insurnace	10.50	9.66	12.07
d) Balance with Excise and Taxation Dept	513.75	588.74	549.48
e) Prepaid expense	5.55	3.72	38.27
f) Others advances	1,751.11	1,529.63	1,531.59
<b>Total</b>	<b>2,890.31</b>	<b>2,754.36</b>	<b>2,144.19</b>

### 15 Equity Share Capital

Authorised, issued, subscribed and paid-up share capital and par value per share

Authorised

60,00,0000 EQUITY SHARES OF RS. 10/- EACH

	6,000.00	6,000.00	6,000.00
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<b>Total</b>	<b>6,000.00</b>	<b>6,000.00</b>	<b>6,000.00</b>
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**Issued, subscribed and fully paid up**

45003140(previous year 45003140) equity shares of Rs. 10 each fully paid up	4,500.31	4,500.31	4,500.31
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Add:- Share Foreited

<b>Total</b>	<b>4,500.31</b>	<b>4,500.31</b>	<b>4,500.31</b>
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### SHAREHOLDERS HOLDING MORE THAN 5% SHARES

	As at 31 March 2018		As at 31 March 2017		As at 1 ST April 2016	
NAME OF PERSON	% held	No. of Shares	% held	No. of Shares	% held	No. of Shares
^Ramesh Kumar Jindal	5.86	2636008	5.86	2636008	6.11	2,747,816
^Rajinder Kumar Jindal	5.50	2477052	5.75	2587052	5.79	2,607,052
Yash Paul Jindal			5.03	2261918	5.03	2,261,918
Clareville Capital Opportunities Master Fun	9.94	4475000	9.94	4475000	9.94	4,475,000
Albula investment Fund Ltd.			9.29	4183000	9.29	4,183,000
Shri Ram Insight Share Brokers Ltd.	10.90	4904525				

### Foot Notes :-

^ As per family arrangement, these persons have relinquished all their rights in respect of their entire shareholdings in the company in favour of Sh. Sandeep Jindal. Since these shares are pledged with banks/ARC at the moment, the permission has been applied and is being sought from them for transfer of shares in the name of Sh. Sandeep Jindal.

As per records of the Company, including its Register of Members and other declarations received from them regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

(Equity share issued as Bonus share on 04.7.2008( in no.)	31.03.2018	31.03.2017
	<b>4,801,596</b>	<b>4,801,596</b>

Rights, preference and restrictions attaching to each class of shares

"Equity Shares: The company has only one class of equity shares having par value of Rs. 10/- per share. Each holders of equity shares present is entitled to have one vote upon show of hands and upon a poll every member entitled to vote and present in person or by proxy shall have one vote, for every share held by him "

The profits of the Company subject to any special rights relating thereto created or authorised to be created shall be divisible among the members in proportion to the amount of Capital paid up or credited as paid up on the shares held by them respectively.

The Company in general meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits and may fix the time for payment

Dividend shall be paid by the Company in respect of any share only to the registered holder of such share or to his order or to his banker.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realized value of the assets of the Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

### Reconciliation of the Shares outstanding at the beginning and at the end of the reporting year.

At the beginning of the year	4,500.31	4,500.31	4,500.31
Shares issued during the year	-	-	-
<b>Outstanding at the end of year</b>	<b>4,500.31</b>	<b>4,500.31</b>	<b>4,500.31</b>



**Notes on Financial Statements for the year ended 31st March, 2018**

(Rs. In Lacs)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>16 Other Equity</b>			
i) Retained Earnings			
Balance as per Last Balance sheet	(30,136.36)	(28,337.93)	(19,255.59)
Add/Less- Measurement of financial assets and financial liabilities at amortized cost	-	-	199.62
Adjustment of previous years expenses	(64.64)	(38.52)	-
Add/Less :Profit/Loss for the Year	(2,219.50)	(1,759.91)	(9,281.96)
<b>Total</b>	<b>(32,420.51)</b>	<b>(30,136.36)</b>	<b>(28,337.93)</b>
ii) Foreign Currency Translation Reserve	1,915.26	1,915.26	1,915.26
Add Received during the year	-	-	-
<b>Total</b>	<b>1,915.26</b>	<b>1,915.26</b>	<b>1,915.26</b>
iii) Securities Premium Reserve	23,325.58	23,325.58	23,325.58
Add Received during the year	-	-	-
<b>Total</b>	<b>23,325.58</b>	<b>23,325.58</b>	<b>23,325.58</b>
Total other equity(i+ii+iii)	(7,179.66)	(4,895.52)	(3,097.09)
<b>17 Non-controlling Interest</b>			
3600100 EQUITY SHARES OF RS. 10/- EACH	360.00	360.00	360.00
Share of Profit /(Loss)	(867.23)	(258.97)	-
<b>Non-controlling Interest</b>	<b>(507.23)</b>	<b>101.03</b>	<b>360.00</b>
<b>Non Current Liabilities</b>			
<b>Financial Liabilities</b>			
<b>18 Borrowings</b>			
1. Term Loans From Banks (Secured)			
a) Oriental Bank of Commerce	8,341.27	8,341.27	8,341.27
b) Allahabad bank	1,851.06	1,851.06	1,851.06
c) Corporation Bank	969.86	977.00	973.83
d) State Bank Of India	1,228.73	1,226.38	1,226.38
e) Punjab And Sind Bank	285.53	285.53	263.11
f) Central Bank of India	352.58	352.58	352.58
g).The Catholic Syrian Bank Limited	2,263.07	2,263.07	2,263.07
h) Axis bank	-	-	7.35
i) State bank of India	5,087.68	5,087.68	5,087.68
j) Bank of Baroda	1,990.15	1,990.15	1,990.15
k) Central Bank of India	886.00	886.00	886.00
l) Punjab National Bank	6,554.65	6,554.65	6,554.65
m) Corporation Bank	2,111.97	2,111.97	2,111.97
n) Allahabad bank	2,444.72	2,444.72	2,444.72
o) Provision of Interest	9,141.70	9,141.70	9,168.97
<b>Total (1)</b>	<b>43,508.97</b>	<b>43,513.76</b>	<b>43,522.79</b>

**Notes on Financial Statements for the year ended 31st March, 2018**

(Rs. In Lacs)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
2. Others Unsecured			
a) FDR Deposits from Public	1,094.91	1,140.26	1,163.26
b) Loans and advances from related parties	3,636.71	3,769.72	4,395.84
c) From Others	609.53	534.03	400.97
<b>Total (2)</b>	<b>5,341.16</b>	<b>5,444.01</b>	<b>5,960.08</b>
<b>Total(1+2)</b>	<b>48,850.13</b>	<b>48,957.78</b>	<b>49,482.87</b>

\*Maturity profile and repayment schedule of principal/interest on secured loan is not possible to determine by the company as accounts with banks slipped into sub standard category after restructuring , Hence banks has recalled the entire outstanding and started recovery action under SARFESI Act.

\*\*Maturity Profile of Deposits are as set out below:

	1-2 years	2-3 years	3-5 years	Beyond 5 years
Current Year	-	-	-	-
Prev Year	-	-	-	-

1 (a & b) Term Loan from OBC & Allahabad Bank has assigned to JM Financial Assets Reconstruction Company Private Limited are secured by way of Ist Pari Passu charge on the Fixed Assets of the Company and 2nd charge on the Current Assets of the Company. Further these Loans are Secured by way of equitable mortgage of Factory Land and Building of the company situated at VPO Jugiana, G.T. Road , Ludhiana and at Village Mandiala Kalan, Tehsil Khanna, Distt. Ludhiana. However Corporate Loan & FITL pertaining to Oriental bank of commerce Corporate Loan have exclusive charge on Residential Land & Building in the name of Mr. Sandeep Jindal Msg 8061 sq yard situated at golf link Ludhiana.

1 (c & d) Term Loan from Corporation Bank and from State Bank of India are secured by way of Ist Pari Passu charge on the Fixed Assets of the Company and 2nd charge on the Current Assets of the Company. Further these Loans are Secured by way of equitable mortgage of Factory Land and Building of the company situated at VPO Jugiana, G.T. Road , Ludhiana and at Village Mandiala Kalan, Tehsil Khanna, Distt. Ludhiana.

1 (e) Term Loan From Punjab and Sind Bank is secured by way of exclusive charge on Windmill purchased out of the Term Loan..

1 (f) Term Loan from Central Bank Of India is secured by way of equitable mortgage of Land in the name of the Company situated at village Mandiala Kalan, Tehsil Khanna, Distt. Ludhiana

1 (g) Term borrowing from The Catholic Syrian Bank Limited has transfer to Phoenix ARC Ltd due to non servicing of Interest. The above said term loan is secured by equitable mortgage of commercial plot in name of M/s Jindal Cycles Pvt. Ltd. and Personal Guarantee of Promoter Directors.

1 (h) Loans from Axis bank are secured by way of hypothecation of respective vehicles.

1 (i & j) Term Loan from SBI & from Bank of Baroda taken by Jindal Medicot Limited are secured by way of Ist Pari Passu charge on the Fixed Assets of the Company and 2nd charge on the Current Assets of the Company. Equitable Mortgage of Leasehold rights of Land and Building Situated at Upmahal , Ramnagar,Thathal Teh.Amb, Dist Una. Further these Limits are Secured by way of equitable mortgage of Land and Building in the name of Himachal Textile Park Limited.

1 (k) Term Loan from Central Bank of India taken by Jindal Medicot Limited is secured by way of Ist Pari Passu charge on the Fixed Assets of the Company and 2nd charge on the Current Assets of the Company.

1 (l, m & n) Term Loan from Punjab National Bank, Allahabad Bank & Corporation bank taken by Jindal Specialty Textile Limited ,Punjab National Bank, Allahabad Bank has assigned its debt to JM Financial ARC private limited, Corporation Bank & JM Financial are secured by way of Ist Pari Passu charge on the Fixed Assets of the Company and 2nd charge on the Current Assets of the



## Notes on Financial Statements for the year ended 31st March, 2018

(Rs. In Lacs)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Company. Equitable Mortgage of Leasehold rights of Land and Building Situated at Upmahal, Ramnagar, Thathal Teh. Amb, Dist Una. Further these Limits are Secured by way of equitable mortgage of Land and Building in the name of Himachal Textile Park Limited.			
1 (o) Provision for Interest on Term Loan has not been provided for the Financial Year 2017-18			
All Secured Loans have also been guaranteed by following promoters & directors's of the Company :-			
i Sh. Sandeep Jindal			
ii Sh. Yash Paul Jindal			
iii Sh. Rajinder Jindal			
iv Sh. Ramesh Jindal			
2(a) The company has received/accepted the deposits from General Public in shape of FDR for different time frames for maturity. Due to financial constraints, the company has not able to repay the deposits within the schedule time period. The Company applied to the Company Law Board for deferment of repayment of deposits vide its order no. C.P. NO. 25/5/2013-CLB Dt. 23.12.2013 and has deferred the repayments of deposits. The company Law Board has reconstituted as National Company Law Tribunal. NCLT constitute a hardship committee & company will also repay Rs. 5 lacs on quarterly basis through hardship meeting. Since the company is facing liquidity crunch & not able to make payments to FDR holder as per CLB order Provision for Interest on FDR has not been provided for the Financial Year 2017-18			
2 (b & c) All the unsecured loan received from related parties & others are repayable after 12 months from the date of squaring up bank dues. However the company reserve the right to prepay it. 15 years IND AS impact			
<b>19 Other Financial Liabilities</b>			
Loans & Advances			
Security Deposit	(2,631.00)	(2,772.59)	(2,831.90)
<b>Total</b>	<b>(2,631.00)</b>	<b>(2,772.59)</b>	<b>(2,831.90)</b>
<b>20 Provisions</b>			
a) Provision for Gratuity	65.43	53.12	44.81
b) Provision for Leave with Wages	35.19	23.59	17.29
<b>Total</b>	<b>100.62</b>	<b>76.72</b>	<b>62.10</b>
<b>21 Deferred Tax Liabilities (net)</b>			
Deferred Tax Liabilities	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>22 Other Non-current Liabilities</b>			
Deferred Income (Ind AS)	1,103.38	1,225.88	1,284.07
Others	3.39	3.39	3.39
<b>Total</b>	<b>1,106.77</b>	<b>1,229.27</b>	<b>1,287.46</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
<b>23 Borrowings</b>			
1) From Banks			
a) Allahabad Bank	419.68	419.68	419.68
b) Oriental Bank of Commerce	3,622.61	3,622.61	3,622.61



## Notes on Financial Statements for the year ended 31st March, 2018 (Rs. In Lacs)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
c) Corporation Bank	252.83	252.83	252.83
d) State Bank of India	937.46	942.60	942.60
e) State bank of India	1,896.27	1,896.77	1,896.77
f) Punjab & Sind Bank	531.56	531.56	531.56
g) Bank of Baroda	122.36	122.36	122.36
h) Punjab National Bank	3,391.42	3,391.42	3,354.97
i) Corporation Bank	592.91	592.91	592.91
j) UCO Bank	8.08	-	-
k) Interest Provision	338.70	338.70	338.70
2. Loan and Advance from Related Parties (Unsecured )	-	10.00	-
3. From Others	60.00	60.00	60.00
<b>Total</b>	<b>12,173.87</b>	<b>12,181.43</b>	<b>12,134.98</b>

(1) (a,b,c,d) Borrowings from OBC & Allahabad Bank has assigned to JM Financial Assets Reconstruction Company Private Limited .All Borrowings are Secured by way of 1st charge on Current Assets (Stock & Book debts) of the Company and 2nd charge on the fixed assets of the Company. Further these Limits are secured by way of equitable mortgage of Factory Land and Building of the company situated at VPO Jugiana, G.T. Road , Ludhiana and at Village Mandiala Kalan, Tehsil Khanna, Distt. Ludhiana and .Personal guarantees of the following promoters & directors:-

- 1 (e) Borrowings from State Bank of India are Secured by way of 1st charge on Current Assets of the Company and 2nd charge on the fixed assets of the Company. Equitable Mortgage of Leasehold rights of Land and Building Situated at Upmahal, Ramnagar,Thathal Teh.Amb, Dist Una. Further these Limits are Secured by way of equitable mortgage of Land and Building in the name of Himachal Textile Park Limited.
- 1 (f) Borrowings from Punjab & Sind Bank are Secured by way of 1st charge on Current/ Fixed Assets Purchased by the Company in Trading division and 2nd charge on the Current/ Fixed assets of the Company in Manufacturing unit. Equitable Mortgage of Land in the name of Jindal Cotex Limited Situated at village Mandiala Kalan , Teh. Khanna, Dist. Ludhiana
- 1 (g) Borrowing from Bank of Baroda is Overdraft limit for short term againsts the personal gurantee of Permoters Directors & Corporate Gurantee of Jindal Cotex Limited & Himachal Textile Park Ltd.
- 1 (h. i) Short Term Borrowings from Punjab National Bank has assigned its debt to JM Financial ARC Private Limited.JM Financial & Corporation Bank are Secured by way of 1st charge on Current Assets of the Company and 2nd charge on the fixed assets of the Company. Equitable Mortgage of Leasehold rights of Land and Building Situated at Upmahal , Ramnagar,Thathal Teh.Amb, Dist Una. Further these Limits are Secured by way of equitable mortgage of Land and Building in the name of Himachal Textile Park Limited.
- 1 (k) Since accounts of the company slipped into sub standard category after restructuring , Hence banks has recalled the entire outstanding and started recovery action under SARFESI Act. Provision for Interest has not been provided for the Financial Year 2017-18

All Secured Loans have also been guaranteed by following directors and promoters of the Company.

- i Sh. Sandeep Jindal
- ii Sh. Yash Paul Jindal
- iii Sh. Rajinder jindal
- iv Sh. Ramesh Jindal

### 24 Trade Payable

a) Due to Micro and small Enterprises	-	-	-
b) Due to others	6,434.20	4,173.60	3,132.17
<b>Total</b>	<b>6,434.20</b>	<b>4,173.60</b>	<b>3,132.17</b>

**Notes on Financial Statements for the year ended 31st March, 2018**

(Rs. In Lacs)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
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Note : The Company has not received any communication from any of its suppliers/ service providers in response to letters issued by the Company, confirming whether or not they are registered under the Micro, Small and Medium Enterprises Development Act, 2006. In the absence of any positive confirmation from the suppliers/ service providers, the information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 could not be determined.

**25 Other Financial Liabilities**

a) Deposit due with in one year	184.70	184.70	171.11
b) Due to Employees	52.64	40.93	27.62
c) Cheques under reconciliation	18.52	114.98	254.81
d) Security (Loading/Unloading From Contractor )	-	0.10	0.10
e) Interest Payable On FDR	516.70	514.91	514.91
<b>Total</b>	<b>772.55</b>	<b>855.62</b>	<b>968.55</b>

**26 Other current Liabilities**

a) Cheques under reconciliation	-	-	11.57
b) Statutory dues payables	151.88	158.92	148.98
c) Electricity Expense Payable	337.83	235.43	395.45
d) Expense Payable	5.77	7.58	6.38
e) Government Dues Payable	169.24	108.31	133.26
f) Advance from Customers	393.38	753.63	144.79
g) Deferred Income (Ind AS)	130.00	130.00	124.16
h) Personnel expenses Payable	29.71	77.57	18.85
l) Director Remuneration	9.48	6.57	3.40
<b>Total</b>	<b>1,227.28</b>	<b>1,478.01</b>	<b>986.85</b>

**27 Provisions**

a) Provision for Employee benefits	33.87	15.15	13.49
b) Provident Fund Payable	11.62	-	-
<b>Total</b>	<b>45.49</b>	<b>15.15</b>	<b>13.49</b>



## Notes on Financial Statements for the year ended 31st March, 2018

(Rs. In Lacs)

	As at 31 March, 2018	As at 31 March, 2017
<b>28 Revenue from operations</b>		
Sale of products	23,729.54	18,942.74
<b>Total</b>	<b>23,729.54</b>	<b>18,942.74</b>
<b>28.1 Particulars of Sale of Products</b>		
Electricity	49.89	52.35
Flex Sheet	12,770.97	10,443.73
Yarn	5,347.61	1,835.89
Fabrics	1,012.01	1,892.91
Cotton/Cotton Products	4,192.41	3,463.79
Other	42.50	100.63
Excise Duty	314.15	1,153.45
<b>Total</b>	<b>23,729.54</b>	<b>18,942.74</b>
<b>29 Other Income</b>		
Interest income	6.88	11.11
Lease Rent	10.00	48.64
Rebate & Discount	58.90	2.44
Foreign Exchange income	10.95	-
Sale of MEIS Licence/Drawback Income	61.11	0.59
Others	0.28	6.14
Interest Income(Ind AS)	42.73	42.54
Others Income (Ind AS)	81.58	77.78
	<b>272.42</b>	<b>189.24</b>
<b>30 Cost of materials consumed</b>		
Opening stock	179.14	79.78
Add : Purchases (Net)	17,712.60	12,309.06
Less: Closing Stock	491.44	179.14
<b>Total</b>	<b>17,400.31</b>	<b>12,209.70</b>
<b>30.1 Detail of cost of Material Consumed</b>		
Fiber	6,345.24	3,267.67
Yarn	521.85	531.17
Fabric	455.97	145.57
PVC & Other	7,233.98	5,832.36
Cotton	2,931.72	2,347.60
Expenses	223.85	184.69
Flex Sheet	0.00	
<b>Total</b>	<b>17,712.60</b>	<b>12,309.06</b>
<b>31 Purchases of stock-in-trade</b>		
Yarn	120.89	19.82
Fabric	378.62	1,450.61
<b>Total</b>	<b>499.51</b>	<b>1,470.43</b>

**Notes on Financial Statements for the year ended 31st March, 2018**

	(Rs. In Lacs)	
	As at 31 March, 2018	As at 31 March, 2017
<b>32 Change in inventories of finished goods, stock in trade and work -in-progress</b>		
<b>A) Opening stock</b>		
Work-in-Progress	166.39	149.60
Finished Goods / Stock in Trade	1,192.33	1,284.75
Waste Stock	43.64	38.73
<b>Sub Total A</b>	<b>1,402.36</b>	<b>1,473.08</b>
<b>B) Closing Stock</b>		
Work-in-Progress	157.19	166.39
Finished Goods / Stock in Trade	654.70	1,192.33
Waste Stock	33.84	43.64
<b>Sub Total B</b>	<b>845.73</b>	<b>1,402.36</b>
<b>TOTAL (A-B)</b>	<b>556.63</b>	<b>70.72</b>
<b>33 Employee benefit expense</b>		
Salary, Wages and other Allowances	1,050.40	834.13
Contribution to Provident and other funds	40.85	25.59
Staff Welfare Expenses	44.38	31.54
<b>Total</b>	<b>1,135.63</b>	<b>891.26</b>
<b>34 Finance cost</b>		
Bank Charges	3.36	7.69
Interest Expense	87.84	36.03
Other Interest	1.75	3.79
Interest Expenses (Ind AS)	84.06	22.79
<b>Total</b>	<b>177.02</b>	<b>70.30</b>
<b>35 Other expenses</b>		
<b>a) Manufacturing Expenses</b>		
Packing Material	112.64	68.91
Power and Fuel	1,861.85	1,243.48
Store Consumption	1,206.34	864.59
Repair and Maintenance	133.30	70.57
Other Manufacturing Expenses	165.73	64.98
<b>Total (a)</b>	<b>3,479.86</b>	<b>2,312.52</b>
<b>b) Administrative &amp; Other Expenses</b>		
Certification Charges	5.81	1.64
Loading & unloading	10.48	2.97
Fee & Taxes	12.29	38.02
Listing charges	1.08	1.23
Travelling & Conveyance	213.87	126.78



**Notes on Financial Statements for the year ended 31st March, 2018**

(Rs. In Lacs)

	As at 31 March, 2018	As at 31 March, 2017
Telephone & Internet Expenses	10.60	9.47
Printing and Stationary	6.35	5.14
Rent Rates & Taxes	17.04	8.42
Annual Maintenance Charges	18.76	17.44
Energy Loss	0.12	2.65
Payments to auditors	3.06	1.51
Legal & Professional Charges	22.55	13.71
Insurance Charges	18.12	22.23
Misc. Expenses	53.98	17.18
Repair & Maintenance	30.78	4.89
Bad Debt Written off	-	283.04
Other Expenses (Ind AS)	8.41	8.37
Demand & Penalty	20.05	3.78
Charity and Donation	2.21	1.32
<b>Total (b)</b>	<b>455.56</b>	<b>569.76</b>
<b>c) Selling Expenses</b>		
Forwarding and Octroi	2.95	6.79
Advertisement Expenses	11.11	8.98
Other Expense	99.38	85.80
Rebate and Discount	250.13	261.09
Freight Carriage and outward	345.36	18.29
<b>Total ©</b>	<b>708.94</b>	<b>380.95</b>
	-	-
<b>Total (a+b+c)</b>	<b>4,644.35</b>	<b>3,263.23</b>
<b>35.1 Payment to Auditors</b>		
Statutory Audit Fee	2.41	0.70
Vat Audit Fees	0.02	0.05
Company Law Matters	0.45	0.15
Reimbursement of expenses	0.18	0.61
<b>Total</b>	<b>3.06</b>	<b>1.51</b>

**35.2 EARNINGS PER SHARE**

(Rs. In Lakhs)

PARTICULARS	31.03.2018	31.03.2017
i) Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	(2,827.76)	(1967.86)
ii) Weighted Average number of equity shares used as denominator for calculating EPS	450	450
iii) Basic Earnings per share	(6.28)	(4.37)
iv) Diluted Earnings per share	(6.28)	(4.37)
v) Face Value per equity share	10	10



## Notes on Financial Statements for the year ended 31st March, 2018

36 Information Related to Relating Party Transaction As Per IND AS - 24, issued by Institute of Chartered Accountants of India is given below:

- A) Associate Concerns  
Himachal Textile Park Limited
- B) Subsidiary Co.  
Jindal Medicot Limited  
Jindal Specialty Textiles Limited  
Jindal International FZE (foreign subsidiary)
- C) Key Management Personnel  
Mr. Sandeep Jindal (MD)  
Mr. Anil Malhan (CS)
- D) KMP or their relatives are influence or control the enterprises  
Jindal Cycles Pvt Ltd  
Jindal Fine Industries  
Leader Cycles Ltd  
Jindal Infomedia Pvt Ltd  
Jindal Holdings & Investment Limited  
Poonam Enterprises  
Jindal Technotex Limited
- E) Relatives of Key Management Personnel  
Mrs. Manu Jindal  
Mr. Yash Paul Jindal  
Mr. Ramesh Jindal  
Mr. Rajinder Jindal

Transactions with Related party	Subsidiaries		Key Management Personnel		KMP or their relatives are influence or control the enterprises	(Rs. In Lakhs) Relatives of Key Management Personnel	
	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017		31 st March 2018	31 st March 2017
Particulars							
Lease Rent Income	10	10.83	-	-	-	-	-
Lease Rent Expenses	-	-	-	-	-	-	1.44
Director Remuneration	-	-	4.50	4.50	-	-	-
Remuneration	-	-	7.24	6.58	-	7.20	10.20
Purchase of goods	516.95	-	-	-	-	-	-
Sale of Goods	-	-	-	-	-	-	-
Loans & Advance Given (Net)	36.67	-	-	-	-	-	-
Loan & Advance paid (Net)	-	-	80.50	-	-	15.10	-
Balances Outstanding							

- 37 Segment Information as required by Ind AS-108 "Operating Segments" issued by the ICAI and compiled on the basis of the financial s tatements is as under :-
- (i) Management has identified two reportable business segments, namely:
- Textile: - Production/Trading of Acrylic Yarn, Polyester Yarn, Poly/cotton Blended Yarn, Cotton Yarn, Blended Yarns & Knitted cloth.
  - Energy Generation: - Generation of Energy from Wind Mill.
- Segments have been identified and reported taking into account the nature of products



## Notes on Financial Statements for the year ended 31st March, 2018

(Rs. In lacs)

(a) Information about Primary Business Segments

	Textile		Wind Mill		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Revenue:						
External (Net of Excise)	23,679.64	18,890.39	49.90	52.35	23,729.54	18,942.74
Inter-segment	-	-	-	-	-	-
Total Revenue	23,679.64	18,890.39	49.90	52.35	23,729.54	18,942.74
Result:						
Segment Result	(2,859.09)	(2,003.21)	31.14	34.91	(2,827.95)	(1,968.30)
Unallocated Expenditure					-	-
Profit before Tax	(2,859.09)	(2,003.21)	31.14	34.91	(2,827.95)	(1,968.30)
Provision for Tax/Adjustment of tax for Earlier Years	-	-	-	-	-	-
Profit After Tax	(2,859.09)	(2,003.21)	31.14	34.91	(2,827.95)	(1,968.30)

Particulars	Textile		Wind Mill		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Segment Assets	29,274.60	29,667.61	32.87	32.87	29,307.47	29,700.48
Segment Liabilities	28,195.30	27,772.57	335.26	285.52	28,530.56	28,058.09
Capital Expenditure	-	-	-	-	-	-
Depreciation	1,994.31	1,951.69	-	-	1,994.31	1,951.69

38 In the opinion of the Board, current assets, loans and advances have a value in the ordinary course of business at least equal to that stated in the balance sheet and adequate provisions have been made for all known liabilities and depreciation in the books of accounts

39 Debit or Credit Balance on what so ever accounts are subject to confirmation from parties

40 CONTINGENT LIABILITIES AND COMMITMENTS

(Rs. In lacs)

PARTICULARS

31.03.2018

31.03.2017

(To the extent not provided for)

(a) Contingent Liabilities

(i) Duty saved upon procurement of machinery pending fulfillment of export obligation 5.06 5.06

(ii) Corporate Guarantee given to Banks for grant of Term Loan and CC Limits to Subsidiaries 32576.39 32756.89

(b) Commitments

i) Estimated amount of contracts remaining to be executed on capital and not provided for 8863.45 8863.45

Total

41625

41625

41 Pending Legal Cases

1. The suppliers has filed the cases against the company at various levels of Distt. & Session Courts. Total amount of exposure involved in the petitions filed in the court amounts to Rs.1156.83 lacs .

2. There are various suits filed against the company u/s 138

3. One of the creditor being 'vinod cotton corporation' has even filed petition application for winding up of the company.

42 "The Company has accumulated losses of Rs.265.32 Crores which has eroded its peak level net worth by more than 50% and as such has become potentially sick company. Based on the detailed evaluation of the current situation, plans formulated management is confident of raising adequate finance and rescheduling its debt. Therefore, the management is of the view that the company will realize its assets and discharge the liabilities in the normal course of business. Taking into account the above facts, the financial statements have been prepared on the basis that the company is a going concern."

For & On behalf of the Board

As per our report of even date attached

**Raj Gupta & Co.**

Chartered Accountants

Firm Regn no. 000203N

**Sandeep Jindal**  
Managing Director  
DIN 01639743

**Rajesh Khanna**  
Director  
DIN 06971227

**Gurvinder Singh**  
Manager Accounts

**Anil Malhan**  
Company Secretary

**Raj Gupta**  
Partner  
(M.No.017039)

Place : Ludhiana  
Date : 30.05.2018



## Statement of changes in equity for the period ended 31 March 2018

	Attributable to the equity holders of the parent							(Rs. in Lacs)
	Issued capital	Share forfeited	Retained earnings	Foreign currency Translation Reserve	General reserve	Capital Redemption Reserve	Securities Premium	Total Equity
As at 1 April 2016	4,500.31	-	(28,337.93)	1,915.26	-	-	23,325.58	1,403.23
Issue of share capital	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
	4,500.31	-	(28,337.93)	1,915.26	-	-	23,325.58	1,403.23
Profit for the period	-	-	(1,759.91)	-	-	-	-	(1,759.91)
Other Comprehensive Income	-	-	0.45	-	-	-	-	0.45
Transfer to General Reserve	-	-	(1,759.47)	-	-	-	-	(1,759.47)
Total comprehensive income	-	-	(30,097.40)	-	-	-	-	(30,097.40)
Grand Total as at 31 March 2017	4,500.31	-	(30,097.40)	1,915.26	-	-	23,325.58	(356.23)
As at 1 April 2017	4,500.31	-	(30,097.40)	1,915.26	-	-	23,325.58	(356.23)
Issue of share capital	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
	4,500.31	-	(30,097.40)	1,915.26	-	-	23,325.58	(356.23)
Profit for the period	-	-	(817.17)	-	-	-	-	(817.17)
Other Comprehensive Income	-	-	0.19	-	-	-	-	0.19
Adjustments of Exp.Previous Years	-	-	(48.50)	-	-	-	-	(48.50)
Transfer to General Reserve	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	(865.48)	-	-	-	-	(865.48)
Grand Total as at 31 March 2018	4,500.31	-	(30,962.88)	1,915.26	-	-	23,325.58	(1,221.71)



## Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### FAIR VALUE MEASUREMENT

#### (a) Financial instruments by category & hierarchy

For amortized cost instruments, carrying value represents the best estimates of fair value

(Rs In LAKHS)

Particular	As at 31st March, 2018			As at 31st March, 2017			As at 1st April, 2016		
Financial Assets	FVTPL	FVOCI	Amortized cost	FVTPL	FVOCI	Amortized cost	FVTPL	FVOCI	Amortized cost
Investments	-	1.97	-	-	1.79	0.00	-	1.34	-
Security deposits	-	-	256.67	-	-	245.79	-	-	692.55
Trade Receivable	-	-	27,871.08	-	-	27301.07	-	-	26,414.10
Cash & Cash Equivalent	-	-	407.81	-	-	382.88	-	-	696.59
Other Bank Balance	-	-	283.53	-	-	292.03	-	-	241.53
Loan & Other Financial assets	-	-	828.41	-	-	715.15	-	-	733.30
<b>Total</b>	-	<b>1.97</b>	<b>29,647.30</b>	-	<b>1.79</b>	<b>28,936.93</b>	-	<b>1.34</b>	<b>28,778.07</b>

Particulars	As at 31st March, 2018			As at 31st March, 2017			As at 1st April, 2016		
Financial Liabilities	FVTPL	FVOCI	Amortized cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortized cost
Non-Current Borrowings	-	-	48,850.13	-	-	48,957.78	-	-	49,482.87
Other Financial Non-Current Liability	-	-	(2,631.00)	-	-	(2,772.59)	-	-	(2,831.90)
Current Borrowings	-	-	12,173.87	-	-	12,181.43	-	-	12,134.98
Trade Payable	-	-	6,434.20	-	-	4,173.60	-	-	3,132.17
Other Financial Current Liability	-	-	772.55	-	-	855.62	-	-	968.55
<b>Total</b>	-	-	<b>65,599.76</b>	-	-	<b>63,395.84</b>	-	-	<b>62,886.67</b>

#### (b) Fair Value hierarchy

The Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standards. An Explanation of each level follows under the table:

Financial assets & liabilities measured at fair value - recurring fair value measurements

(Rs. In Lakhs)

Particulars	As at 31st March, 2018			As at 31st March, 2017			As at 1st April, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>									
Investments	1.97	-	-	1.78	-	0.00	1.34	-	0.00
Security deposits	-	-	256.47	-	-	245.79	-	-	692.55
Trade Receivable	-	-	27,871.08	-	-	27301.07	-	-	26414.10
Cash & Cash Equivalent	-	-	407.81	-	-	382.88	-	-	696.59
Other Bank Balance	-	-	283.53	-	-	292.03	-	-	241.53
Other Financial assets	-	-	828.41	-	-	715.15	-	-	733.30
<b>Total Financial assets</b>	<b>1.97</b>	<b>-</b>	<b>29,647.30</b>	<b>1.78</b>	<b>-</b>	<b>28,936.93</b>	<b>1.34</b>	<b>-</b>	<b>28,778.07</b>



Financial liabilities	As at 31st March, 2018			As at 31st March, 2017			As at 1st April, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non-Current Borrowings			48,850.13			48,957.78			49,482.87
Other Financial Non-Current Liabilities			(2,631.00)			(2,772.59)			(2,831.90)
Current Borrowings			12,173.87			12,181.43			12,134.98
Trade Payable			6,434.20			4,173.60			3,132.17
Other Financial Current Liabilities			772.55			855.62			968.55
Total	-	-	65,599.76	-	-	63,395.84	-	-	62,886.67

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level

**(c) Fair Value of Financial Assets/ Liabilities measured at amortized cost**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>						
Security deposits	256.47	256.47	245.79	245.79	692.55	692.55
<b>Total Financial assets</b>	256.47	256.47	245.79	245.79	692.55	692.55
<b>Financial liabilities</b>						
Other financial Liabilities	(2,631.00)	(2,631.00)	(2,772.59)	(2,772.59)	(2,831.90)	(2,831.90)
<b>Total Financial Liabilities</b>	(2,631.00)	(2,631.00)	(2,772.59)	(2,772.59)	(2,831.90)	(2,831.90)

The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to short term nature. The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk. The fair values of non-current borrowings are based on discounted cash flows using a current borrowings rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**Financial risk management objectives and policies**

"The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loans, trade and other receivables, and cash & cash equivalents that derived directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarized as below:"

**Market risk**

"Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits and payables/receivables in foreign currencies."

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the accounts of the company with banks slipped into sub standard category over a period of time and banks has recalled the entire outstanding and started recovery action under SARFESI Act. 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 the provision of interest on bank borrowing has not been provided.

**Foreign currency risks**

The company has no foreign exchange exposure hence, no currency is risk involved.

**Price risk**

The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. The company has lower price risk which will not material impact on the financial statements

**Credit risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business. The Company has already made a provision for trade receivables aggregating to Rs. 6510.26 lakhs in previous years. For other customers, the Company has moderate credit risk which does not significantly require to impair the financial assets

**Liquidity risk management**

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Since the accounts of the company with banks slipped into sub standard category over a period of time. The Company is passing through a phase of liquidity stress and there is a mismatch in cash flows. Due to this, the capacities of the Company are running at sub-optimal level. The Company is at an advanced stage of negotiations with the banks for restructuring of its debt which would correct the cash flow mismatch. The Company believes that post restructuring, the Company would be able to generate enough cash inflows to meet its working capital requirements in the medium and long run. The company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

**Capital risk management**

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The director's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. No Changes were made in the objectives, policies or processes during the years ended 31st March 2018 and 31st March 2017.

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

"The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

- 1) Reconciliation of Balance sheet as at 1st April, 2016 (Transition Date)
  - 2) (a) Reconciliation of Balance sheet as at 31st March, 2017  
(b) Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017
  - 3) Reconciliation of Equity as at 1st April, 2016 and as at 31st March, 2017
  - 4) Reconciliation of Net Profit as reported Previously referred to as "Previous GAAP" and total comprehensive Income as per Ind AS
- The presentation requirement under previous GAAP differ from Ind AS and hence, previous GAAP information has re-grouped for case of reconciliation with Ind AS. The re-grouped previous GAAP information is derived from the financial statement of the company prepared in accordance with previous GAAP."

**The following explains the material adjustments made while transition from previous accounting standards to Ind AS****Fair valuation of Investments**

Under the previous GAAP, investments in equity instruments were classified as long-term investments based on the intended holding period and reliability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Under Ind AS all investments (other than investments in associates and subsidiaries) to be measured at fair value at the reporting date and all changes in the fair value have been recognized in retained earnings as at the date of transition





and subsequent to the transition date to be recognized in the Other Comprehensive Income. The fair value changes of these investments resulting in decrease in investments by ` 0.22 lacs as at 31st March, 2017 ( 0.664 lacs As at 1st April, 2016) and correspondingly there is increase in other comprehensive income by ` 0.45 lacs as at 31st March, 2017 and also decrease in retained earning by 0.664 lacs As at 1st April, 2016.

**Security deposits Paid**

Under Previous GAAP, the security deposits are accounted at an undiscounted value. Under Ind AS, these are carried at amortized cost. The security deposits have been recognized at discounted value and the difference between undiscounted and discounted value has been recognized as 'Prepaid expense' which has been amortized over respective term as notional expense under 'other expenses'. The discounted value of the security deposits is increased over the period of respective term by recognizing the notional interest income under 'other income'. the effect of this change is decrease in non-current loans under financial assets by 11845.50 lacs as at 31st March, 2017 ( ` 12390.35 lacs as at 1st April, 2016) and increase in other non current assets by ` 8764.54 lacs as at 31st March, 2017 ( ` 9640.27 lacs as at 1st April, 2016) and increase in other current assets by 875.73 lacs as at 31st March, 2017 ( ` 875.73 lacs as at 1st April, 2016). There had been increase in Other income by ` 544.87 lacs and other expenses by 875.74 lacs for the year ended 31st March, 2017 and decrease in retained earnings by ` 1874.34 lacs as at 1st April, 2016.

**Security deposits Received**

Under Previous GAAP, the security deposits are accounted at transaction value. Under Ind AS, these are carried at amortized cost. The security deposits have been recognized at discounted value and the difference between undiscounted and discounted value has been recognized as 'Deferred Income' which has been amortized over respective term as notional interest income under 'other income'. The discounted value of the security deposits is increased over the period of lease term by recognizing the notional interest expense under 'Finance cost'. the effect of this change is decrease in other financial liabilities by ` 1116.92 lacs as at 31st March, 2017 ( ` 1100.07 lacs as at 1st April, 2016) and increase in other non current liabilities by 816.51 lacs as at 31st March, 2017 ( ` 833.82 lacs as at 1st April, 2016) and increase in other current liabilities by 81.58 lacs as at 31st March, 2017 ( ` 75.74 lacs as at 1st April, 2016). There had been increase in other income by 77.77 lacs and finance cost by 49.45 lacs for the year ended 31st March, 2017 and increase in retained earnings by 190.50 lacs as at 1st April, 2016.

**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. Item 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 fair value gain / loss on FVOCI equity instruments and re-measurement of defined benefit plan. The concept of other comprehensive income did not exist under previous GAAP.

**Retained earnings**

Retained earnings as at 1st April, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

The transition from previous GAAP to Ind AS has not made a material impact on the statement of cash flows.

**For & On behalf of the Board**

As per our report of even date attached

**Raj Gupta & Co.**

Chartered Accountants  
Firm Regn no. 000203N

**Sandeep Jindal**  
Managing Director  
DIN 01639743

**Rajesh Khanna**  
Director  
DIN 06971227

**Gurvinder Singh**  
Manager Accounts

**Anil Malhan**  
Company Secretary

**Raj Gupta**  
Partner  
(M.No.017039)

**Place : Ludhiana**  
**Date : 30.05.2018**



**FORM AOC-1**  
**As on 31.03.2018**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A" : Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details		
		Jindal Medicot limited	Jindal Speciality Textiles Limited	Jindal International FZE
1	Name of the subsidiary	Jindal Medicot limited	Jindal Speciality Textiles Limited	Jindal International FZE
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2018	31.03.2018	31.03.2018
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries			
4	Share capital	74,000,000	49,500,000	339,142
5	Reserves & surplus	(576,353,955)	(409,476,146)	57,914,099
6	Total assets	1,244,238,944	1,996,634,497	1,812,505,283
7	Total Liabilities	1,746,592,900	2,356,610,642	1,565,034,984
8	Investments (Net of Provision For Dimulation in Value)	-	-	12,627,664
9	Turnover	456,030,393	1,624,837,378	-
10	Profit before taxation	(125,029,316)	(101,186,898)	-
11	Provision for taxation	-	-	-
12	Profit after taxation	(125,029,316)	(101,186,898)	-
13	Proposed Dividend	Nil	Nil	Nil
	% of Shareholding	51.35%	100%	100%

**Part “B” : Associates and Joint Ventures****Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of associates/Joint Ventures	Himachal Textile Park Ltd
Latest audited Balance Sheet Date	31.03.2017
Shares of Associate/Joint Ventures held by the company on the year end	
No.	88,500
Amount of Investment in Associates/Joint Venture	885,000
Extend of Holding%	23.29%
Description of how there is significant influence	Section 2(6) of the Companies Act, 2013
Reason why the associate/joint venture is not consolidated	-
Net worth attributable to shareholding as per latest audited Balance Sheet	874886
Profit/Loss for the year*	N.A.
Considered in Consolidation	N.A.
Not Considered in Consolidation	N.A.

- Names of associates or joint ventures which are yet to commence operations.

\*The Associate Company i.e. Himachal Textiles Park Limited is under implementation stage, therefore, there is no profit or loss in the said company and has no impact on consolidation of financial statement.

- Names of associates or joint ventures which have been liquidated or sold during the year. N.A.

**Note:** This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

**JINDAL COTEX LIMITED**  
**CIN :L17115PB1998PLC021084**  
**Registered Office: V.P.O. Jugiana, G.T. Road, Ludhiana - 141017**

**ATTENDANCE SLIP**

Ref. Folio/DP/ & Client No. \_\_\_\_\_

No. of shares held \_\_\_\_\_

I/We certify that I am a registered shareholder/proxy for the registered shareholder of the company. I hereby record my presence at the 21st Annual General Meeting of the company held on Saturday, 29th day of September, 2018 at 9.00 A.M. at its Registered Office at V.P.O. Jugiana, G.T. Road, Ludhiana - 141017.

Name of the Shareholder/Proxy  
(In Block Letter)

Signature of the Shareholder/Proxy

**Note:** Please fill the attendance slip and hand it over at the entrance of meeting venue. Joint shareholders may obtain additional attendance slip on request. Shareholder/Proxy desiring to attend the meeting should bring his copy of the Annual Report at the Annual General Meeting.

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**Form No. MGT-11**  
**CIN :L17115PB1998PLC021084**  
**JINDAL COTEX LIMITED**  
**Registered Office: V.P.O. Jugiana, G.T. Road, Ludhiana - 141017**

**PROXY FORM**

**(Pursuant to section 105(6) of the Companies Act, 2013 and rules 19(3) of the Companies (Management and Administration) Rules, 2014**

Name of the member (s) : \_\_\_\_\_

Registered Address: \_\_\_\_\_

Folio No./DP & Client Id: \_\_\_\_\_

I/We, being the member (s) holding \_\_\_\_\_ shares of the above named company, hereby appoint:

1. Name & Address \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her

2. Name & Address \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her

3. Name & Address \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her as

my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the company, to be held on Saturday, 29th day of September, 2018 at 9.00 A.M. at its Registered Office at V.P.O. Jugiana, G.T. Road, Ludhiana and at any adjournment thereof in respect of the following resolutions as are indicated below:-

S. No.	ORDINARY BUSINESS	Optional	
		For	Against
1	Adoption of financial statements for the year ended 31st March, 2018		
2	Appointment of M/s. K R Aggarwal & Associates, as Statutory Auditors and fix their remuneration		
	SPECIAL BUSINESS		
3	Appointment of Mr. Kartar Chand Dhiman (DIN :05143805) as Additional Director of the company		
4	Ratify the appointment and remuneration of M/s. Gurminder Chopra and Co., Cost Auditors of the company		
5	Consent/Approval of the members for entering into the contracts / arrangement / transactions with related parties		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Signature \_\_\_\_\_

Affix  
Revenue  
Stamp of  
Rs. 1/-

**Signature of shareholder**

**Note:**

This form duly filled up, stamped and signed by the appointer must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting.

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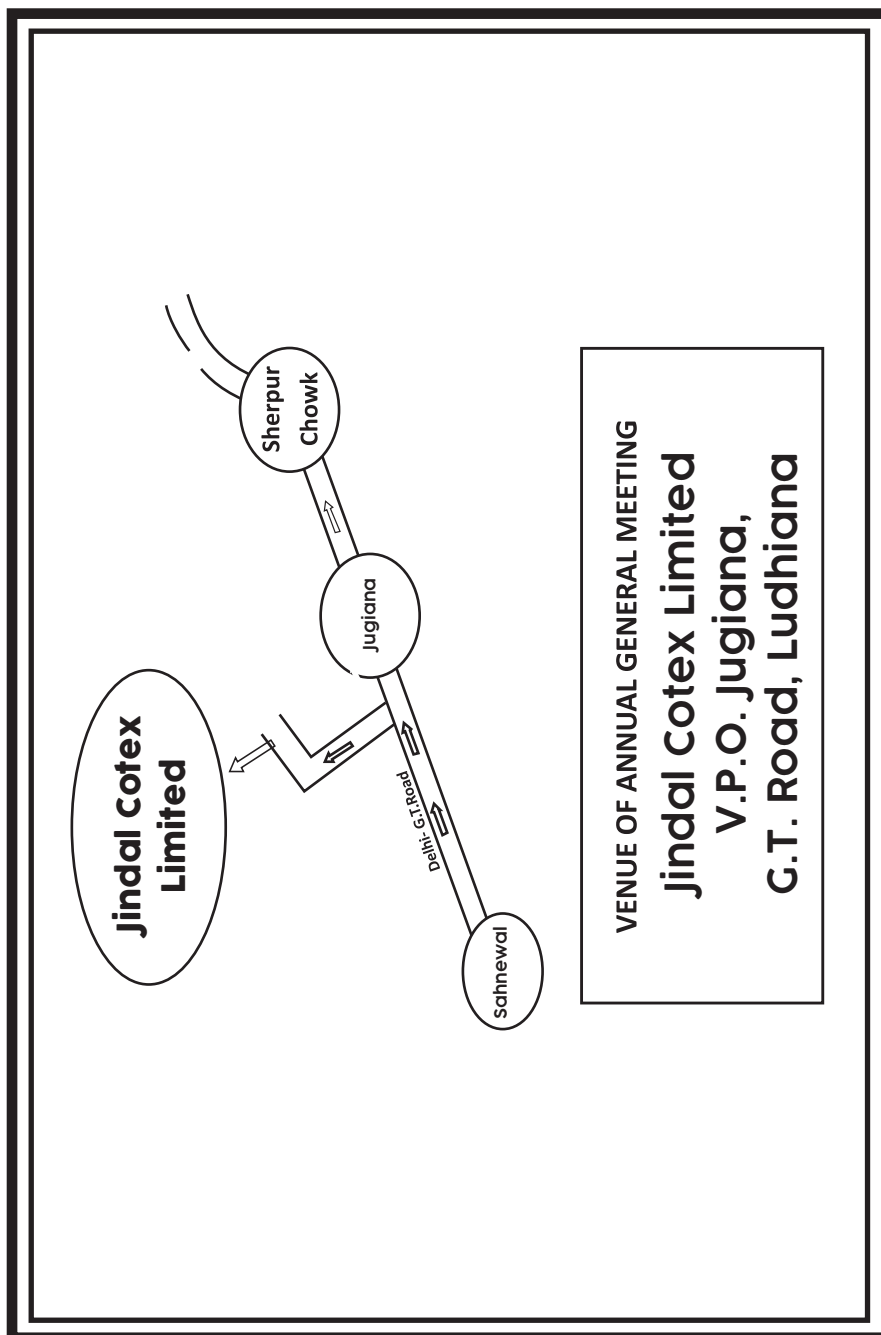




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If undelivered please return to :

**Bigshare Services Private Limited  
(Unit : Jindal Cotex Limited)**

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