JAI BALAJI INDUSTRIES LIMITED

Ref: JBIL/SE/2016-17
Date: 5th September, 2016

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

Dear Sir,

Sub: Intimation of Book Closure Dates & others

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that the Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 14th September, 2016 to Tuesday, 20th September, 2016 (both days inclusive) for the purpose of the ensuing Annual General Meeting (AGM) of the Company scheduled to be held on Tuesday, 20th September, 2016 at 11:00 a.m. at Rotary Sadan (Shripati Singhania Hall), 94/2 Chowringhee Road, Kolkata - 700 020.

Further, the Company has fixed Tuesday, 13th September, 2016 as the cut - off or record date for determining the members eligible to vote by remote e-voting or in the AGM. The remote e-voting period will commence from Saturday, 17th September, 2016 at 10:00 a.m. and will end on Monday, 19th September, 2016 at 5:00 p.m.

The Annual Report of the Company for the financial year ended 31st Match, 2016 including therein the notice of ensuing AGM is enclosed herewith for your kind reference & record.

Thanking you.

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

AJAY KUMAR TANTIA
Company Secretary

cc: BSE Limited - For your kind information and record.
(Scrip Code: 532976)

cc: The Calcutta Stock Exchange Limited - For your kind information and record.
(Scrip Code: 10020253)

Regd. Office : 5, Bentinck Street, 1st Floor, Kokata- 700 001.
Phone : +91-33-2248 9808, 2248 8173, Fax : +91-33-2243 0021/2210 7893/2242 6263
E-mail : info@jaibalajigroup.com, Website : www.jaibalajigroup.com
CIN - L27102WB1999PLC089755

Jai Balaji Industries Limited

INSPIRED BY STEEL

17th Annual Report 2015-16

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

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Notice to the Shareholders

NOTICE IS HEREBY GIVEN THAT the Seventeenth Annual General Meeting of the Members of Jai Balaji Industries Limited will be held on Tuesday, 20th September, 2016 at 11:00 a.m. at Rotary Sadan (Shripati Singhania Hall), 94/2, Chowringhee Road, Kolkata – 700 020 to transact the following businesses:

ORDINARY BUSINESS

Item No. 1

To receive, consider and adopt the:-

(a) Audited Standalone Financial Statement of the Company for the financial year ended 31st March, 2016 together with the Report of the Board of Directors and the Auditors thereon.

(b) Audited Consolidated Financial Statement of the Company for the financial year ended 31st March, 2016 and the Auditors' Report thereon.

Item No. 2

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

Item No. 3

To appoint a Director in place of Shri Amit Kumar Majumdar (DIN – 00194123), who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 4

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

"**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. S. K. Agrawal & Co., Chartered Accountants (Firm Registration No. 306033E), of Suite 606-08, The Chambers, 1865, Rajdanga Main Road, Kolkata-700 107, be and are hereby ratified as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting (AGM) till the conclusion of 18th Annual General Meeting to examine and audit the accounts of the Company for the financial year 2016-17 at such remuneration apart from reimbursement of out of pocket expenses and taxes as applicable, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

SPECIAL BUSINESS

Item No. 5

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Ashim Kumar Mukherjee (DIN – 00047844), who was appointed as an Additional Director of the Company by the Board of the Directors with effect from 2nd December, 2015 based on the recommendation of the Nomination and Remuneration Committee, in terms of Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member of the Company under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for a period of one term of 5 years with effect from 2nd December, 2015."

Item No. 6

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

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the consolidated remuneration amounting to ₹ 120,000 (excluding applicable taxes and reimbursement of out-of pocket expenses, if any) as recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 12th August, 2016 payable to Mondal & Associates, Proprietor Mr. Amiya Mondal, being the Cost Auditor of the Company, having office at 45, Akhil Mistry Lane, Kolkata – 700 009 for conducting the audit of the cost records of the Company and providing Cost Audit Report and all such reports, annexures, records, documents etc., for the financial year 2016-17, that may be required to be prepared and submitted by the Cost Auditors under applicable statute, be and is hereby ratified and confirmed."

Item No. 7

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

"**RESOLVED THAT** pursuant to provisions of Section 20 of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the Company to charge from the member a sum in advance, equivalent to

Notice to the Shareholders *(Contd.)*

the estimated actual expenses for delivery of any of the documents through a particular mode as requested by the member provided that such request along with the requisite fee has been duly received by the Company at least seven days (7 days) in advance of the dispatch of document by the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things and to take all such steps as may be necessary, proper, desirable or expedient to give effect to the above resolution and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid."

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

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

Sd/-
Ajay Kumar Tantia
Company Secretary

Place : Kolkata
Date : 12th August, 2016

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of Special Business under item no. 5 to 7 to be transacted at the Seventeenth Annual General Meeting ('the meeting') is annexed hereto and forms part of the Notice.

2. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 14th September, 2016 to Tuesday, 20th September, 2016 (both days inclusive).

3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   Pursuant to Section 105 of the Companies Act, 2013 and rules made thereunder a person can act as a proxy on behalf of the member or members not exceeding 50 (Fifty) and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. Also, a member holding more than 10% of the total share capital of the Company carrying voting rights, may appoint a single person as a proxy provided that such a person shall not act as a proxy for any other person or member. If a proxy is appointed for more than 50 (fifty) members, he/she shall choose any 50 (fifty) members and confirm the same to the company before the commencement of specified period for inspection. In case, proxy fails to do so, the company shall consider only first 50 (fifty) proxies as valid. The instrument appointing the proxy shall be in writing and be signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it and in order to be effective, should be deposited at the registered office of the Company, duly completed stamped and signed, not less than 48 (Forty Eight) hours before the commencement of the meeting. A proxy form is annexed to this Report.

   Further, proxies submitted on behalf of authorized representative of the companies, societies etc. must be supported by appropriate resolution/authority, as applicable. Members who hold shares in dematerialized form are requested to bring their Photo Identity Card for easy identification of attendance at the meeting.

   Every member entitled to vote at the meeting shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during business hours between 11 a.m. to 6 p.m., provided that not less than 3 days notice in writing of the intention to inspect is given by the member to the Company.

4. Corporate members intending to send their authorized representatives to attend the Annual General Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified true copy of the Board Resolution together with respective specimen signature of those representative(s) authorized under said resolution to attend and vote on their behalf at the meeting.

5. Members holding shares in physical mode are requested to intimate any change in their address to the Registrar and Share Transfer Agent, Maheshwari Datamatics Private Limited, 6 Mangoe Lane, Kolkata - 700 001 and members holding shares in demat mode are requested to intimate any change in their address or bank mandates to their respective Depository Participants. Any such changes effected by the Depository Participants will automatically reflect in the Company's subsequent records.

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

6. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to write to the Company's Registrar and Share Transfer Agents, Maheshwari Datamatics Private Limited, 6 Mangoe Lane, Kolkata - 700 001,

Notice to the Shareholders *(Contd.)*

enclosing their share certificates to enable the Company to consolidate their holdings into single folio.

7. Members who hold shares in physical form are also requested to take immediate action to demat their shares to avail easy liquidity since trading of shares of the Company are under compulsory demat mode as per the regulation of SEBI and also to prevent any loss of physical Share Certificate.

8. Pursuant to Section 88 of the Companies Act, 2013 the Register of Members is required to be maintained in form MGT-1. In this respect, members holding shares in physical form are requested to inform/update the following additional details to the RTA, Maheshwari Datamatics Private Limited of 6 Mangoe Lane, Kolkata - 700 001, who have not yet so update

   a. E-mail id (of the first holder)

   b. PAN

   c. Unique Identification Number (AADHAR NO.)

   d. Father's /Mother's/Spouse's Name

   e. Occupation

   f. In case the member is a minor, Name of the Guardian and date of birth of the Member

   g. CIN (In case the member is a body corporate)

9. Members are requested to quote the Folio/Client ID & DP ID Nos. in all correspondences.

10. Electronic copy or weblink of the Annual Report for the financial year 2015-16 and the Notice of the Seventeenth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form and route map is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes. Members of the Company who have registered their e-mail address are also entitled to receive such communication in physical form upon request. However, members who have not registered their email address, shall be furnished with physical copies of the aforesaid Notice of Seventeenth Annual General Meeting of the Company in the permitted mode.

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

    Members are also informed that the Notice of the Seventeenth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form as well as the Annual Report for the Financial Year 2015-16 shall also be available on the website of the Company viz., www.jaibalajigroup.com and on the website of the CDSL for their download.

    In keeping view with Ministry of Corporate Affairs "Green Initiatives" measures and applicable provisions of Companies Act, 2013 read with Rules there under, the Company requests members who have not registered their e-mail address so far, to register their e-mail address for receiving all communications including Annual Report, notices etc from the Company electronically.

11. All the documents referred to in the accompanying notice are available for inspection by the members at the Registered Office of the Company on all working days (except Saturdays and Sundays) between 11:00 A.M. to 1:00 P.M. upto the conclusion of this Annual General Meeting.

12. Register of Directors and Key Managerial personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and The Register of Contracts and Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 shall be made available for inspection at the Annual General Meeting.

13. Members seeking further information on the Accounts or any other matter contained in the Notice are requested to write to the Company at least 7 (Seven) days before the meeting so as to enable the Company to make available relevant information at the meeting.

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

15. The Securities and Exchange Board of India (SEBI) has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN Card to the Company for registration of transfer of securities.

16. Details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting forms integral part of the notice. Requisite declarations/consent have been received from the Directors for his/her appointment/re-appointment.

17. Members wishing to claim dividend, which remains unclaimed are requested to correspond with the Company Secretary, at the Company's Registered Office. Members are requested to note that dividends not encashed or

Notice to the Shareholders *(Contd.)*

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

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

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

18. Section 72 of Companies Act, 2013 extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders holding share certificate in physical form and willing to avail this facility may make nomination in Form SH-13 as per Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 which may be sent on request. In case of demat holding, the shareholders should approach their respective Depository Participant for their nomination. Blank forms will be made available on request. The same can also be downloaded from the Company's website www.jaibalajigroup.com under the head 'Investor Relations'.

19. a) In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments made thereto, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is pleased to provide the facility to members to exercise their right to vote on the resolutions proposed to be passed at the Annual General Meeting as stated in the Notice by electronic means from a place other than venue of the meeting i.e. remote e-voting. The facility of casting the votes by the members using an electronic voting system from a place other than venue of Annual General Meeting (remote e-voting) will be provided by CDSL.

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

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

Commencement of e-voting: From 10:00 a.m. on Saturday, 17th September, 2016

End of e-voting: Up to 5:00 p.m. on Monday, 19th September, 2016

Members holding shares either in physical or dematerialized mode as on the cut-off date (i.e. the record date) viz. Tuesday, 13th September, 2016 may exercise their vote electronically.

c) In case a person becomes a member of the Company after the dispatch of the Notice but on or before the cut-off date for e-voting i.e. **Tuesday, 13th September, 2016**, he/she may write to the Registrar requesting for user id and password.

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

e) Facility of voting through Ballot Paper shall also be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

f) Members can opt for only one mode of voting, i.e. either by e-voting or voting at Annual General Meeting. In case members cast their vote through both the mode, e-voting shall prevail and vote cast at Annual General Meeting shall be invalid.

g) The voting rights of the members shall be one vote per paid up equity share, registered in the name of the shareholders/beneficial owners as on the cut-off date i.e, record date being **Tuesday, 13th September, 2016.**

h) A person who is not a member as on cut-off date should treat this notice for the information purpose only.

i) The Board of Directors has appointed Ms. Priti Todi, Partner of P.S. & Associates, Practising Company Secretaries, (Membership No. ACS: 14611) (Address: 225D, AJC Bose Road, 3rd Floor, Kolkata - 700 020), as the Scrutinizer to scrutinize the e-voting process and voting at the AGM in a fair and transparent manner.

j) The scrutinizer shall after the conclusion of meeting count the votes cast at the meeting, thereafter unblock the votes cast by remote e-voting in the presence of at least 2 (Two) witnesses not in employment of the Company and within a period not exceeding 3 days from the conclusion of the meeting submit a

Notice to the Shareholders *(Contd.)*

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

k) The results of e-voting will be communicated to the Stock Exchanges where equity shares of the Company are listed viz. BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited. Further, the results so declared along with the Scrutinizer's Report shall also be placed on the website of the Company as well as on the website of CDSL immediately after declaration of results by the Chairman or any person authorized by him in writing.

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

Place : Kolkata
Date : 12th August, 2016

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

Sd/-
Ajay Kumar Tantia
Company Secretary

Annexure to the Notice

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

Item No. 5

Shri Ashim Kumar Mukherjee, aged about 74, is a B.E (Mining) from Calcutta University and also the holder of First Class Mine Manager's Certificate of Competency to manage a Metalliferious Mine (Restricted). He possesses a rich experience of over 51 years in various capacities and areas in Mining of Ferrous Minerals. He is a member of Mining Engineering Association of India and Society of Geo- Science and Allied Technology, Bhubaneswar.

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, appointed Shri Ashim Kumar Mukherjee (DIN – 00047844), as an Additional Director (Category – Non-Executive Independent Director) of the Company with effect from 2nd December, 2015, in terms of Sections 149 and 161(1) of the Companies Act, 2013 to hold office upto the date of this Annual General Meeting and further recommended his appointment based on the recommendation of the Nomination and Remuneration Committee as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of 5 years from the date of his appointment, in terms of the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013, and the rules made therein (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Board is highly optimistic that his association will render benefits to the company.

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

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

In the opinion of the Board, Shri Ashim Kumar Mukherjee fulfils the conditions specified under the Companies Act, 2013 and rules made there under and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his appointment as an Independent Director of the Company.

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

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

Item No. 6

On the basis of the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on 12th August, 2016 has approved the re-appointment of the Cost Auditors of the Company, Mondal & Associates, Proprietor Mr. Amiya Mondal, to conduct audit of the cost records of the Company and providing Cost Audit Report and all such reports, annexures, records, documents etc., for the financial year 2016-17, that may be required to be prepared and submitted by the Cost Auditors under applicable statute at a consolidated remuneration of Rs. 1,20,000 (excluding applicable taxes and reimbursement of out-of pocket expenses, if any).

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

Annexure to the Notice *(Contd.)*

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

Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditors of the Company for the Financial Year 2016-17.

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

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

Item No. 7

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him/her by post or by registered post or by speed post or by courier or by delivery at his office or residence address or by such electronic or other mode as may be prescribed.

Further a member may request for delivery of any document through a particular mode, for which he/she shall pay such fees in advance as may be determined in its Annual General Meeting.

Pursuant to the above, the Company seeks members approval to enable service of documents in the manner envisaged under Section 20 of the Companies Act, 2013 as requisitioned by the member.

The Board of Directors, therefore, recommends the Resolution under item No. 7 to be passed as an Ordinary Resolution by the Member.

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

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

Place : Kolkata
Date : 12th August, 2016

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

Sd/-
Ajay Kumar Tantia
Company Secretary

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

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

Name of Director	**Shri Rajiv Jajodia**	**Shri Amit Kumar Majumdar**
DIN	00045192	00194123
Date of Birth	03.04.1965	16.08.1938
Date of Appointment	01.07.1999	27.09.2014
Qualification	B.com (H)	B.Sc, B.Sc (Metallurgical Engineering), Advanced Management Program from IIM, Advanced Management Program from Leeds University, U.K.
Expertise in specific functional area	Wide experience in Steel Industry.	Wide experience in Steel Industry, Operations and Management of large steel plants.
Membership of the Committees of the Board of Directors of the Company	Nomination and Remuneration Committee : **Member**	Corporate Social Responsibility Committee: **Member**
Directorship held in any other listed company	NIL	Gujarat NRE Coke Limited
Membership in the Committees of the Board of Directors of other Listed Entity in which he is a Director	NIL	Gujarat NRE Coke Limited Audit Committee: **Member** Nomination and Remuneration Committee: **Member**
No. of Equity Shares held in the Company	1,568,333	NIL
Inter-se Relation-ships between Director	Shri Rajiv Jajodia is the brother of Shri Sanjiv Jajodia. Shri Aditya Jajodia and Shri Gourav Jajodia are their brother's son.	None

Annexure to the Notice *(Contd.)*

Brief profile of Directors Seeking Appointment at the Seventeenth Annual General Meeting

Name of Director	**Shri Ashim Kumar Mukherjee**
DIN	00047844
Date of Birth	01.01.1942
Date of Appointment as Director	2.12.2015
Qualification	B.E (Mining) and First Class Mine Manager's Certificate of competency to manage a Metalliferious Mine (Restricted).
Expertise in Specific functional areas	He has about 51 years of experience in various capacities and areas in Mining of Ferrous Minerals. He is a member of Mining Engineering Association of India and Society of Geo-Science and Allied Technology, Bhubaneswar.
Member of the Committees of the Board of Directors of the Company	Nil
Directorship held in any other listed entity	Orissa Sponge Iron and Steel Limited
Membership in the Committees of the Board of Directors of other Listed Entity in which he is a Director	Orissa Sponge Iron and Steel Limited Audit Committee **- Member** Nomination and Remuneration Committee - **Member**
No. of Equity Shares held in the Company	Nil
Inter-se Relation-ships between Director	None

Process and manner of e-voting

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

i) Email contains your user ID and PAN/sequence no. for e-voting.

ii) Log on to the e-voting website www.evotingindia.com

iii) Now click on "Shareholders" tab to cast your votes.

iv) Now Enter your User ID

For CDSL: 16 digits beneficiary ID,
For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
For Members holding shares in Physical Form: Members should enter Folio Number registered with the Company.

v) Next enter the Image Verification as displayed and Click on Login.

vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. eg: If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records for the said demat account or folio. • If the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instuction (v).

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

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

x) Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Annexure to the Notice *(Contd.)*

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

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

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

xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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

xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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

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

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

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

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

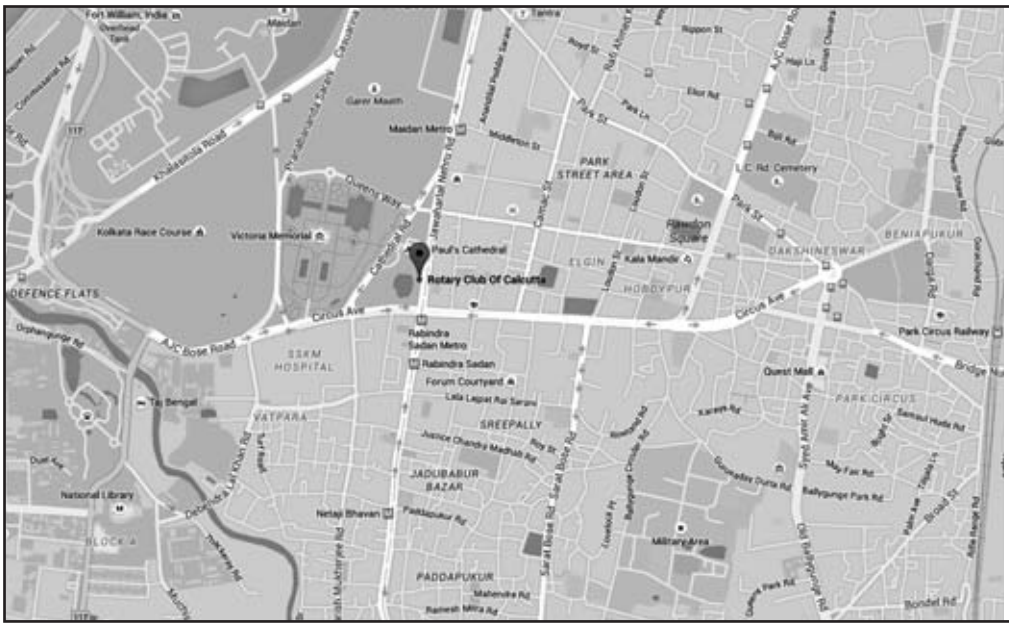
xxi) Note for Non-Individual Shareholders and Custodians:

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to https://www.evoting.com and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a compliance user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

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

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

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com Or can contact at CDSL helpdesk: 1000-200-5533.



Route Map of the AGM Venue

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

Directors' Report

Dear Members

Your Directors have pleasure in presenting the Seventeenth Annual Report of the Company along with the Audited Financial Statement for the financial year ended 31st March, 2016.

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

FINANCIAL RESULTS

(₹ in lacs)

	Standalone		Consolidated	
Particulars	**Financial Year ended 31st March, 2016**	**Financial Year ended 31st March, 2015**	**Financial Year ended 31st March, 2016**	**Financial Year ended 31st March, 2015**
Revenue from Operations (Net) and Other Income	**122,845.81**	**151,246.07**	**123,625.84**	**154,083.43**
Less: Expenses	136,460.70	149,824.50	137,915.82	153,707.22
Finance Costs	41,377.18	37,499.88	42,467.95	38,412.85
Depreciation and Amortization Expenses	11,620.35	12,615.68	12,222.44	13,406.93
Profit/(Loss) before exceptional items and Tax	**(66,612.42)**	**(48,693.99)**	**(68,980.37)**	**(51,443.57)**
Less : Exceptional items	–	318.31	–	318.31
Profit/(Loss) before Tax	**(66,612.42)**	**(49,012.30)**	**(68,980.37)**	**(51,761.88)**
Less : Tax expense				
Provision (Write Back) relating to earlier years	–	12.81	–	15.16
Deferred Tax charge/(credit)	–	(10,387.84)	–	(11,163.85)
Profit/Loss after tax	**(66,612.42)**	**(38,637.27)**	**(68,980.37)**	**(40,613.19)**
Earnings per share (Nominal value per share ₹ 10/-)				
Basic and Diluted	(90.26)	(53.11)	(93.47)	(55.83)

FINANCIAL PERFORMACE AND STATE OF COMPANY'S AFFAIRS

During the period under review, the Company continued to incur losses as it was tough to find a bright spot in the market and the Company is making continuous efforts to get through it. Even though steel industry in India is one of the fastest growing steel producing nations but is passing through "stress" for some time due to rising imports from other countries at cheaper rates, increase in prices of raw material, stalled projects in various sectors especially infrastructure and limited growth in steel demand. All the factors combinedly created further hardship on the Company.

(a) Standalone Results

The Total Revenue of the Company (comprising of sales and other income) for the financial year under review was ₹ 122,845.81 lacs as compared to ₹ 151,246.07 lacs during the previous financial year. Loss before Tax for the financial year was ₹ 66,612.42 lacs as compared to ₹ 49,012.30 lacs in the previous year. Loss after Tax for the financial year was ₹ 66,612.42 lacs as compared to ₹ 38,637.27 lacs in the previous financial year.

(b) Consolidated Results

The Consolidated total revenue of the Company (comprising of sales and other income) for the financial year under review was ₹ 123,625.84 lacs as compared to ₹ 154,083.43 lacs during the previous financial year. The Consolidated loss before exceptional and extraordinary items and tax was ₹ 68,980.37 lacs as compared to loss of ₹ 51,443.57 lacs in the previous financial year. The Consolidated net loss for the financial year under review was ₹ 68,980.37 as compared to ₹ 40,613.19 lacs in the previous financial year.

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

In view of losses incurred and requirement of capital, considering the capital intensive nature of the industry, for working of the Company, your Directors did not recommend any dividend for the financial year 2015-16.

As the Accumulated Losses of the Company for the year ended 31st March, 2015 have exceeded its entire net worth, the Company has made a reference to the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) in terms of the provision of Section 15(1) of the Sick Industrial Companies

Directors' Report *(Contd.)*

(Special Provisions) Act, 1985. The reference has been registered by the BIFR which has been communicated to the Company vide their letter dated 22nd September, 2015.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

CHANGE IN NATURE OF BUSINESS, IF ANY

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

INDUSTRY SCENARIO AND OUTLOOk

The trend of slowdown in the steel industry continued during the year under review. In India, the Steel Industry is passing through a challenging phase. The domestic factors contributing to this down turn are lack of proper infrastructure, non-availability for cheaper and quality coking coal, less availability of finance, increased input prices of coal and iron ore pose major issues before steel manufactures. Steel faces increasing challenges from substitute materials such as aluminium (which is being increasingly used in cars due to its anti-corrosive properties and lighter weight), carbon fibre (popular for its strength, low cost and light weight), cement, bamboo (that has a tensile strength higher than steel) and wood. A major steel producer China due to weakening demand but over capacity of its steel industry are dumping steel in Indian markets which has reduced the demand for domestic steel. However, the Country's Steel demand is projected to grow at a healthy rate during the year 2016-17, supported by gradual economic recovery. The government's growth oriented reforms have helped to enhance the confidence of potential investors, which will increase the steel demand in the current future.

Despite the above mentioned challenges faced by the steel sector, it has been supported by favourable regulatory frameworks. The government has made efforts to check this by steps like giving tax incentives, imposing anti-dumping duty, anti-subsidy duty, safeguard duty on imported steel products to protect the domestic industry. Growth in the private sector is expected to be boosted by new policies on "Make in India", import of foreign technology and foreign direct investment (FDI).

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

Installed Capacity and Actual Production

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

Product	Annual Installed Capacity (M.T.)		Actual Production (M.T.) #	
	2015-16	2014-15	2015-16	2014-15
Sponge Iron	345,000	345,000	235,967	137,173
Pig Iron	509,250	509,250	280,140	230,062
Steel Bars/Rods	260,000	260,000	55,348	54,863
Billet/MS Ingot	906,230	906,230	139,728	98,204
Ferro Alloys	106,618	106,618	18,698	24,652
Ductile Iron Pipe	240,000	240,000	59,208	49,285
Power	101.10 (MW)	101.10 (MW)	324.44 (MU)	258.37 (MU)
Sinter	608,000	608,000	413,725	469,322
Coke	350,000	350,000	240,955	183,735

#Includes production for third party conversion of Lam Coke 2,621.080 M.T (3,038.440 M.T).

SUBSIDIARIES AND JOINT VENTURE COMPANIES

Subsidiaries

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

✔ **Nilachal Iron & Power Limited**

A Wholly Owned Subsidiary of your Company since 26th October, 2007, having its manufacturing plant located at Kandra near Jamshedpur, Jharkhand. Currently, it manufactures sponge iron. During the year under review, the Company has achieved total revenue of ₹ 790.02 lacs as against ₹ 3,600.42 lacs in the previous year. The Net Loss for the year 2015-16 stood at ₹ 2,322.85 lacs as against loss after tax of ₹1,918.26 lacs in the previous year.

✔ **Jai Balaji Steels (Purulia) Limited**

A Wholly Owned Subsidiary of your Company since 1st November, 2010. It did not commence commercial production as on the date of reporting but has incurred miscellaneous expenditure of ₹ 237,151 during the year under review. The net loss for the year 2015-16 is ₹ 237,151.

✔ **Jai Balaji Energy (Purulia) Limited**

A Wholly Owned Subsidiary of your Company since 1st November, 2010. It did not commence commercial production as on the date of reporting but has incurred miscellaneous expenditure of ₹ 235,668 during the

Directors' Report *(Contd.)*

year under review. The net loss for the year 2015-16 is ₹ 235,668.

Joint Ventures

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

✔ **Andal East Coal Company Private Limited**

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

✔ **Rohne Coal Company Private Limited**

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

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

Consolidated Financial Statements

In accordance with the applicable provisions of the Companies Act, 2013 and in terms of Regulation 34(2)(b) of the SEBI (Listing Obligations and Disclosure Requirements) is Regulations, 2015, the duly audited Consolidated Financial Statement, confirming to Accounting Standard 21 and 27 issued by the Institute of Chartered Accountants of India, are attached as a part of this Annual Report.

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

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

Pursuant to Section 136 of the Companies Act, 2013, the audited financial results including the consolidated financial statements, auditor's report and related information of the Company and audited accounts of each of the subsidiaries are available at our website viz., "www.jaibalajigroup.com." These documents are also available for inspection at the Registered Office of the Company during business hours.

DIRECTORS/KEY MANAGERIAL PERSONNEL

Appointment and/or re-appointment

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Shri Rajiv Jajodia (DIN: 00045192) and Shri Amit Kumar Majumder (DIN: 00194123), shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

During the year under review Smt. Puja Sharma (DIN: 06852209) resigned from the post of Directorship of the Company w.e.f 11th April, 2015. Shri Shyam Bahadur Singh (DIN: 01982407) has tendered his resignation from the post of Executive Directorship of the Company w.e.f. 14th August, 2015 and Shri Amit Kumar Majumdar (DIN: 00194123) an Independent Director of the Company has consented to act as an Executive Director w.e.f. 14th August, 2015. The shareholders in their Annual General Meeting held on 21st September, 2015 has approved the appointment and payment of remuneration to Shri Amit Kumar Majumdar as an Executive Director of the Company w.e.f. 14th August, 2015. Your Company is in the process of taking necessary approvals from statutory bodies for giving remuneration to Shri Amit Kumar Majumdar.

The Board of Directors of your Company at its meeting held on 17th April, 2015, based on the recommendation of the Nomination and Remuneration Committee, has appointed Smt. Seema Chowdhury (DIN: 07158338), Smt. Swati Agarwal (DIN: 07158355) and Smt. Rakhi Jain (DIN: 07161473) as Additional Directors (Category: Non-Executive Independent Directors) and the shareholders in their Annual General Meeting held on 21st September, 2015 has approved their appointment as Independent Director of the Company, not liable to retire by rotation, to hold office for 5 years w.e.f 17th April, 2015.

Pursuant to recommendation of Nomination and Remuneration Committee, Section 149 and 161(1) of the Companies Act, 2013 and rules made there under and Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board have appointed Shri Ashim Kumar Mukherjee (DIN: 00047844) as Additional Director (Category: Non-Executive Independent Director) w.e.f 2nd December, 2015.

Your Directors recommend the appointment of Shri Ashim Kumar Mukherjee (DIN: 00047844) as Independent Director of the Company not liable to retire by rotation and to hold the office for a term of 5 (Five) years from the date of his appointment.

Directors' Report *(Contd.)*

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

Statement of declaration given by independent directors

The Company has received the necessary declaration from each Independent Director, in accordance with Section 149(7) of the Companies Act, 2013, that he/she met the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and rules made thereunder and the Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A Formal Letter setting out the terms and conditions of appointment has been issued to all the Independent Directors as per the provisions of Companies Act, 2013. As per Regulation 46(2)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the same has been hosted on the Company's website and is available on the weblink "www.jaibalajigroup.com/directors-appointment-reappointment-resignation.html".

Board evaluation

During the year under review in terms of requirement of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the formal annual evaluation was carried out for the Board's own performance, its committees & individual directors. The Evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc.The manner in which evaluation was carried out is stated in the Corporate Governance Report which is annexed and forms a part of this report.

Familiarization programme for Independent Directors

The familiarization program was imparted to the Independent Directors by the Company to state their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters.

Pursuant to Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company should familiarise the independent directors through various programmes about the Company. During the year under review, a familiarization programme was conducted with the presence of all Independent Directors of the Company. The details of the familiarisation programmes are available at the website of the Company at: "http://www.jaibalajigroup.com/familiarization-programmes-imparted-to-independent-directors.html".

MEETINGS OF THE BOARD HELD DURING THE YEAR

During the financial year 2015-16, 8 (Eight) meetings of the Board were held viz., 9th May, 2015; 5th August, 2015; 14th August, 2015; 14th November, 2015; 8th January, 2016; 12th February, 2016; 22nd March, 2016 and 30th March, 2016. The maximum time gap between two consecutive Board Meetings did not exceeds 120 days and the necessary quorum were present at all the meetings.

Further, 2 (Two) resolutions were passed by circulation on 17th April, 2015 and 2nd December, 2015 in terms of Section 175 of the Companies Act, 2013, by obtaining the consent of majority of Directors of your Company.

The number of Board meetings attended by each Director during the financial year 2015-16 has been provided in the Corporate Governance Section which forms part of the Annual Report.

BOARD COMMITTEES

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

Audit Committee

As on 31st March, 2016, the Audit Committee comprises of Shri Chandra Kant Bhartia (Non-Executive Independent Director), the Chairman of the Committee, Shri Aditya Jajodia (Promoter Executive Director), Smt. Swati Agarwal (Non-Executive Independent Director) and Shri Shailendra Kumar Tamotia (Non-Executive Independent Director). The Board has accepted all recommendations made by the Audit Committee during the year.

Other details about the Audit Committee and other Committees of the Board are provided in the Report on Corporate Governance forming part of this Annual Report.

NOMINATION AND REMUNERATION POLICY

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

Directors' Report *(Contd.)*

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the requirements of Section 135 of Companies Act, 2013 and rules made there under, your Company has a Corporate Social Responsibility Committee, which comprises members, Shri Shailendra Kumar Tamotia (Independent Non-executive Director), Chairman of the Committee Shri Rajiv Jajodia (Promoter Non-executive Director) and Shri Amit Kumar Majumdar (Executive Director). The terms of reference of the Corporate Social Responsibility Committee is provided in the Corporate Governance Report. Your Company has also formulated a Corporate Social Responsibility Policy (CSR Policy) under recommendation of Corporate Social Responsibility Committee which is available under the weblink "http://www.jaibalajigroup.com/corporate-social-responsibility-policy.pdf".

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

Your Company has incurred losses during the immediately preceding three financial years, hence, the said requirement of spending at least two percent of the average net profits made during the three immediately preceding financial years towards CSR activities was not applicable to your Company for the current financial year i.e. 2015-16.

VIGIL MECHANISM

In compliance with Section 177(9) of the Companies Act, 2013 and rules made there under read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has adopted a Whistle Blower Policy. The Company had implemented a vigil mechanism, whereby employees, directors and other stakeholders can report matters such as generic grievances, corruption, misconduct, fraud, misappropriation of assets and non-compliance of code of conduct of the Company. The policy safeguards the whistle blowers to report concerns or grievances and also provides a direct access to the Chairman of the Audit Committee. The said policy has also been made available on the website of the Company viz., "www.jaibalajigroup.com" under the weblink "http://www.jaibalajigroup.com/whistle-blower-policy.pdf."

PREFERENTIAL ISSUE

The Board of Director of your Company, had during the financial year i.e. 2015-16 allotted 2,26,05,000 warrants convertible into equity shares on a preferential basis to companies falling under promoter group and others viz. Shri Jaikapish Steel Private Limited (62,50,000 warrants), Shri Sankatmochan Steel Private Limited (62,50,000 warrants), Mahesh Kumar Keyal (HUF) (Represented by Mahesh Kumar Keyal – Karta) (65,00,000 warrants) and Mahabali Enterprises Private Limited (36,05,000 warrants) at an issue price of ₹ 10/- each. Each warrant was convertible into one fully paid-up Equity Share of ₹ 10/- each ranking pari-passu in all respects, including as to dividend, with the existing equity shares of the Company, within a period of 18 months from the date of allotment, in one or more tranches.

Out of the above, the Company has converted 40,00,000 warrants on 30th March, 2015, 40,00,000 warrants on 18th May, 2016 and 16,50,000 warrants on 25th July, 2016 into equity shares by way of allotment of equivalent number of equity shares of ₹ 10/- each on receipt of full consideration in respect of above warrants.

Consequent to the conversion of warrants, the paid-up equity share capital of your Company stands at ₹ 834,314,860 divided into 83,431,486 equity shares of ₹ 10/- each.

The Board of Directors of the Company at its meeting held on 14th November, 2015 has allotted 8,739,685 (Eighty seven lacs thirty nine thousand six hundred and eighty five only) Debentures of face value of ₹ 100/- each to Hari Management Limited, one of the Promoter Shareholder of the Company pursuant to the approval of the members at the Annual General Meeting held on 21st September, 2015 to convert the loan received form Hari Management Limited, into Zero Coupon, unsecured, unlisted, Non-convertible Debentures.

DIRECTORS' RESPONSIBILITY STATEMENT

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

i) In the preparation of annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii) We have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2016 and of the loss of the Company for the year ended on that date;

iii) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) The annual accounts for the financial year ended 31st March, 2016, have been prepared on a going concern basis;

v) Internal financial controls to be followed by the Company were laid down and that such internal financial controls were adequate and were operating effectively;

vi) Proper systems were devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Directors' Report *(Contd.)*

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions ("RPT") entered into during the financial year 2015-16 were on arm's length basis and also in the ordinary course of business. There have been no materially significant Related Party Transactions entered into by the Company during the year under review.

Prior omnibus approval of the Audit Committee was obtained on a yearly basis for the transactions which were foreseen and were repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all RPTs was placed before the Audit Committee for its monitoring on quarterly basis. The Company also has in place a policy on materiality of related party transactions and on dealing with such transactions, duly approved and adopted by the Board. The same has been hosted on the Company's website viz., "www.jaibalajigroup.com" under the weblink "www.jaibalajigroup.com/related-party-policy_jbg.pdf".

In the view of the above, the disclosure required under the Act in form AOC-2 in terms of section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is not applicable for the financial year 2015-16.

RISK MANAGEMENT

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

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

ADEQUACY OF INTERNAL FINANCIAL CONTROL

Your Company had laid down guidelines, policies, procedures and structure to enable implementation of appropriate internal financial controls across the company. These control processes enable and ensure the orderly and efficient conduct of company's business, including safeguarding of assets, completeness of the accounting records and timely preparation & disclosure of financial statements. Review and control mechanisms are built in to ensure that such control systems are adequate and operating effectively prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation & disclosure of financial statements. Robust and continuous internal monitoring mechanisms ensure timely identification of risks and issues. The management, Statutory and Internal Auditors undertake rigorous testing of the control environment of the Company.

The Internal Audit functions serve to provide independent and objective assurance on the adequacy and effectiveness of the organisation's risk management, control and governance processes and assesses opportunities for improvement in business processes, systems and controls and provides recommendations designed to add value to the organisation and follows up on the implementation of the agreed audit recommendations. The members of the Audit Committee of your Company are well versed with the financial management. Pursuant to the provisions of Section 138 of the Act read with Rule 13 of 'The Companies (Accounts) Rules 2014', your Company has appointed M/s. Namita Kedia and Associates as the Internal Auditor of the Company who also evaluates the functioning and quality of internal controls and reports its adequacy and effectiveness through periodic reporting.

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

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

At the Annual General Meeting ('AGM') of the Company held on 21st September, 2015, M/s. S. K. Agrawal & Co., Chartered Accountants were appointed as Statutory Auditors of your Company for a term of five years i.e. till the conclusion of 21st Annual General Meeting subject to ratification of their appointment at every Annual General Meeting. The resolution for ratification of their appointment is placed for approval of Members of the Company at the ensuing Annual General Meeting.

The report of the Statutory Auditors on standalone and Consolidated Financial Statements for the year under review

Directors' Report *(Contd.)*

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

Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time and as recommended by the Audit Committee, the Board of Directors of the Company appointed M/s. Mondal & Associates, Proprietor Mr. Amiya Mondal being eligible and having sought appointment, as the Cost Auditor of your Company to conduct the audit of cost records of the Company for the financial year 2016-17 at a consolidated remuneration of ₹ 120,000/- (excluding applicable taxes) which shall be subject to ratification by the Members at the ensuing Annual General Meeting of your Company. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder.

Your Company has filed the Cost Audit Report for the financial year 2014-15 with the Registrar of Companies, Ministry of Corporate Affairs in the XBRL mode during the year under review.

Internal Auditor

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time and as recommended by the Audit Committee, your Company has appointed M/s. Namita Kedia & Associates as the Internal Auditor of the Company for the financial year 2016-17 to conduct the internal audit of the functions and activities of the Companies. The internal audit report is tabled quarterly at the meeting of the Audit Committee for review and approval.

Secretarial Auditor and Audit

Shri Sandip Kumar Kejriwal, Practising Company Secretary conducted the secretarial audit of your Company for the financial year 2015-16, as required under Section 204 of the Companies Act, 2013 and rules made thereunder. The Secretarial Audit Report for the financial year ending 31st March, 2016 forms part of the Board's Report as Annexure-"C".

The Auditors' Report to the shareholders for the year under review does not contain any qualification, reservation, adverse remark or disclaimer. The observations made in the Secretarial Auditors' Report are self-explanatory and therefore, do not call for any further elucidation.

EXTRACT OF ANNUAL RETURN

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Particulars of Loans, Guarantees and Investments as on the financial year ended 31st March, 2016 as covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statement.

Deposits

During the year under review, your Company has not accepted any deposits from the public. Further, no amount of deposit remained unpaid or unclaimed at the end of the year i.e. as on 31st March, 2016. Subsequently, no default has been made in repayment of deposits or payment of interest thereon during the year.

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

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

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, your Company has transferred a sum of ₹ 53,192/- to the Investor Education & Protection Fund (IEPF) of the Central Government, the dividend amount pertaining to the financial year 2007-08, which was due & payable and remained unclaimed and unpaid for a period of 7 (Seven) years, as provided under Section 205A and 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

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

Directors' Report *(Contd.)*

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

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

PARTICULARS OF EMPLOYEES AND OTHER RELATED DISCLOSURES

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

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

POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

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

LISTING

The equity shares of your Company continue to be listed on the National Stock Exchange of India Limited (NSE), BSE Limited (BSE) and The Calcutta Stock Exchange Limited (CSE). Both NSE and BSE have nationwide terminals which enable the shareholders / investors to trade in the shares of your Company from any part of the country without any difficulty.

ACKNOWLEDGEMENT

Your Directors take this opportunity to appreciate their suppliers, vendors, investors, financial institutions/ banks, Central Government, State Government, all regulatory and government authorities and all other business associates for their continued support and co-operation extended by them to the Company

Your Directors wish hereby to place on record their appreciation of the efficient and loyal services rendered by each and every employee, worker, staff and executive of the Company.

On behalf of the Board of Directors

Aditya Jajodia
Chairman & Managing Director
(DIN : 00045114)

Place: Kolkata
Date: 12th August, 2016

ANNEXURE - "A"

Form AOC - I

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

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

Part "A": Subsidiaries

(₹ in Lakhs except share data)

1.	**Pariculars**	**01**	**02**	**03**
2.	Name of the subsidiary	Nilachal Iron & Power Limited	Jai Balaji Energy (Purulia) Limited*	Jai Balaji Steels (Purulia) Limited*
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April, 2015 to 31st March, 2016	1st April, 2015 to 31st March, 2016	1st April, 2015 to 31st March, 2016
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Indian Rupees	Indian Rupees	Indian Rupees
5.	Share capital	3,494.87	5.00	5.00
6.	Reserves & surplus	672.53	(2.36)	(2.37)
7.	Total assets	20,871.89	2.70	2.69
8.	Total Liabilities (excluding Share Capital and Reserves and Surplus)	16,704.49	0.06	0.06
9.	Investments	26.86	–	–
10.	Turnover	860.64	–	–
11.	Profit/Loss before taxation	(2,322.85)	(2.36)	(2.37)
12.	Provision for taxation	–	–	–
13.	Profit/Loss after taxation	(2,322.85)	(2.36)	(2.37)
14.	Proposed Dividend	Nil	Nil	Nil
15.	% of shareholding	100.00	100.00	100.00

* The Companies have not yet commenced commercial production

Part "B": Associates and Joint Ventures

(₹ in Lakhs except share data)

1.	Name of the Associate/Joint Ventures	Rohne Coal Company Private Limited	Andal East Coal Company Private Limited
2.	Latest audited Balance Sheet Date	31st March, 2016	N.A.
3.	Shares of Associate/Joint Ventures held by the company on the year end		
	Number of shares		
	Equity	69,000	3,19,290
	Preference	23,63,914	–
	Amount of Investment	243.29	134.79
	Extend of Holding %	6.9%	32.97%
3.	Description of how there is significant influence	Joint Venture Agreement	Joint Venture Agreement
4.	Reason why the Associate/ Joint Venture Company is not consolidated	NA	Pursuant to Accounting Standard 27
5.	Networth attributable to Shareholding as per lates audited Balance Sheet	208.57	N.A.
6.	Profit /(Loss) for the year		
	i. Considered in Consolidation	(40.34)	N.A.
	ii. Not Considered in Consolidation	(544.26)	N.A.

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

For and on behalf of the Board

Aditya Jajodia
Chairman & Managing Director
DIN : 00045114

Sanjiv Jajodia
Wholetime Director & CFO
DIN : 00036339

Rajiv Jajodia
Director
DIN : 00045192

Date : 12th August, 2016
Place : Kolkata

Ajay Kumar Tantia
Company Secretary

ANNEXURE - "B"

Nomination and Remuneration Policy

PREFACE

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

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

VISION

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

OBJECTIVE

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

MONITORING OF THE POLICY

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

PURPOSE OF THE COMMITTEE

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

ROLES AND RESPONSIBILITIES OF THE COMMITTEE

Nomination

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

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

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

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

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

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

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

Remuneration

The committee shall:

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

Director Remuneration

The Company may pay remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to Managing and Whole-time Directors. Salary shall be paid within the range approved by the Shareholders. Commission, if any, shall be calculated with reference to net profits of the Company in a particular financial year and shall be determined by the Board of Directors at the end of the financial year based on the recommendations of the Nomination and Remuneration Committee, subject to overall ceilings stipulated in Sections 197 read with Schedule V of the Companies Act, 2013.

Non-executive Director Remuneration

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

Senior Management Remuneration

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

Determining criteria for performance evaluation of the Board and Individual Directors

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

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

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

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

The above list is illustrative.

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

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

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

ANNEXURE - "C"

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2016

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

To,
The Members,
Jai Balaji Industries Limited

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

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

Based on my verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also other information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the Audit Period covering the Financial Year ended on 31st March, 2016 complied with statutory provisions listed hereunder and also that the company has proper board processes and compliance-mechanism in the place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

(i) The Companies Act, 2013 (The Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (There is no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings)

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

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme And Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities Exchange Board of India (Registrars to an Issue And Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and,

(h) The Securities Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

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

(a) Secretarial Standards issued by The Institute of Company Secretaries of India.

(b) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited (NSE), Bombay Stock Exchange Limited (BSE) and The Calcutta Stock Exchange Limited (CSE) till 30th November, 2015 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from 1st December, 2015.

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

I further report that

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

b) Adequate Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda

were duly send on time and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

(i) Issued Zero Coupon Unsecured, Unlisted, Non Convertible Debentures (Face Value ₹ 100/- Each) to Hari Management Limited (a promoter Group Company), as per the terms agreed between Lender and the Company, which was also approved by the Shareholders at the Annual General Meeting held on 21st September, 2015 by way of Special Resolution. The said Debentures are redeemable at par within three months from the expiry of 12 years from the date of allotment.

(ii) Issued Convertible Warrants on preferential basis as per the relevant provisions of the Companies Act, 2013 and Rules made thereunder and Chapter VII of SEBI (ICDR) Regulations, 2009, which is to be converted within 18 months from the date of allotment.

(iii) Partly converted the Convertible Warrants {which is mentioned hereinabove point number (ii)} into equivalent number of Equity Shares.

(iv) The Company had passed Ordinary Resolution at the Annual General Meeting held on 21st September, 2015 to rescind the Ordinary Resolution passed by the shareholders of the Company at the Annual General Meeting held on 27th September, 2014 for increase in Authorised Share Capital of the Company.

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

Place: Kolkata
Date: 12th August, 2016

"Annexure - A"

To,
The Members
Jai Balaji Industries Limited

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

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

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

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

Date: 12th August, 2016
Place: Kolkata

"Annexure - B"

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

- Factories Act, 1960
- Industries (Development and Regulation) Act, 1951
- Acts prescribed relating to Mining Activities
- Taxation Laws
- Local Laws as applicable to various offices, factory unit, plants etc.

Annexure - "D"

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the products / service	% to total turnover of the Company
1.	Sponge Iron	24102	15.17%
2.	Pig Iron	24101	26.69%
3.	Steel Bars /Rods	24103	12.45%
4.	Billet/MS Ignots	24103	15.30%
5.	Ductile Iron Pipe	24106/24109	17.86%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	9,972,472	0	9,972,472	13.52	9,972,472	0	9,972,472	12.82	0.00
b) Central Govt.									
c) State Govt(s)									
d) Bodies Corp.	33,290,723	0	33,290,723	45.12	33,290,723	4,000,000	37,290,723	47.94	12.02
e) Banks/FI									
f) Any other									
Sub-total (A)(1)	43,263,195	0	43,263,195	58.64	43,263,195	4,000,000	47,263,195	60.76	9.25
2) Foreign									
a) NRIs-Individuals									
b) Other-Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
Sub-total(A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	43,263,195	0	43,263,195	58.64	43,263,195	4,000,000	43,263,195	60.76	9.25
B. Public Shareholding									
1. **Institutions**									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs	3,118,100	0	3,118,100	4.23	3,118,100	0	3,118,100	4.01	0.00
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1)	3,118,100	0	3,118,100	4.23	3,118,100	0	3,118,100	4.01	0.00
2. **Non-Institutions**									
a) Bodies Corp.									
i) Indian	6,877,332	0	6,877,332	9.32	6,797,865	0	6,797,865	8.74	-1.16
ii) Overseas	8,304,547	0	8,304,547	11.26	7,450,783	0	7,450,783	9.58	-10.28
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3,439,355	6,236	3,445,591	4.67	3,810,221	6,236	3,816,457	4.91	10.76
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	8,299,446	0	8,299,446	11.25	8,728,251	0	8,728,251	11.22	5.17

Category of Shareholders	No. of Shares held at the beginning of the year [as on 01- April-2015]				No. of Shares held at the end of the year [as on 31-March-2016]				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (Specify)									
Non Resident Indians	455,499	0	455,499	0.62	405,241	0	405,241	0.52	-11.03
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	17,776	0	17,776	0.02	195,734	0	195,734	0.25	1001.11
Trusts									
Foreign Bodies - D R									
Foreign Portfolio Investors									
NBFCs registered with RBI	0	0	0	0.00	5013	0	5013	0.01	100.00
Domestic Corporate unclaimed Shares	0	0	0	0.0000	847	0	847	0.00	100.00
Sub-total (B)(2) :-	27,393,955	6,236	27,400,191	37.14	27,393,955	6,236	27,400,191	35.23	0.00
Total Public Shareholding(B) = (B)(1)+ (B)(2)	30,512,055	6,236	30,518,291	41.36	30,512,055	6,236	30,518,291	39.24	0.00
c. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	73,775,250	6,236	73,781,486	100.00	73,775,250	4,006,236	73,781,486	100.00	5.42

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year as on 01.04.2015			Shareholding at the end of the year as on 31.03.2016			
		No. of shares	% of total Shares of the Company	% of shares Pledged/ encumbered to total shares	No. of shares	% of total Shares of the company	% of Shares pledged / encumbered to total shares	% change in Share holding during the year
1.	Shri Aditya Jajodia	3,674,576	4.98	83.68	3,674,576	4.72	83.68	0.00
2.	Shri Sanjiv Jajodia	2,649,433	3.59	99.64	2,649,433	3.41	99.64	0.00
3.	Shri Rajiv Jajodia	1,568,333	2.13	98.83	1,568,333	2.02	98.83	0.00
4.	Shri Aashish Jajodia	794,366	1.08	40.66	794,366	1.02	40.66	0.00
5.	Shri Gaurav Jajodia	119,666	0.16	0	119,666	0.15	0	0.00
6.	Shri Devendra Prasad Jajodia	260,000	0.35	0	260,000	0.33	0	0.00
7.	Smt. Seema Jajodia	218,833	0.30	0	218,833	0.28	0	0.00
8.	Smt. Shashi Jajodia	95,883	0.13	0	95,883	0.12	0	0.00
9.	Smt. Kanchan Jajodia	134,383	0.18	0	134,383	0.17	0	0.00
10.	Smt. Rina Jajodia	163,666	0.22	0	163,666	0.21	0	0.00
11.	Smt. Sangeeta Jajodia	293,333	0.40	0	293,333	0.38	0	0.00
12.	Hari Management Limited	15,144,533	20.53	46.51	7,044,000	9.06	100	-53.49
13.	Enfield Suppliers Ltd	13,121,233	17.78	85.52	11,221,233	14.43	100	-14.48
14.	Jai Salasar Balaji Industries Pvt. Ltd.	2,523,624	3.42	99.82	12,615,157	16.22	19.97	399.88
15.	K.D.Jajodia Steel Industries Pvt. Ltd.	2,410,333	3.27	99.99	2,410,333	3.10	99.99	0.00
16.	Shri Jaikapish Steel Pvt. Ltd.	–	–	0	2,000,000	2.57	–	100.00
17.	Shri Sankatmochan Steel Pvt. Ltd.	–	–	0	2,000,000	2.57	–	100.00
18.	Jain Vanijya Udyog Limited*	91,000	0.12	0	–	–	–	-100
	Total	43,263,195	58.64	71.15	47,263,195	60.76	65.13	9.25

Note - 1 During the financial year 2015-16, shareholding of Hari Management Limited, Enfield Suppliers Ltd, Jai Salasar Balaji Industries Pvt. Ltd and Jain Vanijya Udyog Limited have changed as detailed under point (iii) Shri Jaikapish Steel Pvt. Ltd. and Shri Sankatmochan Steel Pvt.Ltd have become promoters pursuant to conversion of 40,00,000 warrants into 40,00,000 equity shares. The percentage shareholding of other promoters have changed due to increase in the Paid-up Share Capital of the Company during the year subsequent to the conversion of the 40,00,000 warrants into 40,00,000 equity shares of the Company.

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

Sl. No.	Name of the Promoter	Shareholding at the beginning of the Year		Change during the year			Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	Date	Reason	No. of Shares	No. of shares	% of total Shares of the company
1.	**Hari Management Limited**							
	At the beginning of the year	**15,144,533**	**20.53**					
				16.07.2015	Transfer	(8,100,533)		
	At the End of the year						**7,044,000**	**9.06**
2.	**Enfield Suppliers Limited**							
	At the beginning of the year	**13,121,233**	**17.78**					
				16.07.2015	Transfer	(1,900,000)		
	At the End of the year						**11,221,233**	**14.43**
3.	**Jai Salasar Balaji Industries Pvt. Ltd.**							
	At the beginning of the year	**2,523,624**	**3.42**					
				12.06.2015	Transfer	91,000	2,614,624	3.36
				16.07.2015	Transfer	10,000,533	12,615,157	16.22
	At the End of the year						**12,615,157**	**16.22**
4.	**Jai Vanijya Udyog Limited**							
	At the beginning of the year	**91,000**	**0.12**					
				12.06.2015	Transfer	(91,000)	–	0.00
	At the End of the year						–	0.00
5.	**Shri Jaikapish Steel Pvt. Ltd.**							
	At the beginning of the year	–	–					
				30.03.2016	Conversation Warrants into equity shares	2,000,000		
	At the End of the year						**2,000,000**	**2.57**
6.	**Shri Sankatmochan Steel Pvt. Ltd.**							
	At the beginning of the year	–	–					
				30.03.2016	Conversation Warrants into equity shares	2,000,000		
	At the End of the year						**2,000,000**	**2.57**

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

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Change during the year			Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	Date	Reason	No. of Shares	No. of shares	% of total Shares of the company
1.	CLIENT ROSEHILL LIMITED							
	At the beginning of the year	3,886,734	5.27					
				Nil movement during the year				
	At the End of the year						3,886,734	5.00
2.	GMO EMERGING MARKETS FUND							
	At the beginning of the year	2,987,560	4.05					
				Nil movement during the year				
	At the End of the year						2,987,560	3.76
3.	SURAJ KHANDELWAL							
	At the beginning of the year	2,817,387	3.82					
				11.03.2016	Transmission	110,000		
	At the End of the year						2,927,387	3.76
4.	CVCIGP II EMPLOYEE ROSEHILL LIMITED							
	At the beginning of the year	2,176,813	2.95					
				Nil movement during the year				
	At the End of the year						2,176,813	2.80
5.	HUDSON EQUITY HOLDING LIMITED							
	At the beginning of the year	2,241,000	3.04	30.10.2015	Transfer	(5,750)	2,235,250	3.03
				06.11.2015	Transfer	(64,250)	2,171,000	2.94
				13.11.2015	Transfer	(165,000)	2,006,000	2.72
				20.11.2015	Transfer	(80,000)	1,926,000	2.61
				27.11.2015	Transfer	(144,753)	1,781,247	2.41
				04.12.2015	Transfer	(394,011)	1,387,236	1.88
	At the End of the year						1,387,236	1.78
6.	KUSUMLATA KHANDELWAL*							
	At the beginning of the year	81,933	0.11	26.06.2015	Transfer	1,085,500	1,167,433	1.58
				11.03.2016	Transmission	98,500	1,265,933	1.72
	At the End of the year						1,265,933	1.63
7.	JHUNJHUNWALA GLASS LIMITED							
	At the beginning of the year	1,265,192	1.71	25.03.2016	Transfer	(15,000)	1,250,192	1.69
				31.03.2016	Transfer	(25,000)	1,225,192	1.58
	At the End of the year						1,225,192	1.58
8.	CREST LOGISTICS AND ENGINEERS PRIVATE LIMITED (Formerly known as REL UTILITY ENGINEERS LIMITED)*							
	At the beginning of the year	1,105,000	1.50					
				Nil movement during the year				
	At the End of the year						1,105,000	1.42
9.	A E SECURITIES & INVESTMENTS PRIVATE LIMITED							
	At the beginning of the year	800,000	1.08					
				Nil movement during the year				
	At the End of the year						800,000	1.03

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Change during the year			Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	Date	Reason	No. of Shares	No. of Shares	% of total Shares of the company
10.	RAMNATH JHUNJHUNWALA							
	At the beginning of the year	820,292	1.11	29.05.2015	Transfer	(9,000)	811,292	1.10
				05.06.2015	Transfer	(12,000)	799,292	1.08
				12.06.2015	Transfer	(11,500)	787,792	1.07
				19.06.2015	Transfer	(37,792)	750,000	0.96
	At the End of the year						750,000	0.96
11.	Kailash Prasad Khandelwal**							
	At the beginning of the year	1,359,000	1.84					
				26.06.2015	Transfer	(1,085,500)	273,500	0.37
				11.03.2016	Transmission	(208,500)	65,000	0.09
	At the End of the year						65,000	0.08

*Not in the list of Top 10 shareholders as on 01-04-2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2016.

** Ceased to be in the list of Top 10 shareholders as on 31-03-2016. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 01-04-2015.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the Year		Change during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	Date	Reason	No. of shares	No. of shares	% of total shares of the company
1.	Shri Aditya Jajodia (Chairman & Managing Director)							
	At the beginning of the year	3,674,576	4.98					
				Nil movement during the year				
	At the End of the year						3,674,576	4.72
2.	Shri Sanjiv Jajodia (Whole-time Director & KMP, being CFO)							
	At the beginning of the year	2,649,433	3.59					
				Nil movement during the year				
	At the End of the year						2,649,433	3.41
3.	Shri Rajiv Jajodia (Non-Executive Promoter Director)							
	At the beginning of the year	1,568,333	2.13					
				Nil movement during the year				
	At the End of the year						1,568,333	2.02
4.	Shri Gourav Jajodia (Non-Executive Promoter Director)							
	At the beginning of the year	119,666	0.16					
				Nil movement during the year				
	At the End of the year						119,666	0.15
5.	Shri Shyam Bahadur Singh (Executive Director) (Resignedw.e.f. 14.08.2015							
	At the beginning of the year	0	0.00					
				Nil movement during the year				
	At the End of the year						0	0.00

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the Year		Change during the year			Cumulative Shareholding during the year	
		No. of shares	% of shares of the company	Date	Reason	No. of Shares	No. of Shares	% of total Shares of the company
6.	**Shri Shailendra Kumar Tamotia** (Non-Executive Independent Director)							
	At the beginning of the year	0	0.00					
				Nil movement during the year				
	At the End of the year						0	0.00
7.	**Shri Amit Kumar Majumdar** (Executive Director)							
	At the beginning of the year	0	0.00					
				Nil movement during the year				
	At the End of the year						0	0.00
8.	**Shri Chandra Kant Bhartia** (Non-Executive Independent Director)							
	At the beginning of the year	0	0.00					
				Nil movement during the year				
	At the End of the year						0	0.00
9.	**Smt. Puja Sharma** (Non-Executive Independent Director) (Resigned w.e.f. 17.4.15)							
	At the beginning of the year	0	0.00					
				Nil movement during the year				
	At the End of the year						0	0.00
10.	**Smt. Seema Chowdhury** (Non-Executive Independent Director) (Appointed w.e.f. 17.04.2015)							
	At the beginning of the year	100	0.00					
				26.02.2016	Transfer	100		
	At the End of the year						0	0.00
11.	**Smt. Swati Agarwal** (Non-Executive Independent Director) (Appointed w.e.f. 17.04.2015)							
	At the beginning of the year	0	0.00					
				Nil movement during the year				
	At the End of the year						0	0.00
12.	**Smt. Rakhi Jain** (Non-Executive Independent Director) (Appointed w.e.f. 17.04.2015)							
	At the beginning of the year	0	0.00					
				Nil movement during the year				
	At the End of the year						0	0.00
13.	**Shri Manas Kumar Nag** (Nominee Director)							
	At the beginning of the year	0	0.00					
				Nil movement during the year				
	At the End of the year						0	0.00
14 .	**Shri Ashim Kumar Mukherjee** (Non-Executive Independent Director) (Appointed w.e.f. 02.12.2015)							
	At the beginning of the year	0	0.00					
				Nil movement during the year				
	At the End of the year						0	0.00
15.	**Shri Ajay Kumar Tantia** (KMP, being Company Secretary)							
	At the beginning of the year	0	0.00					
				Nil movement during the year				
	At the End of the year						0	0.00

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

V. INDEBTEDNESS

Indebtness of the Company including interest outstanding/accrued but not due for payment (₹ in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	288,394.36	9,659.75	–	298,054.11
ii) Interest due but not paid	7,947.46	149.21	–	8,096.67
iii) Interest accrued but not due	–	–	–	0
Total (i+ii+iii)	**296,341.82**	**9,808.96**	**–**	**306,150.78**
Change in Indebtedness during the financial year				
1. Addition	54,512.23	–	–	54,512.23
2. Reduction	–	(4.69)	–	(4.69)
Net Change	**54,512.23**	**(4.69)**	**–**	**54,507.54**
Indebtedness at the end of the financial year				
i) Principal Amount	331,917.43	9,551.94	–	341,469.37
ii) Interest due but not paid	18,936.62	252.34	–	19,188.96
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	**350,854.05**	**9,804.28**	**–**	**360,658.33**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Shri Aditya Jajodia (Chairman & Managing Director)	Shri Sanjiv Jajodia (Whole-time Director)	Shri Amit Kumar Majumdar*	Shri Shyam Bahadur Singh**	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	–	568,548	333,870	902,418
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–			
2.	Stock Option	–	–			
3.	Sweat Equity	–	–			
4.	Commision – as % of profit – others, specify	–	–			
5.	Others, please specify	–	–			
	Total (A)	**–**	**–**	**568,548**	**333,870**	**902,418**
	Ceiling as per the Act	In accordance with Schedule V of the Companies Act, 2013				

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

* Executive Director w.e.f 14.08.2015.

** Resigned from the post of Directorship of the Company w.e.f 14.08.2015.

B. Remuneration to Other Directors (₹)

I.	Independent Directors :									
	Particulars of Remuneration	Name of Directors								Total Amount
		Shri Shailendra Kumar Tamotia	Shri Amit Kumar Majumdar**	Ms. Rakhi Jain	Shri Chandra Kant Bhartia	Ms. Puja Sharma*	Ms. Seema Chowdhury	Ms. Swati Agarwal	Shri Ashim Kumar Mukherjee	
1.	Fee for attending board/ committee meetings	30,000	10,000	35,000	35,000	–	35,000	35,000	20,000	200,000
2.	Commission	–	–	–	–	–	–	–	–	–
3.	Others, please specify	–	–	–	–	–	–	–	–	–
	Total (1)	**30,000**	**10,000**	**35,000**	**35,000**	–	**35,000**	**35,000**	**20,000**	**200,000**

*Ms. Puja Sharma has resigned from the post of Directorship of the Company on 11.04.2015.

** Shri Amit Kumar Majumdar became Executive Director of the Company w.e.f 14.08.2015.

(₹)

II.	Other Non-Executive/Nominee Directors				
		Shri Rajiv Jajodia	Shri Gourav Jajodia	Shri Manas Kr. Nag (Nominee of SBI)	Total
1.	Fee for attending board/committee meetings	35,000	35,000	30,000	100,000
2.	Commission	–	–	–	–
3.	Others, please specify	–	–	–	–
	Total (2)	**35,000**	**35,000**	**30,000**	**100,000**
	Total (B) = (1+2)				**300,000**
	Total Managerial Remuneration (A+B)				**1,202,418**
	Overall Ceiling as per the Act	In accordance with Schedule V of the Companies Act, 2013			

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

(₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
		Shri Ajay Kr. Tantia (Company Secretary)
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,013,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–
2.	Stock Option	
3.	Sweat Equity	–
4.	Commision – as % of profit – others, specify	–
5.	Others, please specify	–
	Total (A)	**2,013,000**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

Annexure to Directors' Report

ANNEXURE "E"

INFORMATION PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF COMPANIES (ACCOUNTS) RULES, 2014, PERTAINING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

A. Conservation of energy:

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

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

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

ii. Capital investment on energy conservation equipment:

No Capital Investment has been made except for expenditure incurred for energy audit, purchase of capacitor banks, power optimization by modification in distribution circuit.

B. Technology absorption:

i. Efforts made towards technology absorption:

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

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

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

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

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

iv. Expenditure incurred on Research and Development : NIL

C. Foreign exchange earnings and outgo:

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

(₹ in Lacs)

Particulars	2015-16	2014-15
Inflows	29,257.46	11,805.20
Outgo	37.38	282.81

Annexure to Directors' Report *(Contd.)*

ANNEXURE "F"

DETAILS PURSUANT TO SECTION 197(12) READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

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

Sl. No.	Name of Director	Remuneration* (₹)	Median Remuneration of Employees (₹)	Ratio
1.	Shri Aditya Jajodia	0	127,512	0
2.	Shri Sanjiv Jajodia	0		0
3.	Shri Rajiv Jajodia	0		0
4.	Shri Gourav Jajodia	0		0
5.	Shri Shyam Bahadur Singh#	333,870		2.62 times
6.	Shri Shailendra Kumar Tamotia	0		0
7.	Shri Amit Kumar Majumdar##	568,548		4.46 times
8.	Shri Manas Kumar Nag	0		0
9.	Shri Chandra Kant Bhartia	0		0
10.	Smt. Puja Sharma	0		0
11.	Smt. Seema Chowdhury	0		0
12.	Smt. Swati Agarwal	0		0
13	Smt. Rakhi Jain	0		0
14.	Shri Ashim Kumar Mukherjee	0		0

* Remuneration excludes sitting fees.
# Resigned w.e.f 14.08.2015.
Executive Director w.e.f 14.08.2015.

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

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

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

There has been increase in the median remuneration of employees in the financial year as per following:

Median Remuneration of Employees (As on 31st March, 2015)	Median Remuneration of Employees (As on 31st March, 2016)	Percentage increase in Median Remuneration
122,472	127,512	4.12%

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

There were 2506 employees on the rolls of the Company as on 31st March, 2016.

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

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

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

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

Report of the Directors on Corporate Governance

Corporate governance broadly refers to the mechanisms, processes and relations by which corporations are controlled and directed. Governance structures and principles identify the distribution of rights and responsibilities among different participants in the corporation (such as the board of directors, managers, shareholders, creditors, auditors, regulators, and other stakeholders) and includes the rules and procedures for making decisions in corporate affairs. Corporate governance includes the processes through which corporations' objectives are set and pursued in the context of the social, regulatory and market environment.

We are pleased to inform you that the Company always endeavours to uphold the principles and practices of Corporate Governance and assures that the Company's affairs are being managed in a manner which ensures integrity, accountability, transparency and fairness in all transactions in the widest sense, which are vital to achieve its vision of emanate as a low cost and efficient producer of value added steel products with backward integration and captive power.

The Institute of Company Secretaries of India (ICSI), one of the India's premier professional bodies, has issued Secretarial Standards (SS1 on Board Meetings and SS2 on Annual General Meetings) effective from 1st July, 2015. The Company substantially adheres to these standards compulsorily.

In accordance with Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from December 1, 2015, as amended with the National Stock Exchange of India Limited (NSE), BSE Limited and The Calcutta Stock Exchange Limited (CSE), the following report lays down the ethos of Jai Balaji Industries Limited as disclosed in respective sections of this report and its commitment to ensure wellbeing, despite business challenges and economic volatilities for the financial year ended 31st March, 2016.

1. Ideology on Code of Governance

The Company's Corporate Governance structure and overall approach to corporate governance is a blueprint to support and work within our organizational structure and to meet the defiance in the future. The overall objective is to meet the stakeholders' aspirations and societal expectations.

We offer high level of disclosures to promulgate corporate, financial and operational information to all stakeholders. Further, we keep in place a well-defined corporate structure that establishes checks, balances and delegates decision-making to appropriate levels in the organisation along with active participation of the Board in all affairs of the Company.

2. Board of Directors

The Board has a systematic framework with clearly defined responsibilities and accountabilities designed to safeguard and enhance long-term stakeholders' value and provide a concentrated platform to realise the strategy of the group. The Company's Board have an optimum combination of executive directors and non-executive directors including independent directors and women directors on the Board. It is headed by Shri Aditya Jajodia, a Promoter Executive Director. The Company's Board Members are from divergent backgrounds with proficiency and experience in critical areas like technology, banking, entrepreneurship, business laws and general management and they have a productive participation in all the Board Meetings and Committee Meetings. Further, the Board reviews its strength and composition form time to time to ensure that it remains aligned with the statutory, as well as business requirements.

They have also laid down a code of conduct for all the members of Board of Directors and senior management of the Company available under the weblink "http://www.jaibalajigroup.com/corporate-policies.html" in line with requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors of the Company at its meeting held on 12th February, 2016 adopted a Policy on diversity of Board of Directors which pertains to election of Directors for the Board. The Nomination and Remuneration Committee has been assigned the authority for the review of the Policy on diversity of Board of Directors on an annual basis.

- **Composition and Category of Directors**

  As on 31st March, 2016, the Board consists of 12 Directors, comprising of:
  - 2 Promoter Executive Directors;
  - 2 Promoter Non-Executive Directors;
  - 1 Executive Director;
  - 1 Nominee Director; and
  - 6 Independent Non-Executive Directors

The detailed composition of the Board as on 31st March, 2016 is tabled below:

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

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

During the year under review, Smt. Puja Sharma (DIN : 06852209) tendered her resignation from the Board of Directors of the Company w.e.f. 11th April, 2015.

Smt. Swati Agarwal (DIN - 07158355), Smt. Seema Chowdhury (DIN - 07158338) and Smt. Rakhi Jain (DIN - 07161473) were appointed as Additional Directors (Category: Non-Executive Independent Woman Director) w.e.f. 17th April, 2015 approved by requisite majority vide resolution passed by circulation as per Section 175 of the Companies Act, 2013 and their appointment was subsequently regularised as Directors of the Company at the Annual General Meeting held on 21st September, 2015.

Further, Shri Shyam Bahadur Singh (DIN: 01928407) has tendered his resignation from the Directorship of the Company w.e.f. 14th August, 2015 and Shri Amit Kumar Majumdar (DIN: 00194123) an Independent Director of the Company has been designated as an Executive Director of the Company w.e.f. 14th August, 2015. Shri Ashim Kumar Mukherjee (DIN : 00047844) was appointed as an Additional Director (Category : Non-Executive Independent) of the Company w.e.f. 2nd December, 2015 approved by requisite majority vide resolution passed by circulation as per Section 175 of the Companies Act, 2013.

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

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

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

- **Particulars of attendance of each director at Board Meetings and last Annual General Meeting**

  Prior Intimation of Board Meetings and Annual General Meeting to be held were given to the Directors of the Company as per the provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards (SS1 & SS2) issued by the Institute of Company Secretaries of India. The detailed agenda, along with supplementary notes and annexures, as applicable were sent to the Board and Committee members well in advance.

  During the financial year 2015-16, 8 (Eight) meetings of the Board were held viz., 9th May, 2015; 5th August, 2015, 14th August, 2015; 14th November, 2015; 8th January, 2016; 12th February, 2016; 22nd March, 2016 and 30th March, 2016. The maximum time gap between two consecutive board meetings did not exceed one hundred and twenty days and the necessary quorum was present at all the meetings. Two resolutions were passed by circulation on 17th April, 2015 and 2nd December, 2015, in compliance with section 175 of the Companies Act, 2013, by obtaining the consent of majority of Directors of the Company. One special resolution was passed vide postal ballot on 18th February, 2016 conducted by the Company for shareholders approval pertaining to issue of warrants convertible into Equity Shares on preferential allotment basis pursuant to the provisions of Section 108 and 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

  The attendance of each Director at the Board meetings held during the financial year 2015-16 and at the last Annual General Meeting held on 21st September, 2015 are as follows:

Name of Directors	No. of Board Meeting Attended	Attendance at the last AGM
Shri Aditya Jajodia	8	Yes
Shri Sanjiv Jajodia	8	Yes
Shri Rajiv Jajodia	8	Yes
Shri Gourav Jajodia	8	Yes
Shri Amit Kumar Majumdar	8	Yes
Shri Manas Kumar Nag	6	–
Shri Shailendra Kumar Tamotia	7	Yes
Shri Chandra Kant Bhartia	8	Yes
Smt. Seema Chowdhury	8	Yes
Smt. Swati Agarwal	8	Yes
Smt. Rakhi Jain	8	Yes
Shri Ashim Kumar Mukherjee *	4	–
Shri Shyam Bahadur Singh **	2	–

*Appointed w.e.f. 2nd December, 2015.

** Resigned from the post of directorship w.e.f. 14th August, 2015.

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

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

- **Particulars of Number of other Directorship and Committee Membership/Chairmanship**

The Number of directorship and committee membership/chairmanship held by each director in other companies as on 31st March, 2016 is tabled below:

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

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

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

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

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

The facts and figures as stated above are based on the declarations received from the directors for the financial year ended 31st March, 2016.

- **Evaluation of Board's Performance**

Performance of the Board and Board Committees were evaluated on various parameters such as structure, composition, quality, diversity, experience, competencies, performance of specific duties and obligations, quality of decision-making , adherence to Code of Conduct and Business ethics and overall board effectiveness. As per the criteria laid down by the Nomination and Remuneration Committee the Board Members took into note the suggestions/inputs of Independent Directors, HR and Nomination Committee and also discussed various incentives to further strengthen Board effectiveness.

- **Separate Meeting of Independent Director**

In line with the requirements of Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Code of Independent Directors as prescribed under schedule IV of the Companies Act, 2013 the independent directors of the Company are required to hold at least one meeting in a year without the presence of non-independent directors and member of the management and all the independent directors of the Company shall strive to be present at such meeting.

The separate meeting of the independent directors of the Company was held on 12th February, 2016 prior to the commencement of Board Meeting. The Directors inter alia reviewed the performance of non-independent directors, the Chairperson of the Company and the Board as a whole, thereby accessing the quality, quantity and timeliness of flow of information between the management of the Company and the Board that is necessary for the Board to perform their duties reasonably and effectively. The Directors found that the overall performance of the Board was satisfactory.

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

- **Familiarisation Programme for Independent Directors**

  Pursuant to Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company must familiarise the Independent Directors through programme termed as familiarisation programme for orientation of director and proceeding deep insight into the management and the Board.

  The induction cum familiarisation programme was one-to-one interactive session and was conducted on 12th February, 2016 along with the attendance of Chairman and Managing Director, the Company Secretary and all the existing Independent Directors of the Company. The Independent Directors of the Company were apprised with the nature of the industry in which the Company operates, the business model of the Company along with the other relevant information stretching on the roles, rights, responsibilities of independent directors as a whole. Further details of familiarisation programme including the number of programmes attended and number of hours spent by the Independent Directors of the Company is available under the weblink "http://www.jaibalajigroup.com/familiarization-programmes-imparted-to-independent-directors.html" pursuant to Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. Board Committees

In compliance with various statutory requirements, the Board has integrated various committees with specific terms of reference and scope. The Committees operate as the Board's empowered agents according to their charter/terms of reference. Minutes of the proceedings of Committee meetings are circulated to the Directors and placed before the Board Meetings for their consideration and noting.

Terms of Reference and other details of Board Committees are précised under:

- **Audit Committee**

  The Company has constituted a qualified and independent Audit Committee to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the adequate levels of transparency, integrity and quality of financial reporting.

- **Terms of reference of the committee**

  In line with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements, Regulations 2015, the broad terms of reference of audit committee was approved by the Board at its meeting held on 14th November, 2015. The role of Audit Committee inter alia includes the following:

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

  a) matters required to be included in the directors' responsibility statement to be included in the Board' Report in terms of Clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

  b) changes if any, in accounting policies and practices and reasons for the same;

  c) major accounting entries involving estimates based on the exercise of judgement by management;

  d) significant adjustments made in the financial statements arising out of audit findings;

  e) compliance with listing and other legal requirements relating to financial statements;

  f) disclosure of any related party transaction;

  g) modified opinion(s) in the draft audit report;

  * Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  * Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus /notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  * Review and monitor the auditor's independence and performance and effectiveness of audit process;
  * Approval or any subsequent modification of transactions of the company with related parties;

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

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

The committee shall mandatorily review the following information:

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

a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32(1)

b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

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

■ **Composition of the Committee**

As on 31st March, 2016, the committee consists of 4 Members, comprising:

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

Smt. Swati Agarwal (DIN : 07158355) was appointed as a member of the Audit Committee w.e.f. 5th August, 2015. Further, the Board of Directors of the Company has at its meeting held on 14th August, 2015 reconstituted the Committee. Shri Amit Kumar Majumdar (DIN : 00194123) and Shri Shyam Bahadur Singh (DIN : 01982407) ceased to be members of the Committee. Shri Chandra Kant Bhartia (DIN : 00192694), Non-Executive Independent Director of the Company has been designated as the Chairman of the Committee w.e.f. 14th August, 2015.

Shri Ajay Kumar Tantia, Company Secretary acts as the Secretary to the committee. All the members of the Committee

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

are financially literate and have knowledge on accounting or financial management.

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

- **Attendance of the Members at the meetings during the year**

  During the financial year 2015-16, the Committee met 5 times i.e. on 9th May, 2015; 5th August, 2015; 14th August, 2015, 14th November, 2015 and 12th February, 2016 and not more than one hundred and twenty days elapse between two meetings. The necessary quorum was present at all the meetings with at least two independent directors.

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

Name of the members	No. of meeting attended
Shri Chandra Kant Bhartia	5
Shri Aditya Jajodia	5
Shri Shailendra Kumar Tamotia	4
Smt. Swati Agarwal	3

Shri Sanjiv Jajodia, Chief Financial Officer of the Company was invited at the meetings of the Committee and he strived to attend all the meetings. Further, Shri Ajay Kumar Tantia, Company Secretary of the Company attended all the meetings and representatives of Statutory Auditor, Internal Auditor and Cost Auditor were present at the meetings when it was considered appropriate by the committee. Minutes of the committee were placed before the Board for their consideration and noting.

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

- **Nomination & Remuneration Committee (formerly Remuneration Committee)**

- **Terms of reference of the committee**

  In order to ensure conformity with Section 178(1) of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the company at its meeting held on 14th November, 2015 has changed the terms of reference of reference of committee as set forth in Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which includes the following:

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

- **Composition of the Committee**

  The Committee comprised of three members as on 31st March, 2016, all of whom are non-executive directors of the Company. Those includes:

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

The Board of Directors of the Company at its meeting held on 14th August, 2015 re-constituted the committee in which Shri Amit Kumar Majumdar, former Chairman of the committee stepped down from the membership of the committee and Shri Chandra Kant Bhartia was inducted and designated as the Chairman of the Committee.

- **Attendance of the Members at the meetings**

  During the year under review, the Members of the committee met 3 (three) times viz 17th April, 2015; 14th August, 2015 and 1st December, 2015. The necessary quorum was present at all the meetings.

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

Name of the Members	No. of meetings attended
Shri Chandra Kant Bhartia (Chairman)	1
Shri Shailendra Kumar Tamotia	3
Shri Rajiv Jajodia	3

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

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

- **Nomination and Remuneration policy**

The Company has in place a Nomination and Remuneration Policy duly adopted and approved by the Board at its meeting held on 14th November, 2015, setting out the terms and conditions for appointment and payment of remuneration to the Directors and Key Managerial Personnel (KMP) and other senior management personnel including criteria for determining qualifications, positive attributes, independence of a director etc.

- **Board Diversity Policy**

A policy on Board diversity was duly approved and adopted by the Nomination and Remuneration Committee at its meeting held on 1st December, 2015. The policy was envisaged in terms of requirement in Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which stretches on the Committee's responsibilities in relation to the approval and evaluation of the compensation plans, policies and programmes for directors and senior management. The Committee is also empowered to review and recommend to the Board their base salary, incentives/commission, other benefits, compensation or arrangements and executive employee agreements.

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

- **Terms of reference of the committee**

The constitution of Stakeholders' Relationship Committee meets the criteria as laid down in Section 178(5) of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee basically looks into the mechanism of redressal of grievances of shareholders, debenture holders and other security holders.

Key responsibilities of the Committee includes:

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

- **Composition of the Committee**

The Committee comprised of 3(Three) members as on 31st March, 2016, out of which the Chairman of the Committee is a non-executive director of the Company. Details of members are stated hereunder:

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

The Board of Directors at its meeting held on 14th August, 2015 approved the induction of Shri Shailendra Kumar Tamotia, Non-Executive Independent Director of the Company as the member of the Committee and he was also designated as the Chairman of the Committee in place of Shri Amit Kumar Majumdar who have ceased to be the member of the Committee w.e.f the said date.

Compliance Officer

Shri Ajay Kumar Tantia, Company Secretary acts as the Compliance Officer as per Regulation 6 of the SEBI (Listing obligations and Disclosure Requirements) Regualtions, 2015 and oversees redressal of investors' grievances and was present at all the meetings of the Committee.

- **Attendance of the Members at the meetings**

During the year under review, the member of the committee met 4 (Four) times viz 5th August, 2015; 14th August, 2015; 14th November, 2015 and 12th February, 2016. The members of the Committee strived to attend all the meetings

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

Name of the Members	No. of meetings attended
Shri Shailendra Kumar Tamotia	3
Shri Aditya Jajodia	4
Shri Gourav Jajodia	4

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

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

Number of shareholders complaints pending as on 1st April, 2015	:	NIL
Number of shareholders complaints received during the year ended 31st March, 2016	:	NIL
Number of shareholders complaints not solved to the satisfaction of the shareholders	:	NIL
Number of shareholders complaints pending as on 31st March, 2016	:	NIL

No request for share transfer/transmission was pending for approval as on 31st March, 2016 as also declared in Compliance Certificate pursuant to Regulation 40 (9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Moreover, status of Investor Complaints were also placed before the Board and was filed with the Stock Exchanges wherein the equity shares of the Company are listed pursuant to Regulation 13 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- **Management (Finance) Committee**

This Committee periodically reviews the finance function associated with operations of the Company. It spreads the burden of financial management, thereby also potentially improving the quality and enables more democratic control of the organistaions finances. There were no change in the terms of reference of the Committee during the financial year 2015-16.

- **Composition of the Committee and attendance at the meetings**

Name of the Members	Category	No. of meetings attended
Shri Aditya Jajodia (Chairman)	Promoter Executive Director	9
Shri Sanjiv Jajodia	Promoter Executive Director	9
Shri Rajiv Jajodia	Promoter Non-Executive Director	9

During the year under review, the member of the committee met 9 (Nine) times vide meetings held on 11th April, 2015 at 1:00 p.m. and 2:00 p.m.; 23rdApril, 2015; 29th June, 2015; 14th August, 2015; 18th August, 2015; 21st September, 2015; 5th October, 2015 and 23rd October, 2015. The necessary quorum was present at all the meetings as all the members strived to attend the meeting. Shri Ajay Kumar Tantia, Company Secretary of the Company also attended all the meetings of the Committee.

- **Corporate Social Responsibility Committee**

In accordance with the provisions of Section 135 of the Companies Act, 2013, and rules made therein, the Board of directors of the Company has constituted the Corporate Social Responsibility (CSR) Committee.

- **Terms of reference of the committee**

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

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

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

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

- **Composition of the Committee and Attendance of the Members at the meetings**

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

* was appointed as the Executive Director w.e.f. 14th August, 2015.

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

During the financial year under review a meeting of the members of the Committee was held on 14th August, 2015.

- **Internal Complaints Committee**

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

The Committee comprised of 4(Four) members as on 31st March, 2016, out of which the Chairman of the Committee is the Presiding Officer. Details of members and their attendance at the meeting held are stated hereunder:

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

During the year under review, the Committee was re-constituted by the Board of Directors at their meeting held on 9th May, 2015 wherein Ms. Barkha Bachhuka tendered her resignation from the membership of the Committee and Shri Raj Kumar Sharma was inducted as a member of the Committee.

During the financial year under review a meeting of the members of the Committee was held on 12th February, 2016 for noting the details of the complaints received/resolved by the Committee during the year and all the members strived to attend the meeting.

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

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

- **Criteria of making payments:**

  The Company ensures that the compensation to the Board, KMP and other senior management employees is reasonable and sufficient to attract, retain and motivate quality directors and KMPs. The nomination and remuneration committee determines and recommends to the Board the compensation paid to the Directors which is subject to the approval of the shareholders and Central Government approval wherever applicable.

- **Executive Directors:**

  The appointment of Shri Aditya Jajodia, Chairman and Managing Director and Shri Sanjiv Jajodia, Whole-time Director is governed by resolution passed by the Board of Directors and the Members of the Company which covers the terms and conditions of such appointment. The tenure of the office of Shri Aditya Jajodia and Shri Sanjiv Jajodia is for a period of 5 years w.e.f. 23rd July, 2012 and 1st May, 2013 respectively.

  Shri Shyam Bahadur Singh resigned from the office of the Executive Director w.e.f 14th August, 2015 and Shri Amit Kumar Majumdar was appointed by the Board as the Executive Director of the Company and it was ratified by the shareholders at the Annual General Meeting of the Company held on 21st September, 2015. The agreement entered into with Shri Amit Kumar Majumdar states the tenure of his office of 3 years till 13th August, 2018. The detailed synopsis of remuneration of Executive Directors for the financial year 2015-16 are as follows:

(₹)

	Fixed Salary		
Name of the Directors	Salary	Benefits / Allowances, etc. (fixed component)	Total
Shri Aditya Jajodia	NIL	NIL	NIL
Shri Sanjiv Jajodia	NIL	NIL	NIL
Shri Amit Kumar Majumdar	330,516	238,032	568,548
Shri Shyam Bahadur Singh	190,528	143,342	333,870
Total	**519,664**	**380,336**	**902,418**

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

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

- **Non-Executive Directors:**

  The Non-Executive Directors do not draw any remuneration from the company apart from sitting fees

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

for attending the Board Meetings which is well within the limits as prescribed under the Companies Act, 2013 and rules made therein. At present no sitting fees is paid for attending committee meetings. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending meetings.

The details of sitting fees (including TDS) paid to the Non - Executive Directors for the financial year 2015-16 are as follows:

(₹)

Particulars	Sitting Fees (including TDS)
Shri Rajiv Jajodia	35,000
Shri Gourav Jajodia	35,000
Shri Shailendra Kumar Tamotia	30,000
Shri Chandra Kant Bhartia	35,000
Shri Amit Kumar Majumdar	10,000
Shri Shyam Bahadur Singh	0
Smt. Seema Chowdhury	35,000
Smt. Swati Agarwal	35,000
Smt. Rakhi Jain	35,000
State Bank of India, Represented by Shri Manas Kumar Nag	30,000

(₹)

Particulars	Sitting Fees (including TDS)
Shri Ashim Kumar Mukherjee*	20,000
Total	**3,00,000**

* Appointed w.e.f. 2nd December, 2015.

The Non-Executive Directors do not have any other pecuniary relationship or transactions with the Company. The number of equity shares of the company held by the Non-Executive Directors as on 31st March, 2016 is as follows:

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

All other Non-Executive Directors excluding the above do not hold any shares or convertible instruments of the Company as on 31st March, 2016.

4. General Body Meetings

❖ Annual General Meeting

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

Financial Year	Day	Date	Time	Location	Whether any special resolution passed
2014-15	Monday	21.09.2015	10:30 A.M.	Rotary Sadan (Shripati Singhania Hall) 94/2, Chowringhee Road, Kolkata - 700 020	Yes
2013-14	Saturday	27.09.2014	11:00 A.M.	Rotary Sadan (Shripati Singhania Hall) 94/2, Chowringhee Road, Kolkata - 700 020	Yes
2012-13	Thursday	12.09.2013	11:00 A.M.	Rotary Sadan (Shripati Singhania Hall), 94/2, Chowringhee Road, Kolkata - 700 020	Yes

Special Resolutions passed in the previous three AGMs

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

- **2014 – 15**
  - Approval for conversion of loan into zero coupon, unsecured, unlisted, non-convertible debentures.
  - Approval u/s 186 for making investment in the securities of any body corporate.
  - Appointment of Shri Amit Kumar Majumdar as an Executive Director of the Company for 3 years, who has attained the age of 70 years at a consolidated remuneration not exceeding ₹ 75,000 per month on such terms and conditions as set out in the agreement entered into between the Company and Shri Amit Kumar Majumdar.
- **2013 – 14**
  - In terms of Section 180(1)(c) of the Companies Act, 2013, the Board can exercise its borrowing powers only with the consent of the members by way of a Special Resolution unlike Ordinary Resolution as was required under Section 293(1)(d) of the Companies

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

Act, 1956. Hence, Special Resolution was passed u/s 180(1)(c) of the Companies Act, 2013 authorising the Board to borrow any sum or sums of monies, which together with sums of money already borrowed may exceed the aggregate of the paid-up capital of the Company and its free reserves provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs. 5,000 Crores (Rupees Five Thousand Crores only) and that the monies borrowed/ to be borrowed by the Company in respect of earlier resolution passed under the aforesaid Section was also approved.

* In terms of Section 180(1)(a) of the Companies Act, 2013 the Board can exercise its power to hypothecate, mortgage/charge or create lien and / or other encumbrances on the immoveable/moveable properties of the Company, from time to time only with the consent of the members by way of a Special Resolution unlike Ordinary Resolution as was required under Section 293(1)(a) of the Companies Act, 1956. Hence, Special Resolution was passed u/s 180 (1)(a) of the Companies Act, 2013 authorising the Board to hypothecate or create charge/mortgage on all or any of the immovable and movable property of the company both present and future and / or on the part or whole or substantially the whole of the undertaking(s) of the Company as the Board may determine to secure the sum or sums of monies borrowed or to be borrowed aggregating up to a sum of ₹ 5,000/- Crores (Rupees Five Thousand Crores only) and that any hypothecation, mortgage/charge or other encumbrances created/to be created on the immoveable/moveable properties of the Company in respect of earlier resolution passed under the aforesaid Section was also approved.

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

- **2012 - 13**

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

❖ **Postal Ballot**

During the financial year under review, the Company has passed the following Special Resolution through postal ballot/e-voting :

Date of passing the resolution	Purpose	Votes in favour of the resolution		Votes against the resolution	
		No. of votes	% of total votes polled	No. of votes	% of total votes polled
18th February, 2016	Issue of 22,605,000 warrants convertible into equity shares on preferential basis	51,878,904	99.9999	50	0.0001

Person conducting the Postal Ballot Exercise

The Board authorised Shri Aditya Jajodia, Chairman and Managing Director and Shri Ajay Kumar Tantia, Company Secretary of the Company to manage the whole Postal Ballot Exercise. The Board had appointed Ms. Priti Todi, Practising Company Secretary, partner of PS & Associates as the scrutinizer to receive and scrutinize the postal ballot forms/e-votes received from the members and for conducting the Postal Ballot exercise in a fair and transparent manner.

Procedure of Postal Ballot

Pursuant to Section 108 and 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Management and Administration Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company furnished e-voting facility to its members to cast their vote electronically through the CDSL e-voting platform.

The Postal Ballot notice dated 8th January, 2016 containing draft resolution together with the explanatory statement, postal ballot form and self-addressed envelopes were dispatched to the members whose names appeared in the register of members as on the cut-off date. The details of completion of dispatch along with the other relevant information was published into the newspaper and was also updated on the Company's website.

The Scrutiniser submitted a consolidated report on 18th February, 2016 and the results were then announced by the Company Secretary and is also available on the website of the Company viz. www.jaibaljigroup.com, besides being communicated to the Stock Exchanges, Depository and Registrar and Share Transfer Agent.

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

❖ **Extra-ordinary General Meeting**

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

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

5. **Disclosures**

- **Related Party Disclosures**

During the year under review, the Company had not entered into any materially significant related party transactions that may have potential conflict with the interests of the Company at large and they synchronise and synergise with the Company's operations. The transactions entered into by the Company with the related parties were defined under the applicable provisions of the Companies Act, 2013, Clause 49 of the Listing Agreement as amended by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the transactions entered into by the Company were on arms length pricing basis and in the ordinary course of business with no intention to defraud the creditors and shareholders. The related party transactions were entered into based on various business emergencies such as legal requirements, liquidity, long-term strategy and capital resources. The required statements/disclosures in relation to related party transactions were kept before the Audit Committee on a quarterly basis for consideration and review. Prior Omnibus approval have been taken by the Audit committee for all related party transactions subject to their value not exceeding Rs. 1 (One) crore per transaction valid upto a period of 1 (One) year from the date of such approval on 5th August, 2015.

The Accounting Standards (AS-18) issued by the Institute of Chartered Accountants of India, have been followed while preparation of the financial statements. A comprehensive list of all related party transactions entered into by the Company forms a part of Note No. 39 to the financial statements in the Annual Report.

The Board of directors of the Company has also formulated a policy on materiality of related party transactions. The Policy states the proper reporting, approval and disclosure processes to be carried by the Company for all the transactions entered into with the related parties. The Policy is available on the website of the company viz. www.jaibalajigroup.com under the weblink "http://www.jaibalajigroup.com/related-party-policy_jbg.pdf".

- **Capital Market Disclosures**

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

- **Vigil Mechanism/Whistle blower policy**

The Board of Directors of the Company has formulated a whistle blower policy which meets the criteria of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to deal with instances of fraud and mismanagement. It outlines the methods and processes for stakeholders to voice genuine concerns about unethical conduct that may be in breach with the employees code of conduct. The policy aims to ensure that genuine complainants can raise their concerns in full confidence, without any fear of realisation and victimisation.

The reportable matters can be communicated directly to the Audit Committee and there were no personnel who has been denied access to the Audit Committee. The duty lies on the Audit Committee to review the procedure followed under the whistle blower policy. The policy is hosted on the Company's website under the weblink "www.jaibalajigroup.com/whistle-blower-policy.pdf".

- **Disclosure of Accounting Treatment**

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

- **Code of Conduct**

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

The Board of Directors and Senior Management Personnel have affirmed compliance with the code for the financial year ended 31st March, 2016. A declaration to this effect signed by the Chairman and Managing Director forms part of this Annual Report.

- **Insider Trading**

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 as effective from 15th May, 2015, the Board of Directors of the Company, has at its meeting held on 5th August, 2015 formulated a policy on the Codes

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

of fair disclosure and Code of conduct for prevention of Insider Trading.

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

- **Management Discussion and Analysis Report**

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

- **Proceeds from public issues, rights issues, preferential issues, etc.**

The Company has been experiencing liquidity crunch since a couple of years. With a view to tide over this issue, the Company had approached the Consortium of bankers for availing credit facilities and they have provided fresh term loan packages to the Company. In terms of the sanction of the Banks for availing the Term Loans, the Company has to infuse funds. Accodingly, during the year the Company has issued & allotted 2,26,05,000 warrants on Preferential allotment basis to companies falling under the promoter group & others carrying a right to convert each warrant into an Equity Share of ₹ 10/- each within a period of 18 months from the date of allotment i.e. 22nd March, 2016. The warrant holders have paid 25% of the total consideration i.e. ₹ 2.50 per warrant amounting to ₹ 565.13 lakhs as application money against the above warrants.

Out of total 2,26,05,000 warrants, the Company has converted 40,00,000 warrants on 30th March, 2016 into Equity shares by way of allotment of equivalent number of Equity Shares of ₹ 10/- each on receipt of balance 75% of the consideration i.e. ₹ 7.50 per warrant in respect of 40,00,000 warrants amounting to ₹ 300 lakhs.

- **Subsidiary Companies**

The Company has three wholly owned subsidiaries viz:

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

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

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

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

- **CEO and CFO Certification**

Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Aditya Jajodia, Chairman & Managing Director, and Shri Sanjiv Jajodia, Whole-time Director & Chief Financial Officer of the Company have given appropriate certification to the Board of Directors of the Company as per the format specified in Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is separately enclosed with this report.

- **Risk Management**

Risk Management is an attempt to identify potential risks and devise necessary steps to mitigate them. The Company has devised a policy on Risk Management which is hosted on the Company's website viz www.jaibalajigroup.com under the weblink "http://www.jaibalajigroup.com/risk-management-policy.pdf". The prime responsibility of the Company is to implement and monitor risk management plan and policy of the Company.

- **Reconciliation of Share Capital Audit**

Mr. Sandip Kumar Kejriwal, qualified Practising Company Secretary, carried out the reconciliation of share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total

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

issued and listed capital of the Company. The audit confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held in electronic mode with NSDL and CDSL.

- **Compliance with Mandatory Requirements**

  The Company has complied with the mandatory requirements as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent these apply and extend to the Company.

- **Adoption of Non-Mandatory Requirements or Discretionary Requirements**

  - **The Board**

    Shri Aditya Jajodia, Chairman and Managing Director of the Company is an Executive Chairperson. In view of inadequate profits, he has waived off his remuneration and thus no reimbursement of expenses is allowed on performance of his duties.

  - **Shareholder rights**

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

  - **Modified opinion(s) in audit report**

    The Company's Financial Statement does not contain any audit qualification, adverse remark or disclaimer except for the delay in payment of statutory dues and others which was due to the financial constraints being faced by the Company.

  - **Reporting of internal Auditor**

    The Internal Auditor reports directly to the Audit Committee.

6. **Means of Communication**

  - **Quarterly Financial Results**

    The quarterly, half-yearly and annual financial results are communicated to the Stock Exchanges, wherein the equity shares of the Company are listed immediately after the Board approves the same as per the prescribed format of the Listing Agreement and as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as effective from 1st December, 2015 and are hosted on the Company's website viz. www.jaibaljigroup.com.

  - **Newspapers wherein results are normally published**

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

  - **Website**

    Pursuant to Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a functional website which is a comprehensive reference containing the up-to-date financial results, annual reports, shareholding patterns, material disclosures, official news releases, presentations made to institutional investors or to the analysts, if any and other general information about the Company i.e. www.jaibalajigroup.com.

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

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

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

    The Company Secretary
    Jai Balaji Industries Limited
    5, Bentinck Street,
    Kolkata - 700 001
    Phone No.: (91)(33) 32607848
    E-mail: jaibalaji@jaibalajigroup.com.

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

7. General Shareholder Information

Annual General Meeting		
Day, date & time	:	Tuesday, 20th September, 2016 at 11:00 a.m.
Venue	:	Rotary Sadan (Shripati Singhania Hall), 94/2, Chowringhee Road, Kolkata – 700 020
Financial calendar (tentative schedule) for the year 2016 - 17	:	1st April, 2016 to 31st March, 2017 The probable dates for the submission of the Financial Results for the financial year 2016-17

1st Quarter Results	12th Aug, 2016
2nd Quarter Results	On or before 14th Nov, 2016
3rd Quarter Results	On or before 14th Feb, 2016
Annual Results	On or before 30th May, 2017

Date of book closure	:	The Register of Members and Share Transfer Book shall remain closed from Wednesday, 14th September, 2016 to Tuesday 20th September, 2016 (both days inclusive)
Date of Dividend payment	:	N.A.
Listing of equity shares on stock exchanges	:	The Equity shares of the Company are currently listed on the following Stock Exchanges: **National Stock Exchange of India Limited** "EXCHANGE PLAZA", 5th Floor, Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 Stock Code - JAIBALAJI **BSE Limited** 25, Phiroze Jeejeebhoy, Dalal Street Mumbai - 400 001 Stock Code - 532976 **The Calcutta Stock Exchange Limited** 7, Lyons Range, Kolkata - 700 001 Stock Code - 10020253 Listing fees has been paid to the respective Stock Exchanges for the year 2016 - 17
Depositories	:	**National Securities Depository Limited** Trade world, 4th Floor, 'A' Wing Kamala Mills Compound Senapati Bapat Marg, Lower Parel Mumbai - 400 013 **Central Depository Services (India) Limited** Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai - 400 001 Annual Custodial Fees pertaining to year 2016-17 have been duly paid.

Demat International Security Identification Number (ISIN) in NSDL and CDSL

- For fully paid-up equity shares	:	INE 091G01018
- For partly paid-up equity shares	:	IN 9091G01016
Corporate Identification Number (CIN)	:	L27102WB1999PLC089755

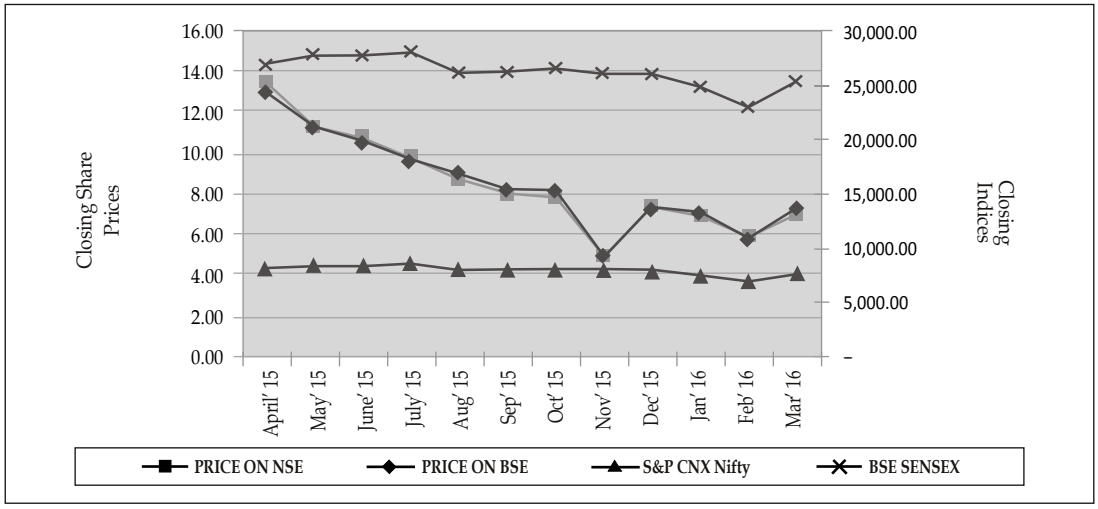
Report of the Directors on Corporate Governance *(Contd.)*

Market Price Data

The monthly high and low market prices of the shares of the Company as recorded on the National Stock Exchange of India Limited & BSE Limited during the last financial year 2015-16 were as under:

Month	Share Price (NSE)		Share Price (BSE)	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April '15	15.40	10.85	16.15	11.10
May '15	14.50	10.80	16.20	11.00
June '15	14.15	7.10	14.40	7.63
July '15	11.00	9.05	11.30	8.90
August '15	10.50	7.60	10.80	7.90
September '15	8.75	7.30	8.98	7.27
October '15	9.40	7.45	9.90	7.50
November '15	8.00	4.80	8.24	4.95
December '15	8.00	4.80	8.00	4.91
January '16	10.85	6.75	10.90	6.87
February '16	7.45	5.35	7.30	5.35
March '16	7.95	6.00	8.15	5.70

Performance in Comparison to Broad - based indices



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

Share transfer system

94.85% of the equity shares of the Company are in dematerialised form. Transfer of shares held in electronic mode are processed by the depositories. In relation to shares held in physical mode, the Board of Directors have delegated powers to Registrar and Share Transfer agents of the Company for share transfers, splits, issue of duplicate share certificates, rematerialisation and dematerialisation etc. Share transfers are processed and share certificates duly endorsed are delivered within a period of fifteen days from the date of receipt of such requests subject to the documents being valid and complete in all respects. The summary of investor complaints, demat/remat/corporate action and transfer/transmission of shares are placed before the Stakeholders' Relationship Committee of the Company periodically.

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

Pursuant to Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, half-yearly certificate in relation to compliance with share transfer system is issued by the Practising Company Secretary of the Company which is than duly submitted to the Stock Exchanges by the Company.

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2016

1	Category	No. of Shareholders	No. of shares held	As a % age of A+B+C
A	Promoter and Promoter Group Holding			
	Indian	17	47,263,195	60.77
	Foreign	0	NIL	NIL
	Total Promoter Shareholding (A)	**17**	**47,263,195**	**60.77**
B	Public Holding			
	Institutions	3	3,118,100	4.00
	Non-Institutions	9,675	27,400,191	35.23
	Total Public Shareholding (B)	**9,678**	**30,518,291**	**39.23**
C	Shares held by Custodian & against which Depository receipts have been issued **(C)**	**NIL**	**NIL**	**NIL**
	Grand Total (A+B+C)	**9,695**	**77,781,486**	**100.00**

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2016

Range of ordinary shares held	No. of Shareholders	Percentage (%) to total shareholders	No. of Shares	Percentage (%) to share capital
Up to 500	7,936	81.91	977,003	1.25
501 to 1000	702	7.25	580,077	0.75
1001 to 2000	411	4.24	633,372	0.81
2001 to 3000	165	1.70	427,757	0.55
3001 to 4000	71	0.73	253,667	0.33
4001 to 5000	67	0.69	315,973	0.41
5001 to 10000	152	1.57	1,106,262	1.42
10001 and above	191	1.91	73,487,375	94.48
Total	**9,695**	**100.00**	**77,781,486**	**100.00**

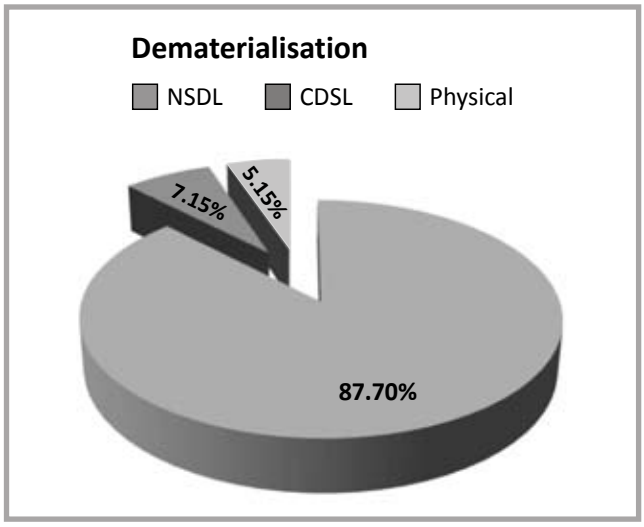
DEMATERIALISATION OF SHARES AND LIQUIDITY AS ON 31ST MARCH, 2016

To facilitate trading of Equity shares of the Company in dematerialised form, the Company has made arrangements with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders can open account with any of the Depository Participant registered with any of these two depositories. As at 31st March, 2016 a total of 73,775,250 equity shares of the Company, representing 94.85% of the Company's share capital were held in dematerialised form of which 68,213,935 representing 87.70% of the total paid-up equity share capital were held with NSDL and 5,561,315 representing 7.15% of the total paid-up equity share capital with CDSL.

The Company has allotted 22,605,000 convertible warrants on 22nd March, 2016 out of which 40,00,000 warrants were converted into equivalent number of equity shares on 30th March, 2016. The said equity shares got dematerialised on 11th May, 2016. The rest of the promoters equity shareholding are held in dematerialised form.

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

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



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

During the year under reporting, no GDRs/ADRs were issued The Board of Directors of your Company, had during the financial year i.e. 2015-16 allotted 2,26,05,000 warrants convertible into equity shares on a preferential basis to companies falling under promoter group and others viz. Shri Jaikapish Steel Private Limited (62,50,000 warrants), Shri Sankatmochan Steel Private Limited (62,50,000 warrants), Mahesh Kumar Keyal (HUF) (Represented by Mahesh Kumar Keyal – Karta) (65,00,000 warrants) and Mahabali Enterprises Private Limited (36,05,000 warrants) at an issue price of ₹ 10/- each. Each warrant was convertible into one fully paid-up Equity Share of ₹ 10/- each ranking pari-passu in all respects, including as to dividend, with the existing equity shares of the Company, within a period of 18 months from the date of allotment, in one or more tranches.

Out of the above, the Company has converted 40,00,000 warrants on 30th March, 2015, 40,00,000 warrants on 18th May, 2016 and 16,50,000 warrants on 25th July, 2016 into equity shares by way of allotment of equivalent number of equity shares of ₹10/- each on receipt of full consideration in respect of above warrants.

Consequent to the conversion of warrants, the paid-up equity share capital of your Company stands at ₹ 83,43,14,860 divided into 8,34,31,486 equity shares of ₹ 10/- each.

DETAILS OF UNCLAIMED SHARES

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

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

Particulars	Number of Shareholders	Aggregate Number of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as at 1st April, 2015	10	847
Number of shareholders who approached issuer for transfer of shares from suspense account during the year	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the year	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying as at 31st March, 2016	10	847

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

PLEDGE OF EQUITY SHARES

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

Sl. No.	Name of Promoter/ Promoter Group	No. of Equity Shares Pledged as on 31.03.2016	% to total holding of respective promoter in the company	% to total paid up equity share capital of the company
1	Shri Aditya Jajodia	3,075,000	83.68%	3.95%
2	Shri Sanjiv Jajodia	2,640,000	99.64%	3.39%
3	Shri Rajiv Jajodia	1,550,000	98.83%	1.99%
4	Shri Aashish Jajodia	323,000	40.66%	0.41%
5	Enfield Suppliers Limited	11,221,233	100%	14.43%
6	Hari Management Limited	7,044,000	100%	9.06%
7	Jai Salasar Balaji Industries Private Limited	2,519,000	19.97%	3.24%
8	K. D. Jajodia Steels Industries Private Limited	2,410,000	99.99%	3.10%
	Total	**30,782,233**	**–**	**39.57%**

PLANT LOCATIONS

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

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

Auditors' Certificate on Corporate Governance

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

For and on behalf of the Board

Aditya Jajodia
Chairman & Managing Director
DIN: 00045114

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

Place : Kolkata
Date : 12th August, 2016

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

DECLARATION

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2016.

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

Place : Kolkata
Date : 12th August, 2016

Aditya Jajodia
Chairman & Managing Director

Compliance Certificate on Corporate Governance

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

We have reviewed the compliance of conditions of Corporate Governance by Jai Balaji Industries Limited ('the Company') for the year ended 31st March, 2016 as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges for the period from 1st April, 2015 to 30th November, 2015 and Regulations 17 to 27, 46(2) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from 1st December, 2015 to 31st March, 2016.

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

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

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

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

Place : Kolkata
Date : 12th August, 2016

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

CEO AND CFO CERTIFICATION

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

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

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

1. We have reviewed the Financial Statements and the Cash Flow Statement of the Company, for the financial year ended 31st March, 2016 and that to the best of our knowledge and belief:
   i. the aforesaid statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii. the aforesaid statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct;
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the step that we have taken or propose to take to rectify the identified deficiencies;
4. That we have indicated to the auditors and the Audit Committee:
   i. Significant changes, if any, in the internal control over financial reporting during the year;
   ii. Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and;
   iii. Instances of significant fraud of which we have become aware and the involvements therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Kolkata
Date : 30th May, 2016

Aditya Jajodia
Chairman & Managing Director
DIN : 00045114

Sanjiv Jajodia
Chief Financial Officer
DIN : 00036339

Management Discussion and Analysis

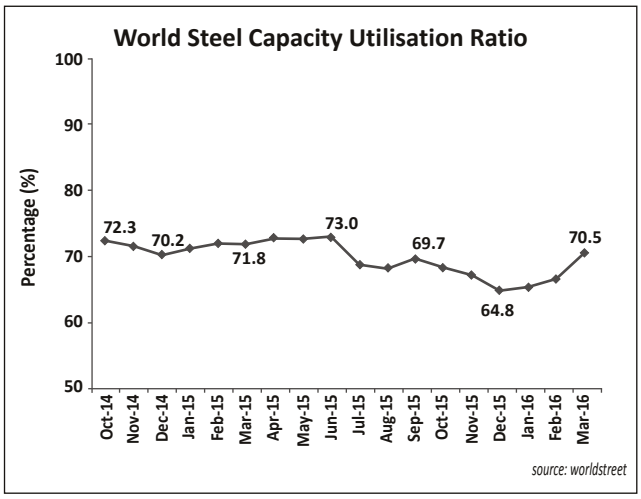
INDUSTRY STRUCTURE & DEVELOPMENT

Global Overview

The global economic activity remained subdued in Financial Year 2015-16. Growth in emerging market and developing economies—while still accounting for over 70 per cent of global growth—declined for the fifth consecutive year, while a modest recovery continued in advanced economies. Three key transitions continue to influence the global outlook: (1) the gradual slowdown and rebalancing of economic activity in China away from investment and manufacturing toward consumption and services, (2) lower prices for energy and other commodities, and (3) a gradual tightening in monetary policy in the United States in the context of a resilient U.S. recovery as several other major advanced economy.

The recovery is projected to strengthen in 2017 and beyond, driven primarily by emerging market and developing economies, as conditions in stressed economies start gradually to normalize. But uncertainty has increased and risks of weaker growth scenarios are becoming more tangible. The fragile conjuncture increases the urgency of a broad-based policy response to raise growth and manage vulnerabilities.

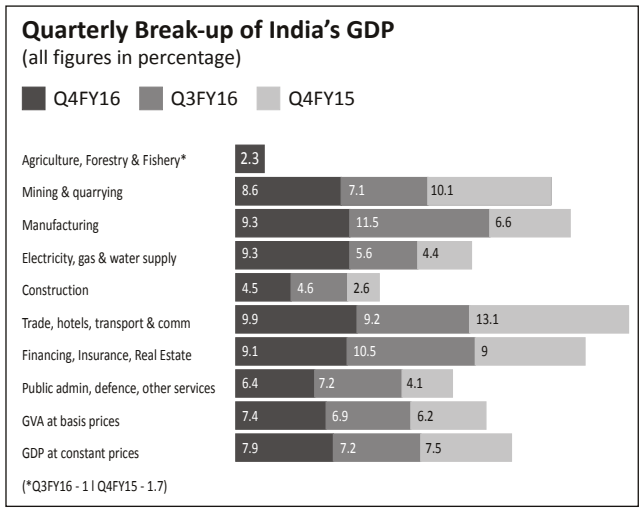
The global steel industry is in the throes of turbulent times. Steel-makers are struggling to maintain profits in the face of global excess capacity and historically low prices. Global excess capacity stands around 400 to 700 million tonnes with a large amount of lower-grade steel. Exports from China continue to penetrate markets all over the world. The industry is looking towards 2017 for signs of recovery but bracing for a tough year in 2016.



While the global outlook for steel is mildly positive as there are increasing signs of momentum in some parts of the world, there are still risks to global growth and a number of these evolve around China.

Indian Overview

Gaining momentum, the Indian economy grew by 7.9 per cent in March quarter to consolidate India's position as the fastest growing major economy with a five-year high growth rate of 7.6 per cent for the Financial Year 2015-16 on robust manufacturing growth.



According to the data released by the Central Statistics Organization (CSO) report, the growth in manufacturing sector during the fourth quarter accelerated to 9.3 per cent. As per the CSO data, GDP of the mining and quarrying segment grew by 8.6 per cent in the last quarter of 2015-16 whereas electricity, gas, water supply and other utility services recorded a growth rate of 9.3 per cent. Similarly, the construction sector grew at 4.5 per cent, trade, hotels, transport and communication at 9.9 per cent, financial, real estate and professional services at 9.1 per cent and public administration, defence and other services at 6.4 per cent in the fourth quarter of 2015-16.

However, Indian iron & steel industry had a challenging time in Financial Year 2015-16 with over supply in China and lower demand of pig iron due to weak industrial activity in India. The year 2015-16 was marked by deflation of commodity prices globally bringing down steel prices. In the Indian context, the drop was steeper than that of other raw materials, leading to severe pressure on operating margins of steel plants. Besides, weak demand in major steel producing countries such as China, Japan and South Korea led them to focus on exports at aggressive prices, including on India, adversely impacting the domestic industry. It led to prices of some products hit a ten-year low in Indian market.

However, in 2015, India achieved the distinction of being the third largest crude steel producer globally and recorded a growth of 2.6% over 2014.

Management Discussion and Analysis *(contd.)*

Top 10 Steel-producing Countries				
Rank	Country	2015 (Mt)	2014 (Mt)	% 2015/2014
1	China	803.8	822.8	-2.3
2	Japan	105.2	110.7	-5.0
3	India	89.6	87.3	2.6
4	United States	78.9	88.2	-10.5
5	Russia (a)	71.1	71.5	-0.5
6	South Korea	69.7	71.5	-2.6
7	Germany	42.7	42.9	-0.6
8	Brazil	33.2	33.9	-1.9
9	Turkey	31.5	34.0	-7.4
10	Ukraine (a)	22.9	27.2	-15.6

source: worldstreet

Besides achieving the rank of the 3rd largest global crude steel producer in 2015 (provisional), India has also made a mark globally in the production of sponge iron /direct reduced iron (DRI). The table below shows the trend in production, import, export and consumption of total finished steel in the country:

(million tonne)

Year	Total Finished Steel (alloy + non-alloy)			
	Production	Import	Export	Consumption
2010-11	68.62	6.66	3.64	66.42
2011-12	75.70	6.86	4.59	71.02
2012-13	81.68	7.93	5.37	73.48
2013-14	87.67	5.45	5.98	74.09
2014-15	92.16	9.32	5.59	76.99
2015-16* (Apr-Dec)	67.71	8.39	2.91	58.94

** Provisional* *(Source: Ministry of Steel)*

At present imports are hurting the domestic industry. The performance of industry is closely linked to government decisions around import/export duties and mining taxes/ royalties as well as environmental and land regulations. Global ratings agency Moody's expects profitability of Indian steel firms to be lower in 2016-17 compared to the previous years, but the country would be better placed than its peers in Asia, where it expects the sector to be hit by weak profitability and oversupply.

OPPORTUNITIES, THREATS, RISKS AND CONCERN

Opportunities

- Unexplored rural market and rapid urbanization will provide impetus for increased steel demand.
- India's per capita steel consumption is expected to increase as the construction and infrastructure sectors are booming and its use in infrastructure, railways, transport and other sectors is growing immensely.
- The liberalization of industrial policy and other initiatives taken by the Government have given a definite impetus for entry, participation and growth of the private sector in the steel industry. While the existing units are being modernized/expanded, a large number of new steel plants have also come up in different parts of the country based on modern, cost effective, state of-the-art technologies.
- Domestic & foreign investors are showing a great deal of interest in setting up steel capacities in the country.
- Increased infrastructure spending by the government to be the major growth driver during the forthcoming years.
- The Indian steel industry has diversified its product mix to include sophisticated value-added steel used in the automobile sector, heavy machinery and physical infrastructure.
- Optimistic employment scenario and rising income levels.

Threats, Risks and Concern

- There is huge global overcapacity and demand slowdown, which has resulted in historically low international steel prices.
- Low price steel imports are the biggest threat to the viability of the steel industry.
- Most domestic steel makers are under margin pressure due to rise in input cost and are concerned with the availability of raw materials.
- Anticipated high interest rates might limit the growth in private demand.
- High transportation and power costs considered to be the major challenges for steel sector.
- The industry still has huge dependence on imported coking coal, low production efficiency, inadequate infrastructure & technology.
- The industry by nature is capital intensive and requires high capital by various modes, increasing cost of borrowing remains one of the major concerns for the group and industry as a whole.
- The steel industry is challenged by dwindling investments, turbulence in the financial market and geopolitical conflicts in many developing regions.

OUTLOOK

The economic environment facing the steel industry is expected to be challenging with China's slowdown impacting globally across a range of indicators contributing to volatility in financial markets, sluggish growth in global trade and low

Management Discussion and Analysis *(contd.)*

oil and other commodity prices. The global steel market is suffering from insufficient investment expenditure and continued weakness in the manufacturing sector. As per World Steel Association Short Range Outlook for 2016 and 2017, it is expected that global steel demand will decrease by -0.8% to 1,488 Mt in 2016 following a contraction of -3.0% in 2015. In 2017, it has been forecasted that world steel demand will return to growth of 0.4% and will reach 1,494 Mt. In 2016, while they are forecasting another year of contraction in steel demand in China, slow but steady growth in some other key regions including NAFTA and EU is expected. Growth for steel demand in all markets except China is expected in 2017.

Despite all odds, fact remains the same that Steel industry is the foundation industry of any economy, especially developing countries where material intensity is likely to increase significantly in the future. Government's initiatives such as Pradhan Mantri Awas Yojna, 100 smart cities, Atal Mission For Rejuvenation And Urban Transformation (AMRUT), Make in India campaign and National Infrastructure Investment Fund to support India's investment cycle are expected to boost growth in construction and capital goods sector which in turn will increase consumption of steel.

India is expected to become the world's second largest producer of crude steel in the next 10 years, moving up from the third position, as its capacity is projected to increase to about 300 Mt by 2025. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption. Although the steel industry will remain under pressure for some time, it is certainly expected to grow thereafter on the back of the automotive and construction industries.

PRODUCT WISE PERFORMANCE ANALYSIS

Jai Balaji is an integrated steel manufacturer with five units in three mineral-rich states of eastern India; the Company's cumulative product wise installed capacities and actual production for the year 2015-16 comprise of the following:

Product	Unit	Installed capacity	Production
Sponge iron	Mt	345,000	235,967
Pig iron	Mt	509,250	280,140
Steel -Bars/Rods	Mt	260,000	55,348
Billet /MS Ingot	Mt	906,230	139,728
Ferro Alloys	Mt	106,618	18,698
Ductile Iron Pipe	Mt	240,000	59,208
Power		101.10 (MW/Hr)	323.44 (MU)
Sinter	Mt	608,000	413,725
Coke	Mt	350,000	240,955

FINANCIAL PERFORMANCE

The Company is passing through its worst times since year 2009. The global economic meltdown coupled with substantial increase in prices of raw material, softening of prices of finished products, delays in implementation of projects on account of reform measures and the overhauling finance cost has resulted in losses to the Company. The domestic steel industry suffered again due to the influx of cheap imported products, especially from China. During the year under review, the company recorded a loss before exceptional and extraordinary items of ₹ 66,612.42 lakhs as compared to ₹ 48,693.99 lakhs in the previous year. The net loss for the year under revierw was ₹ 66,612.42 lakhs against ₹ 38,637.27 lakhs.

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains adequate internal control systems, which provide, among other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of Company assets. Internal Control is a part of day to day management and administration of your Company. The Company has a proper and adequate system of Internal Control, commensurate with the size, scale and complexity of its operations to ensure orderly and efficient conduct of its business including adherence to corporate policies, prevention of frauds and errors, accuracy and completeness of accounting records and preparation of reliable financial information.

Periodic audits are conducted in various disciplines to ensure adherence to the same. The Company has an external and independent firm to carry out the internal audit of the Company's activities. The Internal Audit process is designed to review the adequacy of internal control checks in the system and covers all significant areas of the Company's operation. The direct reporting of the Internal Auditors to the Audit Committee of the Board ensures independence of the audit and compliance functions. The Internal Auditors regularly report to the Audit Committee on their observations on the Company's processes, systems and procedures ascertained during the course of their audit. Emphasis is placed on adequacy, reliability and accuracy of dissemination of financial data and information. Compliance issues are given utmost importance and reported regularly to the Board. The management of the Company duly considers and takes

Management Discussion and Analysis *(contd.)*

appropriate action on the recommendations made by the Internal Auditors. The Audit Committee continuously monitor the adequacy and effectiveness of the internal control environment across the company. The Audit Committee of the Company comprises of eminent professionals who are well versed with the financial management.

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

HUMAN RESOURCE

Your Company recognizes the fact that manpower is one of the vital constituents of a successful organization. The growth of your Company and execution of new projects places emphasis on the recruitment process and your Company has been successful in attracting professional talent.

The Company is proud to have a talented pool of around 2506 employees as on 31st March, 2016 which comprises professionals from diverse backgrounds like engineering, finance, taxation, law, management, etc. The industrial relations in your Company continue to be healthy and cordial.

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

A mix of youth and experience, the vision and leadership of a stable senior management is matched by the motivation and energy of the youth brigade. A good record of participative management reflects the healthy culture of Jaibalaji. The Company believes that a fair working system, based on the interaction of the employees with the organization through their role, is a key motivator. A happy individual always performs well. If the employee finds his work challenging, efforts worthwhile, and rewards commensurate, he is likely to give his best for mutual benefit and prosperity. Your Company recognizes that the right people, offering their ideas and expertise will enable us to continue our success.

CAUTIONARY STATEMENT

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

INDEPENDENT AUDITOR'S REPORT

To The Members of
JAI BALAJI INDUSTRIES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **JAI BALAJI INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cashflows for the year ended on that date.

Emphasis of Matter

We draw attention to Note-31 in the Notes to the financial statements which indicate that the company has been incurring losses and its net worth is fully eroded, however, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said note and accordingly the Deferred Tax Asset created upto 31st March 2015 has been carried forward.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

II. As required by Section 143 (3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the Directors as on 31st March, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B';

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its Financial Position in its financial statements - Refer Note No. 26 & 28 to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

(J. K. CHOUDHURY)
Partner
Membership No: 009367

Place : Kolkata
Dated : May 30, 2016

Annexure - A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditor's Report to the members of **JAI BALAJI INDUSTRIES LIMITED** ('the Company') on the standalone financial statements for the year ended on 31st March 2016. We report that:

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The inventories have been physically verified during the year by the management at regular intervals. In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on physical verification.

iii. According to information and explanation given to us and on the basis of our examination of the records of the Company, the Company has granted unsecured loans to one company covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly we report that:-

(a) The terms and conditions of such loans are not prejudicial to the company's interest.

(b) The above loans are re-payable on demand.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities made.

v. The Company has not accepted any deposits from the public. Accordingly, paragraph 3(v) of the Order is not applicable.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 148 (1) of the Act, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

vii. According to the information and explanations given to us in respect of statutory dues:

(a) *The Company has not been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Value Added Tax, duty of Excise, Cess and other statutory dues with the appropriate authorities during the year.*

According to the information and explanations given to us, the following undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable:-

Name of statute	Nature of dues	Amount Outstanding (Rs. in lacs)	Period to which amount relates	Amount paid up to 29th May, 2016 (Rs. in lacs)
Income Tax Act, 1961	TDS	272.85	April '13 to September '15	6.93
Finance Act, 1994	Service Tax	555.83	March '14 to September '15	146.79
The Central Excise Act, 1944	Excise Duty	542.58	April '15 to September '15	135.00
Provident Fund Act, 1952	Provident Fund	170.75	September '14 to September '15	18.73
Employee State Insurance Act, 1948	ESI	28.65	September '14 to September '15	Nil
Professional Tax Act	Professional Tax	8.80	September '14 to September '15	2.93

Annexure - A to the Independent Auditors' Report *(Contd.)*

(b) According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax and value added tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount under dispute not yet deposited (Rs.in lacs)	Financial year to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty	24,534.46	2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15 2015-16	CESTAT, Commissioner (Appeals)
Finance Act, 1994	Service Tax	596.78	2010-11, 2011-12, 2012-13, 2013-14, 2014-15	CESTAT, Commissioner (Appeals)
The West Bengal Sales Tax Act, 1994	Sales Tax	3.59	2004-05	West Bengal Appellate and Revisional Board
The West Bengal Value Added Tax Act, 2003	Value Added Tax	1,578.37	2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12	West Bengal Appellate and Revisional Board
The Central Sales Tax Act, 1956	Central Sales Tax	539.16	2006-07, 2007-08 2008-09, 2009-10, 2010-11, 2011-12	West Bengal Appellate & Revisional Board
The Uttar Pradesh Value Added Tax Act, 2007	Value Added Tax	8.48	2014-15, 2015-16	Joint Commissioner (Appeals)
The Odisha Value Added Tax Act 2004	Value Added Tax	234.47	2012-13, 2013-14	Joint Commissioner (Appeals)
The Odisha Entry Tax Act, 1999	Entry Tax	68.78	2012-13, 2013-14	Joint Commissioner (Appeals)
The Income Tax Act, 1961	Income Tax	6.85	A.Y. - 2009-10	DCIT/CIT(A)

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

(₹ in lacs)

Banks	Default of Principal		Default of Interest	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Allahabad Bank	1,742.16	-	2,134.71	-
Axis Bank	94.84	-	162.59	-
Bank of India	1,012.04	1,101.64	1,215.51	1,771.97
Canara Bank	139.52	69.76	143.45	67.84
Corporation Bank	190.36	198.65	224.77	294.01
Federal Bank	10.05	-	3.73	-
Indian Overseas Bank	621.16	-	785.27	-
IDBI Bank	46.12	-	29.86	-
ICICI Bank	31.60	-	23.59	-
Oriental Bank of Commerce	265.84	-	328.67	-
Punjab National Bank	137.94	-	70.06	-
State Bank of India	488.62	-	701.30	-
State Bank of Bikaner & Jaipur	22.06	-	2.20	-
State Bank of Hyderabad	537.42	-	190.05	-
State Bank of Mysore	198.20	-	235.74	-
State Bank of Patiala	59.21	-	74.58	-
State Bank of Travancore	48.24	49.29	56.11	65.52
UCO Bank	2,649.76	-	2,356.39	-
United Bank of India	1,135.42	-	1,062.42	-
Union Bank	292.52	220.66	302.31	168.58
Vijaya Bank	691.36	722.07	897.59	1,181.51
Total	**10,414.44**	**2,362.07**	**11,000.90**	**3,549.43**

Financial Institution	Default of Principal		Default of Interest	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
WBIDFC	376.08	90.91	511.15	80.56
IFCI	-	2,171.59	512.25	1,051.31
Total	376.08	2,262.50	1,023.40	1,131.88

ix. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were applied by the Company for the purposes for which the loans were obtained. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations given to us, the Company has paid/provided for managerial remunerations in accordance with the requisite approvals mandated by the provisions of Sec 197 read with Schedule V to the 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. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations give to us and based on our examination of the records, the Company has made private placement of shares during the year under review and the requirements of section 42 of the Act have been complied with.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

For, **S. K. AGRAWAL & CO.**
Chartered Accountants
Firms Registration No-306033E
Sd/-
(J. K. CHOUDHURY)
Partner
Membership No: 009367

Place : Kolkata
Dated : 30th May, 2016

Balance Sheet as at March 31, 2016

(₹ in lacs)

	Notes	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	3	**7,777.76**	7,377.76
Reserves and Surplus	4	**(92,071.21)**	(25,458.79)
Money Received against share warrants		**465.13**	–
		(83,828.32)	(18,081.03)
Non Current Liabilities			
Long Term Borrowings	5	**224,769.27**	196,425.03
		224,769.27	196,425.03
Current Liabilities			
Short Term Borrowings	6	**76,242.88**	71,203.04
Trade Payables	7	**77,459.38**	89,057.60
Other Current Liabilities	7	**85,055.59**	58,248.52
Short Term Provisions	8	**806.08**	580.06
		239,563.93	219,089.22
TOTAL		**380,504.88**	397,433.22
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	9	**158,834.97**	170,025.06
Capital Work in Progress and Pre-Operative Expenditure Pending Allocation	10	**11,518.37**	11,169.82
Non Current Investments	11	**8,136.79**	8,129.11
Deferred Tax Assets (Net)	12	**29,085.14**	29,085.14
Long Term Loans and Advances	13	**11,137.90**	11,662.31
Other Non Current Assets	14	**450.76**	45.06
		219,163.93	230,116.50
Current Assets			
Inventories	15	**48,116.57**	49,693.20
Trade Receivables	16	**73,088.60**	76,316.23
Cash and Bank Balances	17	**1,481.99**	3,166.70
Short Term Loans and Advances	13	**29,167.84**	27,236.89
Other Current Assets	18	**9,485.95**	10,903.70
		161,340.95	167,316.72
TOTAL		**380,504.88**	397,433.22
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

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

Place : Kolkata
Date : 30th May, 2016

For and on behalf of the Board of Directors

Aditya Jajodia
Chairman & Managing Director
DIN : 00045114

Sanjiv Jajodia
Wholetime Director & Chief Financial Officer
DIN : 00036339

Rajiv Jajodia
Director
DIN : 00045192

Ajay Kumar Tantia
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2016

(₹ in lacs)

	Notes	Current year ended March 31, 2016	Previous year ended March 31, 2015
INCOME			
Revenue from Operations (Gross)	19	**132,940.70**	158,955.23
Less: Excise Duty	19	**11,683.70**	11,180.78
Revenue from Operations (Net)		**121,257.00**	147,774.45
Other Income	20	**1,588.81**	3,471.62
Total Revenue (I)		**122,845.81**	151,246.07
EXPENSES			
Cost of Materials Consumed	21	**105,505.78**	91,276.25
Purchase of Stock in Trade	21	**183.25**	24,806.27
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	**(442.62)**	1,673.84
Employee Benefits Expense	23	**5,208.56**	5,070.99
Finance Costs	24	**41,377.18**	37,499.88
Depreciation and Amortisation Expense	9	**11,620.35**	12,615.68
Other Expenses	25	**26,005.73**	26,997.15
Total Expenses (II)		**189,458.23**	199,940.06
Profit / (Loss) before exceptional items and Tax (I-II)		**(66,612.42)**	(48,693.99)
Exceptional Item		**–**	318.31
Profit / (Loss) before Tax (I-II)		**(66,612.42)**	(49,012.30)
Tax Expenses:			
Provision (Write Back) relating to earlier years		**–**	12.81
Deferred tax charge/(credit)		**–**	(10,387.84)
Total tax expense / (credit)		**–**	(10,375.03)
Profit/(Loss) for the period		**(66,612.42)**	(38,637.27)
Earnings per Equity Share: (Nominal Value per Share ₹ 10)			
Basic & Diluted	38	**(90.26)**	(53.11)
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

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

Place : Kolkata
Date : 30th May, 2016

For and on behalf of the Board of Directors

Aditya Jajodia
Chairman & Managing Director
DIN : 00045114

Sanjiv Jajodia
Wholetime Director & Chief Financial Officer
DIN : 00036339

Rajiv Jajodia
Director
DIN : 00045192

Ajay Kumar Tantia
Company Secretary

Cash Flow Statement for the year ended March 31, 2016

(₹ in lacs)

	Current year ended March 31, 2016	Previous year ended March 31, 2015
A: Cash Flow From Operating Activities		
Net Profit / (Loss) Before Taxes	**(66,612.42)**	(49,012.30)
Adjustments For :		
Depreciation / Amortisation (Net)	**11,620.35**	12,615.68
Loss on Sale of Fixed Assets	**0.04**	7.67
Irrecoverable Debts and Advances Written off	**5.73**	15.89
Liabilities no longer required written back	**(21.26)**	(407.98)
Interest on Term Loans and Others	**39,695.01**	36,022.59
Provision for doubtful debts/(written back)	**495.51**	–
Dividend from long term Non Trade Investments	**(1.35)**	(1.35)
Prior Period Expenditure (net)	**270.57**	(184.30)
Bad debt Recovery	**–**	(7.43)
(Profit) / Loss on Foreign Exchange Fluctuations (Net)	**191.62**	(1,285.31)
Interest Income	**(1,550.89)**	(1,696.12)
Operating Profit / (Loss) Before Working Capital Changes	**(15,907.09)**	(3,932.96)
Movements in Working Capital :		
Decrease / (Increase) in Trade Receivables	**3,924.51**	(1,315.49)
(Increase) in Loans and Advances and Other Current / Non Current Assets	**(346.63)**	(3,556.79)
Decrease/(Increase) in Advances to Subsidiary Company	**(147.92)**	(114.86)
Decrease in Inventories	**1,576.62**	1,239.98
Decrease/(Increase) in Trade Payables, Other Liabilities and Provisions	**(6,386.15)**	1,376.15
Cash generated (used in) Operating Activities	**(17,286.66)**	(6,303.97)
Direct Taxes paid (net of refunds)	**106.54**	139.39
Net Cash generated (used in) Operating Activities	**(17,180.12)**	(6,164.58)
B: Cash Flow From Investing Activities		
Purchase of Fixed Assets	**(1,532.98)**	(673.69)
Proceeds from Sale of Fixed Assets	**77.27**	62.40
Purchase of Investments in Joint Venture Companies	**(6.18)**	(32.01)
Purchase of Investments in Government Securities	**(1.50)**	–
Application money paid in Joint Venture Companies	**(3.59)**	8.99
Proceeds from maturity of fixed deposits	**359.86**	1,237.03
Dividend from long term Investments (other than Trade)	**1.35**	1.35
Loan received from body corporate	**–**	564.05
Interest received	**1,518.26**	2,057.32
Net Cash generated from Investing Activities	**412.49**	3,225.44

Cash Flow Statement for the year ended March 31, 2016 *(Contd.)*

(₹ in lacs)

	Current year ended March 31, 2016	Previous year ended March 31, 2015
C: Cash Flow From Financing Activities		
Money Received against share warrants	**865.13**	–
Proceeds from long / short term Borrowings	**58,426.23**	54,799.78
Repayment of long / short term Borrowings	**(15,010.97)**	(15,886.94)
Interest Paid	**(28,602.73)**	(34,637.29)
Dividend Paid	**(0.54)**	(0.51)
Net Cash generated from Financing Activities	**15,677.12**	4,275.04
Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)	**(1,090.51)**	1,335.90
Cash and Cash Equivalents as at the beginning of the year	**1,518.47**	182.57
Cash and Cash Equivalents as at the end of the year	**427.96**	1,518.47
Components of cash and cash equivalents		
Cash on hand	**92.46**	49.29
Cheques in hand	**121.46**	1,287.69
Balance with Scheduled Banks on:		
Current Account	**199.20**	179.62
Fixed Deposit Account	**1,343.38**	1,689.73
Unclaimed Dividend Account *	**1.17**	1.71
Unclaimed Fractional Share Balance*	**0.16**	0.16
Cash and Bank Balances as per Note 17	**1,757.83**	3,208.20
Less : Fixed deposits not considered as cash equivalents	**1,329.87**	1,689.73
Cash and Cash Equivalents in Cash Flow Statement :	**427.96**	1,518.47

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

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

As per our report of even date

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

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

Place : Kolkata
Date : 30th May, 2016

For and on behalf of the Board of Directors

Aditya Jajodia
Chairman & Managing Director
DIN : 00045114

Sanjiv Jajodia
Wholetime Director & Chief Financial Officer
DIN : 00036339

Rajiv Jajodia
Director
DIN : 00045192

Ajay Kumar Tantia
Company Secretary

Notes to financial statements for the year ended March 31, 2016

1 General Information

Jai Balaji Industries Limited (the Company) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 (Amendment Act, 2013). Its shares are listed on three stock exchanges in India (Bombay Stock Exchange, National Stock Exchange and Calcutta Stock Exchange). The Company is engaged in the manufacture and sale of steel and allied products.

2 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006, to the extent applicable (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and except for the changes discussed more fully below, are consistent with those used in the previous year.

(b) Use of estimates

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

(c) Tangible Fixed Assets

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

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

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

(d) Depreciation

i) The classification of Plant and Machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.

ii) Depreciation on fixed assets is provided on depreciable value of assets using straight-line method on the basis of useful life specified in Schedule II to the Companies Act,2013,except for Railway Wagons and Moulds as stated below.

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

iv) Pipe Moulds for Ductile Iron Foundry Works are depreciated over a period of 4 years.

v) In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.

(e) Borrowing Costs

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

(f) Impairment

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

(g) Tangible Fixed Assets acquired under Finance Lease

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

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Notes to financial statements for the year ended March 31, 2016 *(Contd.)*

(h) Government grants and subsidies

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

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

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

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

(i) Investments

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

(j) Inventories

Inventories are valued as follows:

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

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

(k) Revenue Recognition

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

Sale of Goods

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

Income from Services

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

Interest

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

Dividend

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

(l) Foreign currency transactions

(i) Initial Recognition

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

(ii) Conversion

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

(iii) Exchange Differences

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

Notes to financial statements for the year ended March 31, 2016 *(Contd.)*

(m) Retirement and other employee benefits

i. Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contribution is charged to statement of profit and loss of the year when the contributions to the respective fund is due. There is no other obligation other than the contribution payable to provident fund.

ii. Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each financial year. Unrecognised past service cost arising at the time of change in plan measures are charged to statement of profit and loss on a straight line basis over the period of vesting of the defined benefit obligation.

iii. Short term compensated absences are provided for based on estimates whereas long term compensated absences are provided for on the basis of actuarial valuation, as per projected unit credit method.

iv. Actuarial gains / losses are immediately taken to statement of profit and loss and are not deferred.

(n) Taxation

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

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

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

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

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

(o) Expenditure on new projects and substantial expansion

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

All direct capital expenditure on expansion are capitalised. As regards indirect expenditure on expansion, only that portion is capitalised which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalised only if they increase the value of the asset beyond its original standard of performance.

(p) Segment Reporting Policies

Based on the synergies, risks and returns associated with business operations and in terms of Accounting Standard-17, the Company is predominantly engaged in a single reportable segment of Iron and Steel during the year. The risks and returns of existing captive power plants are directly associated with the manufacturing operations of Iron and Steel and hence treated as a single reportable segment as per

Notes to financial statements for the year ended March 31, 2016 *(Contd.)*

Accounting Standard-17. The Company at present primarily operates in India and therefore the analysis of geographical segments is not applicable to the Company.

(q) Earnings Per Share

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

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

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

(r) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

(s) Cash and Cash Equivalents

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

(t) Contingent Liabilities

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

(u) Basis of classification of Current and Non Current

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

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

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

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

Note 3 : Share Capital **(₹ in lacs)**

	As at March 31, 2016	As at March 31, 2015
Authorised capital		
101,000,000 (101,000,000) Equity Shares of ₹ 10/- each	**10,100.00**	10,100.00
Issued, subscribed and fully paid-up capital		
77,781,486 (73,781,486) Equity Shares of ₹ 10/- each	**7,778.15**	7,378.15
Less: Calls unpaid (Due from other than directors or officers)	**0.39**	0.39
Total	**7,777.76**	7,377.76

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

	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	**(₹ in lacs)**	No. of Shares	(₹ in lacs)
Equity Shares of ₹ 10/- each				
At the beginning of the period	**73,781,486**	**7,377.76**	67,276,486	6,727.26
Issued during the period	**4,000,000**	**400.00**	6,505,000	650.50
At the end of the period	**77,781,486**	**7,777.76**	73,781,486	7,377.76

Notes to financial statements for the year ended March 31, 2016 *(Contd.)*

(b) Terms/rights attached to equity shares

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

(c) Lock-in-of Shares

The 40,00,000 Equity shares alloted on 30th March, 2016. pursuant to part conversion of warrants issued to companies falling under the promoter group are under lock-in till 29th June, 2019.

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

	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	**% holding in the class**	No. of Shares	% holding in the class
Enfield Suppliers Ltd.	**11,221,233**	**14.43**	13,121,233	17.78
Hari Management Ltd.	**7,044,000**	**9.06**	15,144,533	20.53
Client Rosehill Limited	**3,886,734**	**5.00**	3,886,734	5.27
Jai Salasar Balaji Industries (P) Ltd.	**12,615,157**	**16.22**	2,523,624	3.42
	34,767,124	**39.71**	34,676,124	47.00

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

(e) Money received against share warrants

During the year the Company has issued & allotted 2,26,05,000 warrants on Preferential allotment basis to companies falling under promoter group & others carrying a right to convert each warrant into an Equity Share of ₹ 10 each within a period of 18 months from the date of allotment i.e 22nd March, 2016. The warrant holders have paid 25% of the total consideration i.e ₹ 2.50 per warrant amounting to ₹565.13 lacs as application money against the above warrants. Out of total 2,26,05,000 warrants, the Company has converted 40,00,000 warrants on 30th March, 2016 into Equity Shares by way of allotment of equivalent number of Equity Shares of ₹ 10 each on receipt of balance 75% of the consideration i.e ₹ 7.50 per warrant in respect of 40,00,000 warrants amounting to ₹ 300 lacs.

Note 4 : Reserves & Surplus **(₹ in lacs)**

	As at March 31, 2016	As at March 31, 2015
Capital Reserve		
As per last financial statements	**6,408.50**	6,408.50
Amalgamation Reserve		
As per last financial statements	**4,400.00**	4,400.00
Securities Premium Account		
As per last financial statements	**50,017.50**	47,415.50
Add : For the period	**–**	2,602.00
	50,017.50	50,017.50
General Reserve		
As per last financial statements	**10,325.00**	10,325.00
	10,325.00	10,325.00
Surplus/(Deficit) in Statement of Profit and Loss		
As per last financial statements	**(96,609.79)**	(56,936.63)
Less: Depreciation adjustment as per Companies Act, 2013 [Net of Deferred Tax ₹ Nil (₹ 533.40 lacs.)]	**–**	1,035.89
Add: Profit/(Loss) for the period	**(66,612.42)**	(38,637.27)
Surplus/ (Deficit) in Statement of Profit and Loss	**(163,222.21)**	(96,609.79)
Total :	**(92,071.21)**	(25,458.79)

Note:

In view of the loss for the year as well as accumulated loss, the Company has not created Debenture Redemption Reserve in respect of Zero Coupon Unsecured Non Convertible Debentures issued during the year (Refer Note 5)

Notes to financial statements for the year ended March 31, 2016 *(Contd.)*

Note 5 : Long Term Borrowings **(₹ in lacs)**

	Non Current Portion		Current Portion	
	As at March 31, 2016	As at March 31, 2015	**As at March 31, 2016**	As at March 31, 2015
(Secured, unless otherwise stated)				
Term Loans :				
Rupee Loan from banks	**212,208.80**	183,242.73	**36,940.36**	27,588.01
Rupee Loan from Financial Institutions	**3,023.53**	3,702.36	**3,516.87**	2,838.04
Rupee Loan from Bodies Corporate (Unsecured)	**797.25**	797.25	**–**	–
Unsecured Loan :				
Debentures	**8,739.69**	–	**–**	–
87,39,685 Zero Coupon Non Convertible Debentures of ₹ 100 each (Refer Note 29)				
Other Loan and Advances				
Interest Free Loan (Unsecured)	**–**	8,682.69	**–**	–
Total :	**224,769.27**	196,425.03	**40,457.23**	30,426.05
Amount disclosed under the head "Other Current Liabilities" (Refer Note 7)	**–**	–	**(40,457.23)**	(30,426.05)
Total :	**224,769.27**	196,425.03	**–**	–

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

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

(i) Personal Guarantees of Promoter Directors of the Company.

(ii) Pledge of equity shares of the Company held by the promoters.

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

(i) term loan and working capital term loan aggregating ₹ 135,450.69 lacs at base rate of individual lenders plus spread, where spread is computed as difference between 11.75% p.a. and base rate of the individual lenders as on 16th June 2012.

(ii) funded interest term loan aggregating ₹17,419.84 lacs at base rate of lead banker (UCO Bank).

(iii) Viability Gap Term Loan (VGTL) aggregating to ₹ 100,647.45 lacs at 30 bps over base rate of the leader bank.

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

Payment Terms	**34 structured quarterly installments starting from April 2016**	
Installments Due	**Number**	**(₹ in lacs)**
(i) Overdue	–	13,243.50
(ii) Within 1 year	4	25,042.15
(iii) One year to three year	8	54,671.03
(iv) Three year to five year	8	65,293.91
(v) More than five year	14	95,267.39
	34	**253,517.98**

2) Rupee Term Loan from a Financial Institution aggregating ₹ 2,171.58 lacs carry interest in the range of 14.50% - 15% p.a. and is for repayment. The loan is secured personal guarantees of certain promoter directors and 100% shares of its subsidiary company.

3) Unsecured loan from bodies corporate has been received from a promoter group company as per the CDR scheme.

Notes to financial statements for the year ended March 31, 2016 *(Contd.)*

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

Particulars	Principal (₹ in lacs)	Interest (₹ in lacs)
In respect of Banks		
- Less than 1 year	10,414.44	11,000.90
- More than 1 year	2,362.07	3,549.43
Total Banks	12,776.51	14,550.33
In respect of Financial Institutions		
- Less than 1 year	376.08	1,023.40
- More than 1 year	2,262.50	1,131.88
Total FIs	2,638.58	2,155.28

Note 6 : Short Term Borrowings **(₹ in lacs)**

	As at March 31, 2016	As at March 31, 2015
Loan Repayable on Demand		
- Cash Credit from Banks	**76,227.88**	71,023.23
From Bodies Corporate (Unsecured)	**15.00**	179.81
Total :	**76,242.88**	71,203.04

Cash Credit facilities from banks are secured by pari-passu 1st charge over the entire current assets (both present and future) and 2nd charge over the entire fixed assets (both present and future) of the Company's units at Ranigunge and Durgapur in the state of West Bengal and Durg in the state of Chattisgarh.
The above facilities are further secured as follows.
(i) Personal Guarantees of Promoter Directors of the Company.
(ii) Pledge of equity shares of the Company held by the promoters

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

	As at March 31, 2016	As at March 31, 2015
Trade Payables		
-Raw materials & Others [including acceptances of ₹ 11,394.92 lacs (₹ 16,458.52 lacs)]	**77,459.38**	89,057.60
	77,459.38	89,057.60
Current Maturities of Long Term Borrowings (Refer Note 5)	**40,457.23**	30,426.05
Capital Creditors	**2,280.68**	3,116.74
Interest Accrued and due on Borrowings	**19,188.95**	8,096.67
Advance from Customer	**5,593.43**	4,501.02
Temporary Book Overdraft	**249.30**	917.28
Investor Education and Protection Fund will be credited by the following amounts (as and when due)		
- Unclaimed Dividend	**1.17**	1.71
- Unclaimed Fractional Share Liabilities	**0.16**	0.16
Others		
- Statutory Dues Payable	**7,698.17**	8,248.92
- Excise Duty payable on Closing Stock	**684.36**	507.65
- Interest Others	**7,838.02**	1,429.39
- Security Deposit	**1.60**	1.60
- Due to Employees	**951.25**	924.79
- Other Miscellaneous	**111.27**	76.54
	85,055.59	58,248.52
	162,514.97	147,306.12

Notes to financial statements for the year ended March 31, 2016 *(Contd.)*

Note 8 : Short Term Provisions **(₹ in lacs)**

	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits :		
Gratuity (Refer Note 34)	**692.68**	459.16
Leave Salary	**113.40**	120.45
Other Provision :		
Provision for Wealth Tax	**–**	0.45
Total :	**806.08**	580.06

Note 9 : Tangible Assets **(₹ in lacs)**

Description	Gross Block				Depreciation / Amortisation					Net Block	
	As at March 31, 2015	Additions	Deductions	As at March 31, 2016	Up to March 31, 2015	Depreciation in respect of assets whose useful life is over	For the period	Deductions	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Freehold Land	4,175.66	-	-	4,175.66	-	-	-	-	-	4,175.66	4,175.66
Leasehold Land	707.57	-	-	707.57	145.97	-	9.53	-	155.50	552.07	561.60
Factory Buildings	40,491.16	-	34.68	40,456.48	7,073.35	-	1,205.15	-	8,278.50	32,177.98	33,417.81
Railway Siding	4,354.18	-	-	4,354.18	1,484.48	-	319.85	-	1,804.33	2,549.85	2,869.70
Plant and Machinery	173,730.56	444.15	66.26	174,108.45	58,602.97	-	7,084.01	33.42	65,653.56	108,454.89	115,127.59
Electrical Installations	24,401.58	-	-	24,401.58	10,750.72	-	2,929.90	-	13,680.62	10,720.96	13,650.86
Furniture & Fixtures	124.22	0.23	11.81	112.64	79.29	-	7.17	5.16	81.30	31.34	44.93
Office Equipments	919.49	63.19	9.80	972.88	804.45	-	49.84	6.66	847.63	125.25	115.04
Vehicles	190.82	-	-	190.82	128.95	-	14.90	-	143.85	46.97	61.87
Total	**249,095.24**	**507.57**	**122.55**	**249,480.26**	**79,070.18**	-	**11,620.35**	**45.24**	**90,645.29**	**158,834.97**	170,025.06
Previous Year's Total	248,462.10	716.25	83.11	249,095.24	64,898.26	1,569.28	12,615.68	13.04	79,070.18	170,025.06	–

Note 10 : Capital Work-in-Progress and Pre-Operative Expenditure Pending Allocation **(₹ in lacs)**

		As at March 31, 2016	As at March 31, 2015
A. Capital Work-in-Progress			
Buildings		**1,218.07**	1,216.22
Railway Siding		**359.01**	359.01
Plant and Machinery*		**397.22**	546.56
Electrical Installations		**379.17**	385.32
Land		**5,274.77**	5,274.77
	Sub Total	**7,628.24**	7,781.88
Less : Transferred to Fixed Assets		**14.32**	502.84
	Total A :	**7,613.92**	7,279.04

Notes to financial statements for the year ended March 31, 2016 *(Contd.)*

Note 10 : Capital Work-in-Progress and Pre-Operative Expenditure Pending Allocation *(Contd.)* **(₹ in lacs)**

	As at March 31, 2016	As at March 31, 2015
B Pre-operative Expenditure Pending Allocation		
Opening Balance	**3,890.78**	3,877.34
Additions		
Salaries, Wages and Bonus	**0.18**	–
Rent and Hire	**–**	0.49
Rates and Taxes	**0.02**	–
Travelling and Conveyance	**3.50**	3.81
Legal and Professional Charges	**0.50**	–
Miscellaneous Expenses	**9.47**	9.14
	3,904.45	3,890.78
Less : Transferred to Fixed Assets	**–**	–
Total B :	**3,904.45**	3,890.78
Grand Total (A+B)	**11,518.37**	11,169.82

*Plant & Machinery includes ₹ 325.00 Lacs mould lying in transit

Note 11 : Non Current Investments **(₹ in lacs)**

	Number of shares	Face Value Per Share	As at March 31, 2016	As at March 31, 2015
(Valued at cost unless otherwise stated)				
Trade Investment				
Unquoted, Fully Paid up Investment in Equity Shares				
In Subsidiary Companies				
Nilachal Iron and Power Limited	**34,948,727**	**10**	**7,709.46**	7,709.46
Jai Balaji Energy (Purulia) Limited	**50,000**	**10**	**5.00**	5.00
Jai Balaji Steels (Purulia) Limited	**50,000**	**10**	**5.00**	5.00
In Joint Venture Companies				
Andal East Coal Company Private Limited	**319,290**	**10**	**134.79**	134.79
Rohne Coal Company Private Limited	**69,000**	**10**	**6.90**	6.90
Investment in Preference Shares				
In a Joint Venture Company				
1% Redeemable Preference Shares of Rohne Coal Company Private Limited	**2,363,914**	**10**	**236.39**	230.21
			8,097.54	8,091.36
Non Trade Investment				
Unquoted, Fully Paid up				
Investment in Equity Shares				
Calcutta Stock Exchange Limited [At cost less provision for other than temporary diminution ₹ 100.89 lacs (₹ 100.89 lacs)]	**6,726**	**1**	**33.63**	33.63
In Government Securities				
National Saving Certificate (Deposited with Third Parties)			**5.62**	4.12
Total:			**39.25**	37.75
			8,136.79	8,129.11
Aggregate Value of Investments				
- Quoted			**–**	–
- Unquoted			**8,237.68**	8,230.00
Aggregate provision for diminution in the value of Investments			**100.89**	100.89

Notes to financial statements for the year ended March 31, 2016 *(Contd.)*

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

	As at March 31, 2016	As at March 31, 2015
Deferred Tax Asset		
Unabsorbed Depreciation and carry forward Business Losses	**65,318.24**	49,798.92
Expenses Allowed On Payment Basis/Other Timing Differences	**891.84**	1,022.04
Sub Total (A)	**66,210.08**	50,820.97
Deferred Tax Liability		
Timing Difference on Depreciable assets	**20,220.48**	21,735.83
Sub Total (B)	**20,220.48**	21,735.83
Deferred Tax Assets / (Liabilities) (Net) (A-B)	**45,989.60**	29,085.14
Less : Deferred Tax Assets not recognised	**(16,904.46)**	–
Total	**29,085.14**	29,085.14
(Refer Note 31)		

Note 13 : Loans and Advances **(₹ in lacs)**

	Non Current		Current	
	As at March 31, 2016	As at March 31, 2015	**As at March 31, 2016**	As at March 31, 2015
(Unsecured, Considered Good)				
Capital Advances	**5,478.46**	5,637.66	**–**	–
Security Deposit	**949.73**	1,115.16	**531.12**	90.89
[Net of Provision for Doubtful Advances ₹ Nil (₹ 24.28 lacs)]				
Loans and advances to Related parties				
Loans to Body Corporate (Receivable on demand)*	**–**	–	**7,000.00**	7,000.00
Advances to a Subsidiary Company*	**–**	–	**381.64**	233.72
Advances to a Body Corporate *	**–**	–	**2,723.75**	1,713.28
Share Application Money to Joint Venture Company	**–**	–	**193.30**	189.71
	–	–	**10,298.69**	9,136.71
Advances recoverable in cash or kind				
Advances recoverable in cash or in kind or for value to be received	**–**	–	**16,036.09**	13,277.63
[Net of Provision for Doubtful Advances ₹ 764.38 lacs (₹ 810.70 lacs)]				
Other Loans and advances				
Balance with Excise and other Government Authorities	**–**	–	**2,052.97**	4,326.52
Advance income tax	**–**	–	**111.15**	218.14
Sales Tax and Other Refunds Receivable	**–**	199.78	**137.82**	187.00
Mat Credit Entitlement	**4,709.71**	4,709.71	**–**	–
	4,709.71	4,909.49	**2,301.94**	4,731.66
Total :	**11,137.90**	11,662.31	**29,167.84**	27,236.89

*(Refer Note 33)

Notes to financial statements for the year ended March 31, 2016 *(Contd.)*

Note 14 : Other Non Current Assets (₹ in lacs)

	As at March 31, 2016	As at March 31, 2015
Non Current bank balances (Refer Note 17)	**275.84**	41.50
Interest Receivable on Deposits	**174.92**	3.56
Total :	**450.76**	45.06

Note 15 : Inventories (₹ in lacs)

	As at March 31, 2016	As at March 31, 2015
Raw Materials	**35,322.63**	37,859.96
[Including in transit ₹ 5,899.40 lacs (₹ 3,440.55 lacs)]		
Stores and Spares	**3,831.86**	3,490.48
[Including in transit ₹ 158.01 lacs (₹ 41.51 lacs)]		
Work - in - Process	**527.98**	3,018.52
Finished Goods	**7,577.17**	4,320.08
By Products and Scrap	**856.93**	1,004.16
Total :	**48,116.57**	49,693.20

Note 16 : Trade Receivables (₹ in lacs)

		As at March 31, 2016	As at March 31, 2015
Outstanding for a period exceeding six month from the date they are due for payment			
Unsecured, considered good		**23,972.86**	25,177.14
Unsecured, considered doubtful		**1,488.85**	993.34
		25,461.71	26,170.48
Less: Provision for Doubtful Debts		**1,488.85**	993.34
	(A)	**23,972.86**	25,177.14
Other Debts			
Unsecured, considered good	**(B)**	**49,115.74**	51,139.09
Total :	**(A+B)**	**73,088.60**	76,316.23

Note 17 : Cash and Bank Balances (₹ in lacs)

	Non Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Cash and Cash equivalents				
Balance with Banks :-				
On Current Accounts	**–**	–	**199.20**	179.62
Deposits With Original Maturity of Less Than 3 Months	**–**	–	**13.51**	–
Cash on hand	**–**	–	**92.46**	49.29
Cheques in hand	**–**	–	**121.46**	1,287.69
Unclaimed Dividend Account	**–**	–	**1.17**	1.71
Unclaimed Fractional Share Balance	**–**	–	**0.16**	0.16
	–	–	**427.96**	1,518.47
Other Bank Balances				
Deposits with original maturity for more than 12 Months*	**275.84**	41.50	**0.00**	–
Deposits with original maturity for more than 3 Months but less than 12 months*	**–**	–	**1,054.03**	1,648.23
	275.84	41.50	**1,054.03**	1,648.23
Amount disclosed under the head "Other Non Current Assets" (Refer Note 14)	**(275.84)**	(41.50)	**–**	–
Total :	**–**	–	**1,481.99**	3,166.70

* including ₹ 1,329.87 lacs (₹ 1,689.73 lacs) pledged with banks and as margin money against borrowings/other facilities

Notes to financial statements for the year ended March 31, 2016 *(Contd.)*

Note 18 : Other Current Assets (₹ in lacs)

	As at March 31, 2016	As at March 31, 2015
Interest Receivable on Loans, Advances and Deposits	**10.48**	149.21
Subsidies and Incentives Receivable	**9,475.47**	10,754.49
Total :	**9,485.95**	10,903.70

Note 19 : Revenue from Operations (₹ in lacs)

	Current year ended March 31, 2016	Previous year ended March 31, 2015
Sales of products		
Finished Goods	**125,278.27**	153,121.81
By Products and Scraps	**3,906.66**	2,909.24
Raw Materials	**2,020.61**	1,460.59
Other Operating Revenue		
Conversion Charges	**11.01**	86.34
Subsidy on Sales Tax/Value Added Tax	**1,723.20**	1,357.96
Export Incentives	**0.95**	19.29
Revenue from Operations (Gross)	**132,940.70**	158,955.23
Less: Excise Duty	**11,683.70**	11,180.78
Revenue from Operations (Net)	**121,257.00**	147,774.45

Sale of finished goods comprise* : (₹ in lacs)

	Current year ended March 31, 2016	Previous year ended March 31, 2015
Sponge Iron	**20,164.47**	16,597.42
Pig Iron	**35,475.75**	39,284.90
Steel Bars/Rods	**16,552.64**	21,480.44
Billet/MS Ingots	**20,399.58**	13,489.16
Ferro Alloys	**8,104.65**	13,691.74
Ductile Iron Pipe	**23,744.04**	22,932.66
Power	**–**	386.59
Coke/Coal	**837.14**	306.58
M.S. Billet/TMT	**–**	24,952.32
Total:	**125,278.27**	153,121.81

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

Note 20 : Other Income (₹ in lacs)

	Current year ended March 31, 2016	Previous year ended March 31, 2015
Interest on :		
(a) Fixed Deposits with Banks [Gross, Tax deducted at source ₹ 13.66 lacs (₹ 17.18 lacs)]	**128.53**	202.37
(b) Loans and Advances [Gross, Tax deducted at source ₹ 42.46 lacs (₹ 28.62 lacs)]	**1,422.36**	1,485.57
(c) Refund from Income Tax Department	**–**	8.18
Dividend from long term Investments (other than trade)	**1.35**	1.35
Insurance Claims	**2.89**	69.87
Liabilities no longer required written back	**21.26**	407.98
Bad Debt Recovery	**–**	7.43
Gain on Foreign Exchange Fluctuations (Net)	**–**	1,285.31
Miscellaneous Income	**12.42**	3.56
Total :	**1,588.81**	3,471.62

Notes to financial statements for the year ended March 31, 2016 *(Contd.)*

Note 21 : Cost of Materials Consumed **(₹ in lacs)**

	Current year ended March 31, 2016	Previous year ended March 31, 2015
Opening Stock	**37,859.96**	36,464.06
Purchases	**102,968.45**	92,672.15
	140,828.41	129,136.21
Less: Closing Stock	**35,322.63**	37,859.96
Raw Materials Consumed	**105,505.78**	91,276.25

Consumption of Raw Material : **(₹ in lacs)**

	Current year ended March 31, 2016	Previous year ended March 31, 2015
Iron Ore/Pellets/Sinter	**31,822.31**	30,222.14
Manganese Ore	**3,451.07**	5,697.23
Sponge Iron	**4,358.15**	3,221.13
Billet/Ingot	**143.27**	350.35
Coke/Coal	**55,604.74**	46,291.77
Magnesium Metal	**346.92**	336.78
Pig Iron	**2,820.86**	466.62
Steel Scrap & Wastes	**2,410.98**	541.56
Ferro Alloys	**1,351.55**	730.46
Quartzite, Limestone and Dolomite	**3,195.93**	3,418.21
Total:	**105,505.78**	91,276.25

Purchase of Stock in Trade **(₹ in lacs)**

	Current year ended March 31, 2016	Previous year ended March 31, 2015
Coal (Import)	**–**	5.12
Coke	**160.53**	–
DI Fittings	**22.72**	–
M.S. Billet	**–**	24,801.15
Total :	**183.25**	24,806.27

Note 22 : Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade **(₹ in lacs)**

	Current year ended March 31, 2016	Previous year ended March 31, 2015
Opening Stocks :		
Work-in-Process	**3,018.51**	837.18
Finished Goods	**4,320.08**	8,476.87
By Products and Scrap	**1,004.16**	1,170.13
	8,342.75	10,484.18
Less:		
Closing Stocks :		
Work-in-Process	**527.98**	3,018.51
Finished Goods	**7,577.17**	4,320.08
By Products and Scrap	**856.93**	1,004.16
	8,962.08	8,342.75
Net:	**(619.33)**	2,141.43
(Increase)/Decrease in excise duty and cess on stocks	**176.71**	(467.59)
Total :	**(442.62)**	1,673.84

Notes to financial statements for the year ended March 31, 2016 *(Contd.)*

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

Stock of finished goods comprises : **(₹ in lacs)**

	Current year ended March 31, 2016	Previous year ended March 31, 2015
Opening Stock :		
Sponge Iron	**116.76**	1147.71
Pig Iron	**2,542.77**	4,060.05
Steel Bars/Rods	**67.41**	399.77
Billet/MS Ingots	**132.77**	1,071.99
Ferro Alloys	**288.46**	227.50
Ductile Iron Pipe	**614.93**	717.16
Coke	**556.99**	852.69
Total :	**4,320.08**	8,476.87
Closing Stock :		
Sponge Iron	**793.27**	116.76
Pig Iron	**1,686.30**	2,542.77
Steel Bars/Rods	**321.92**	67.41
Billet/MS Ingot	**160.88**	132.77
Ferro Alloys	**160.23**	288.46
Ductile Iron Pipe	**1,634.57**	614.93
Coke	**2,820.00**	556.99
Total :	**7,577.17**	4,320.08

Note 23 : Employee Benefits Expense **(₹ in lacs)**

	Current year ended March 31, 2016	Previous year ended March 31, 2015
Salaries, Wages, Bonus & Other Benefits	**4,538.03**	4,517.46
Contribution to Provident Fund & other fund	**454.03**	342.29
Staff Welfare Expenses	**207.48**	202.24
Directors remuneration	**9.02**	9.00
Total :	**5,208.56**	5,070.99

Note 24 : Finance Costs **(₹ in lacs)**

	Current year ended March 31, 2016	Previous year ended March 31, 2015
Interest Expenses		
On Term loans	**27,732.62**	23,491.99
On Others	**11,962.39**	12,530.60
Finance charges	**1,682.17**	1,477.29
Total :	**41,377.18**	37,499.88

Notes to financial statements for the year ended March 31, 2016 *(Contd.)*

Note 25 : Other Expenses

(₹ in lacs)

		Current year ended March 31, 2016		Previous year ended March 31, 2015
Consumption of Stores and Spares		**7,398.00**		6,627.62
Labour Charges		**4,876.53**		5,409.62
Power and Fuel		**6,078.27**		8,080.70
Repairs and Maintenance:				
- Plant and Machinery		**508.05**		816.13
- Buildings		**81.79**		78.98
- Others		**344.41**		296.69
Water Charges		**407.22**		356.76
Equipment Hire Charges		**2,017.78**		2,157.37
Shifting Expenses		**235.61**		377.38
Freight and Transportation		**1,088.00**		700.94
Rent and Hire		**40.57**		65.46
Rates and Taxes		**178.19**		97.96
Insurance		**129.37**		143.42
Advertisement		**60.59**		36.97
Brokerage and Commission (Other than Sole Selling Agents)		**86.66**		403.86
Travelling and Conveyance		**331.68**		350.02
Telephone and Postage		**71.74**		76.15
Legal and Professional Charges (Refer Note 40)		**284.58**		280.08
Directors' Fees		**2.90**		1.01
Provision for Doubtful Debts and Advances		**495.51**		–
Irrecoverable Debts and Advances Written off	**5.73**		15.89	
Less: Adjusted against Provisions	**–**	**5.73**	–	15.89
Loss on Foreign Exchange Fluctuations (Net)		**191.62**		–
Charity and Donations		**9.29**		11.98
Security and Service Charges		**496.79**		571.52
Loss on Sale of Fixed Assets		**0.04**		7.67
Miscellaneous Expenses		**314.24**		217.27
Prior period expenses (Net)		**270.57**		(184.30)
Total :		**26,005.73**		26,997.15

Notes to financial statements for the year ended March 31, 2016 *(Contd.)*

26. Contingent liabilities not provided for: **(₹ in lacs)**

	As at March 31, 2016	As at March 31, 2015
a) Claims against the Company not acknowledged as debts		
i) Excise and Service Tax Demands under dispute/appeal	**25,131.24**	13,833.11
ii) Sales Tax/VAT matters under dispute/appeal	**2,432.85**	2,129.49
iii) Income Tax matters under dispute/appeal	**6.85**	6.85
b) Letters of Credit, Bills discounted and Bank Guarantees outstanding	**11,050.00**	19,843.00
c) Custom Duty on Import of Equipment and spare parts under EPCG Scheme	**4,198.00**	3,929.72
d) Guarantees and Counter guarantees given by the Company for loans obtained by Subsidiary/other companies	**3,415.00**	5,045.00
e) Guarantees given for Joint Venture Companies	**–**	1,412.46
27. Estimated amount of contracts remaining to be executed on Capital Account and not provided for [Net of Advances ₹ Nil lacs (₹ 5,705.73 lacs)]	**43.00**	1,245.05

28 In respect of an electricity supply matter where the Electricity Supplier has demanded enhanced charges, the matter was challenged by the Company at the Appellate Tribunal for Electricity ("the tribunal"). The Tribunal vide its order dated May 10, 2010 dismissed the appeal of the Supplier and directed to implement the tariff as determined by the Central Electricity Regulatory Commission vide its Order dated August 6, 2009. The Supplier has preferred an appeal with Hon'ble Supreme Court, pending finalisation of the outcome of the matter, the liabilities for the electricity charges are accounted for based on provisional bills provided by the Supplier.

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

30 The Company had applied for restructuring of its debts, under the Corporate Debt Restructuring (CDR) mechanism. The CDR Empowered Group approved the restructuring on 24th August, 2012 and the CDR Cell issued the Letter of Approval (LOA) on 20th September, 2012. The Master Restructuring Agreement (MRA) incorporating the terms of the LOA was signed with the lenders on 28th September, 2012 supplementary MRA was executed on 18.01.2013. The Company has also created security as per the Master Restructuring Agreement.

31 The Company has been incurring losses due to unfavourable market conditions and other adverse industry scenario from past few years. The accumulated losses of the Company as at 31st March, 2016 stands at ₹ 163,222.21 lacs. The Company has already made reference with the Board for Industrial & Financial Reconstruction (BIFR) in terms of the provisions of Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) and the said reference has also been registered with BIFR.The management is in the process of restructuring the operations including rationalizing the costs.The management believes that these measures may result in sustainable cash flows and accordingly, the company continues to prepare its accounts on a ''Going Concern'' basis and has not written off Deferred tax Assets amountng to ₹ 29,085.14 lacs provided upto 31st March, 2015.

32 During the year, the Company has accounted for the following subsidies /incentives receivable from the Government of West Bengal under West Bengal Incentive Scheme aggregating to ₹ 1,723.20 lacs (₹ 1,357.96 lacs):

(₹ in lacs)

Sl. No.	Particulars	Account to which credited	Current year ended March 31, 2016	Previous year ended March 31, 2015
a)	Industrial Promotion Assistance	Subsidy on Sales Tax / Value Added Tax under Sales & Service	**1,723.20**	1,357.96

Notes to financial statements for the year ended March 31, 2016 *(Contd.)*

33 Loans and Advances includes the following balances

(₹ in lacs)

Name of the Company	As at March 31, 2016	Maximum Amount due at any time during year ended March 31, 2016	As at March 31, 2015	Maximum Amount due at any time during year ended March 31, 2015
In terms of Regulation 34(3) of the SEBI (LODR) Regulations, 2015				
Jai Balaji Jyoti Steels Ltd.	**9,723.75**	**9,723.75**	8,713.28	8,713.28
Subsidiary Company				
Nilachal Iron and Power Limited	**381.64**	**393.45**	233.72	233.72

34 **Gratuity**

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

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

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

Particulars	Current year ended March 31, 2016	Previous year ended March 31, 2015
Current service cost	**124.62**	120.03
Interest cost on benefit obligation	**56.10**	59.32
Expected return on plan assets	**(23.40)**	(27.84)
Net actuarial loss/(gain) recognised in the year	**76.21**	(5.44)
Past Service cost	**–**	–
Total Expenses	**233.52**	(146.07)

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

Particulars	As at March 31, 2016	As at March 31, 2015
Present value of Defined Benefits Obligation	**949.73**	746.75
Fair value of plan assets	**257.05**	287.59
	692.68	459.16
Less: Unrecognised past service cost	**–**	–
Total Expenses	**692.68**	459.16

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

Particulars	As at March 31, 2016	As at March 31, 2015
Present Value of Defined Benefit Obligation at the beginning of the year	**746.75**	707.27
Current Service Cost	**124.62**	120.03
Interest Cost	**56.10**	59.32
Benefits Paid	**(55.11)**	(131.90)
Actuarial Loss/(Gain)	**77.38**	(7.97)
Plan Amendments	**–**	–
Present Value of Defined Benefits Obligation at the year end	**949.73**	746.75

Notes to financial statements for the year ended March 31, 2016 *(Contd.)*

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

Particulars	As at March 31, 2016	As at March 31, 2015
Fair Value of Plan Assets at the beginning of the year	**287.59**	356.40
Expected Return	**23.40**	27.84
Contribution by Employer	**--**	37.37
Benefits paid	**(55.11)**	(131.91)
Actuarial Gains/(Losses)	**1.16**	(2.52)
Fair Value of Plan Assets at the year end	**257.05**	287.59

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

Particulars	As at March 31, 2016	As at March 31, 2015
Investment with the insurer	**100%**	100%

VI. The principal assumptions used in determining gratuity obligations for the Company's plans are shown below. **(₹ in lacs)**

Particulars	Current year ended March 31, 2016	Previous year ended March 31, 2015
Discount Rate	**7.90%**	7.80%
Expected Rate of return on assets	**9.00%**	9.00%
Rate of increase in salaries	**10.00%**	10.00%
Mortality Table	Indian Assured Life Mortality (2006-08) (modified) Ultimate	Indian Assured Life Mortality (2006-08) (modified) Ultimate

VII. Amounts for the current and previous years are as follows: **(₹ in lacs)**

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Defined benefit obligation	**(949.73)**	(746.75)	(707.27)	(858.87)	(623.55)
Plan Assets	**257.05**	287.59	356.40	330.23	304.79
Funded Status	**(692.68)**	(459.16)	(350.87)	(528.64)	(318.76)
Experience Gain/(Loss) Adjustments on plan liabilities	**(89.43)**	131.70	233.73	(13.21)	111.23
Experience Gain/(Loss) Adjustments on plan assets	**(1.16)**	(2.52)	(0.80)	0.86	0.31
Experience Gain/(Loss) due to change on assumptions	**12.05**	(123.73)	101.25	(44.73)	34.94

(₹ in lacs)

Particulars	Current year ended March 31, 2016	Previous year ended March 31, 2015
Contribution to Provident Fund and other Funds	**634.36**	550.19

Notes to financial statements for the year ended March 31, 2016 *(Contd.)*

Note:

i) The Company expects to contribute ₹ 692.68 lacs (₹ 459.16 lacs) to Gratuity Fund in 2016-17.

ii) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the Actuary.

iii) The management has relied on the overall actuarial valuation conducted by the actuary.

35. Based on the information available with the Company, the amounts due to Micro and Small Enterprises as per MSMED Act, 2006 are as follows :

(₹ in lacs)

Sl No.	Particulars	Current year ended March 31, 2016	Previous year ended March 31, 2015
a)	Principal Amount remaining unpaid to the suppliers as at the end of the period	–	–
b)	Interest due on above remaining unpaid to the suppliers as at the end of the period	–	–
c)	Amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006	–	–
d)	Amount of interest due and payable for the period of delay in making payment (which have been paid beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	–	–
e)	Amount of interest accrued and remaining unpaid at the end of each accounting year; and	–	–
f)	Amount of further interest remaining due and payable even in the succeeding years.	–	–

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

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

Particulars	Foreign Currency (FC)	As at March 31, 2016		As at March 31, 2015	
		in FC	₹ in lacs	in FC	₹ in lacs
Receivables					
(a) Trade Receivables	US$	–	–	32,403	20.28
(b) Advances	US$	60,347	38.12	59,777	36.10
	Euro	74,050	55.61	111,472	75.19
Total			93.73		131.57
Payables					
(a) Trade Payables	US$	641,005	425.20	329,051	205.96
	Euro	21,840	16.40	21,840	14.75
(b) Advances	US$	–	–	–	–
	Euro	–	–	–	–
Total			441.60		220.71

Notes to financial statements for the year ended March 31, 2016 *(Contd.)*

38. Basic and diluted earnings per share :

Sl No.	Particulars		Current year ended March 31, 2016	Previous year ended March 31, 2015
A	Profit/(Loss) after Tax	₹ in lacs	**(66,612.42)**	(38,637.27)
B	Number of shares at the beginning of the year	Nos.	**73,781,486**	67,276,486
C	Total equity shares outstanding at the end of the year	Nos.	**77,781,486**	73,781,486
D	Weighted average number of equity shares outstanding at the end of the year	Nos.	**73,803,344**	72,747,815
E	Nominal Value of each Share	₹	**10.00**	10.00
F	Basic Earning per Share	₹	**(90.26)**	(53.11)
G	Diluted Earning per Share	₹	**(90.26)**	(53.11)

39. **Related Party Disclosures**

a.	Name of Related Parties :	
	Subsidiary Companies	Nilachal Iron & Power Limited (NIPL) Jai Balaji Steels (Purulia) Limited (JBSPL) Jai Balaji Energy (Purulia) Limited (JBEPL)
	Joint Venture Companies	Rohne Coal Company Private Limited (RCCPL) Andal East Coal Company Private Limited (AECCPL)
	Key Management Personnel	Mr. Aditya Jajodia, Chairman and Managing Director Mr. Sanjiv Jajodia, Wholetime Director and Chief Financial Officer Mr. Ajay Kumar Tantia, Company Secretary
	Relatives of Key Management Personnel	Mr. Rajiv Jajodia, Brother of Wholetime Director Mr. Gourav Jajodia, Nephew of Wholetime Director
	Enterprises owned or significantly influenced by key management personnel or their relatives	Chandi Steel Industries Limited (CSIL) Jai Balaji Jyoti Steels Limited (JBJSL) Jai Salasar Balaji Industries Private Limited (JSBIPL) Balaji Ispat Udyog (BIU) Enfield Suppliers Limited (ESL) Shri Sankatmochan Steel Private Limited (SSSPL) Shri Jaikapish Steel Private Limited (SJSPL) Hari Management Limited (HML) Jajodia Estate Private Limited (JEPL)

Notes to financial statements for the year ended March 31, 2016 *(Contd.)*

b. Related Party Transactions:

(₹ in lacs)

Relationship	Party	Sales	Purchases	Rent paid	Interest Received	Interest Paid	Director fee	Gross Salary & Perquisites	Share Application Advance	Non Convertible Debentures (Unsecured)	Investment in Equity/Preference Shares	Money Received against Share Warrants	Allotment of Equity Shares Warrants	Loan Taken	Balance Receivable	Balance Payable	Guarantees Obtained	Corporate Guarantee Given
Subsidiaries	NIPL	-	**9.99**	-	-	-	-	–	-	-	-	-	-	-	**381.64**	-	-	**2,515.00**
		-	(763.07)	-	-	-	-	–	-	-	-	-	-	-	(233.72)	-	-	(2,515.00)
Joint Venture	RCCPL	-	-	-	-	-	-	-	**9.16**	-	**6.18**	-	-	-	-	-	-	-
		-	-	-	-	-	-	–	(23.03)	-	(32.01)	-	-	-	-	-	-	(898.38)
	AECCPL	-	-	-	-	-	-	–	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(514.08)
Key Management Personnel	Aditya Jajodia	-	-	-	-	-	-	–	-	-	-	-	-	-	-	-	**384,357.00**	-
		-	-	-	-	-	-	–	-	-	-	-	-	-	-	-	(384,357.00)	-
	Sanjiv Jajodia	-	-	-	-	-	-	–	-	-	-	-	-	-	-	-	**384,357.00**	-
		-	-	-	-	-	-	–	-	-	-	-	-	-	-	-	(384,357.00)	-
	Ajay Kumar Tantia	-	-	-	-	-	-	**20.13**	-	-	-	–	-	-	-	-	-	-
		-	-	-	-	-	-	(20.13)	-	-	-	–	-	-	-	-	-	-
Relatives of Key Management Personnel	Rajiv Jajodia	-	-	-	-	-	**0.35**	-	-	-	-	–	-	-	-	-	**384,357.00**	-
		-	-	-	-	-	(0.20)	-	-	-	-	–	-	-	-	-	(384,357.00)	-
	Gaurav Jajodia	-	-	-	-	-	**0.35**	-	-	-	-	-	-	-	-	-	**384,357.00**	-
		-	-	-	-	-	(0.20)	-	-	-	-	-	-	-	-	-	(384,357.00)	-
Enterprises owned or significantly influenced by key management personnel or their relatives	CSIL	**7.11**	**146.28**	-	**249.48**	-	-	-	-	-	-	-	-	-	**1,613.78**	-	-	**900.00**
		(84.47)	(504.62)	-	(275.35)	-	-	-	-	-	-	-	-	-	(2,122.63)	-	-	(2,530.00)
	JBJSL	**160.20**	**3,540.70**	-	**1,165.80**	-	-	-	-	-	-	-	-	-	**9,723.75**	-	-	-
		(360.43)	(356.87)	-	(1,057.30)	-	-	-	-	-	-	-	-	(323.00)	(8,390.28)	-	-	-
	JSBIPL	**459.71**	**363.89**	-	-	-	-	–	-	-	-	-	-	-	**925.85**	-	-	-
		(404.75)	(21.47)	-	-	-	-	–	-	-	-	-	-	-	(1,100.05)	-	-	-
	JSPL	-	–	-	-	-	-	-	-	-	-	**306.25**	**200.00**	-	-	-	-	-
		-	–	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SSSPL	-	–	-	-	-	-	-	-	-	-	**306.25**	**200.00**	-	-	-	-	-
		-	–	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BIU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	(7.12)	-	-	-	-	-	-	-	-	-	-	-	-	(1.62)	-	-
	JEPL	-	-	**0.79**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	(0.73)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	ESL	-	-	-	-	**67.28**	–	–	-	-	-	-	-	-	-	**645.57**	-	-
		-	-	-	-	(60.97)	–	–	-	-	-	-	-	-	-	(585.02)	-	-
	HML	-	-	-	-	**40.07**	–	–	-	**8,739.69**	-	-	-	**380.00**	-	**384.53**	-	-
Total		-	-	-	-	(36.31)	–	–	-	-	-	-	(650.50)	(5,139.69)	-	(8,708.15)	-	-
		627.02	**4,060.86**	**0.79**	**1,415.28**	**107.35**	**0.70**	**20.13**	**9.16**	**8,739.69**	**6.18**	**612.50**	**400.00**	**380.00**	**12,645.02**	**1,030.10**	**384,357.00**	**3,415.00**
		(849.65)	(1,653.15)	(0.73)	(1,332.65)	(97.28)	(0.40)	(20.13)	(23.03)	-	(32.01)	-	(650.50)	(5,462.69)	(11,846.68)	(9,294.79)	(384,357.00)	(6,457.46)

Notes to financial statements for the year ended March 31, 2016 *(Contd.)*

40. Auditors Remuneration (included in Legal and Professional Charges) **(₹ in lacs)**

Payment to Auditor	**Current year ended March 31, 2016**		Previous year ended March 31, 2015	
As auditor :				
Audit fee	**3.50**		3.50	
Limited Review	**7.50**		8.50	
Tax Audit	**0.75**		0.75	
Out-of-pocket expenses	**–**	**11.75**	–	12.75
In other manner for Certification		**0.34**		0.36
Total		**12.09**		13.11

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

41. (a) Interest in Joint Venture

The Company has interest in following Joint Venture Companies which are in the process of setting up coal mining facilities at respective Coal blocks which they have been allotted.

Name of the Joint Venture Company	**Andal East Coal Company Pvt. Ltd.***		**Rohne Coal Company Pvt Ltd.**	
	2015-16	2014-15	**2015-16**	2014-15
Company's share in Joint Venture	**32.79%**	32.79%	**6.90%**	6.90%
Country of Incorporation	**India**	India	**India**	India

(₹ in lacs)

Proportionate share of the Company in the Joint Venture*

Particulars	**Rohne Coal Company Pvt Ltd**	
	2015-16	2014-15
Current Assets	**225.18**	0.18
Non Current Assets	**307.45**	307.46
Current Liabilities	**389.54**	283.99
Non Current Liabilities	**-**	-
Revenue	**-**	-
Other Expenses	**40.34**	57.67
Profit/(Loss) before tax	**(40.34)**	(57.67)
Contingent liabilities capital expenditure commitments and of the joint venture are disclosed in Note 26 & 27.		

***Apart from the above the Company has interest in one more Joint Venture Entity, namely, M/s Andal East Coal Company Pvt Ltd, in which the Company is holding 32.79% equity shares. The same has been reported under note no. 11 (Investment in Joint Venture Companies). However the Company believes that it is inappropriate to follow the principle of proportionate consolidation of assets and liabilities to the extent of Company's Interest in the said Joint Venture Company pursuant to Accounting Standard 27.**

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

Notes to financial statements for the year ended March 31, 2016 *(Contd.)*

42. Details of the Equity Shares pledged by the promoter or persons forming part of the promoter group ('Promoter Group') of the Company as on the balance sheet date:

	As at March 31, 2016	As at March 31, 2015
Total Number of Equity shares held by the promoter group	**47,263,195**	43,263,195
Total Number of Equity shares pledged by the promoter group	**30,782,233**	30,782,233
Percentage of total shares pledged to total shareholding of the promoter group	**65.13%**	71.15%
Percentage of total shares pledged to total outstanding shares of the Company	**39.58%**	41.72%

43. Value of Consumption of Imported and Indigenous raw materials and components, spare parts etc.

Consumption	**Raw Materials**		**Components, Spare Parts etc**	
	₹ in lacs	**% of total Consumption**	**₹ in lacs**	**% of total Consumption**
Imported	**46,013.44**	**43.61**	**776.90**	**10.50**
	(17,860.37)	(19.57)	(601.70)	(9.08)
Indigenous	**59,492.34**	**56.39**	**6,621.10**	**89.50**
	(73,415.88)	(80.43)	(6,025.92)	(90.92)
Total	**105,505.78**	**100.00**	**7,398.00**	**100.00**
	(91,276.25)	(100.00)	(6,627.62)	(100.00)

44. Value of Imports (calculated on CIF basis)

(₹ in lacs)

Particulars	**Current year ended March 31, 2016**	Previous year ended March 31, 2015
Raw Materials	**27,992.90**	11,147.69
Components & Spare Parts	**648.74**	503.16
Capital Goods	**615.82**	154.20
Total	**29,257.46**	11,805.05

45. Expenditure in Foreign Currency (on accrual basis)

(₹ in lacs)

Particulars	**Current year ended March 31, 2016**	Previous year ended March 31, 2015
Professional Consultation Fees	**0.49**	–
Interest	**–**	–
Others	**–**	0.15
Total	**0.49**	0.15

46. Earnings in Foreign Currency (on accrual basis)

(₹ in lacs)

Particulars	**Current year ended March 31, 2016**	Previous year ended March 31, 2015
Exports at FOB Value	**37.38**	282.81

Notes to financial statements for the year ended March 31, 2016 *(Contd.)*

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

	Current year ended March 31, 2016	Previous year ended March 31, 2015
i) Financial Year to which the dividend relates	**2014-15**	2013-14
ii) No. of non-resident shareholders	**117**	128
iii) No. of Shares held	**10,974,124**	11,878,146
iv) Amount remitted as dividend (₹ in lacs)*	**Nil**	Nil

*No dividend was declared for the financial year 2014-15 and 2013-14

48. Figures in brackets represent previous financial year's figures, which have been rearranged / regrouped wherever necessary to conform to this year's classification.

As per our report of even date

For and on behalf of the Board of Directors

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

Aditya Jajodia
Chairman & Managing Director
DIN : 00045114

Sanjiv Jajodia
Wholetime Director & Chief Financial Officer
DIN : 00036339

Rajiv Jajodia
Director
DIN : 00045192

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

Ajay Kumar Tantia
Company Secretary

Place : Kolkata
Date : 30th May, 2016

INDEPENDENT AUDITORS' REPORT

To The Members of **JAI BALAJI INDUSTRIES LIMITED**

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **JAI BALAJI INDUSTRIES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group") and jointly controlled entity comprising of the Consolidated Balance Sheet as at 31st March 2016, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and jointly controlled entity as at 31st March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

MATTER OF EMPHASIS PARAGRAPH

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

Note- 31 in the Notes to the financial statements which indicate that the company has been incurring losses and its net worth is fully eroded, however, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said note and accordingly the Deferred Tax Asset created upto 31st March 2015 has been carried forward.

Note- 41(b) in the Notes to the financial statements which indicate that coal blocks allotted to its joint venture companies have been cancelled pursuant to the order of the Hon'ble Supreme Court. Pending finalization of the compensation receivable for the cancelled mines, no adjustments in the book value of Investments made in mining assets has been made.

Independent Auditors' Report *(Contd.)*

Our opinion is not qualified in respect of this matter.

Other Matters

We did not audit the financial statements of two subsidiaries and one jointly controlled entity, whose financial statements reflect total assets of Rs. 538.02 lacs as at 31st March 2016, total revenue of Rs. Nil and net cash outflows amounting to Rs. 0.22 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management of Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled entity incorporated in India, none of the directors of the Group companies and jointly controlled entity incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in 'Annexure A', which is based on the Auditors' Report of the Company, its subsidiary companies and the jointly controlled entity. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company, its subsidiary companies and the jointly controlled entity';

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entity - Refer Note. 26 & 28 to the consolidated financial statements;

   ii. The Group and jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and jointly controlled entity incorporated in India.

For, **S. K. AGRAWAL & CO.**
Chartered Accountants
Firms Registration No-306033E
Sd/-
(J. K. Choudhury)
Partner
Membership No: 009367

Place : Kolkata
Dated : 30th May, 2016

Annexure - A to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of M/s Jai Balaji Industries Limited ("the Company") and its subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group") and jointly controlled entity as at 31st March 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Annexure - A to the Independent Auditors' Report *(Contd.)*

Opinion

In our opinion, the Company, its subsidiary companies and the jointly controlled entity, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company, its subsidiary companies and the jointly controlled entity considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

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

For, **S. K. AGRAWAL & CO.**
Chartered Accountants
Firms Registration No-306033E
Sd/-
(J. K. Choudhury)
Partner
Membership No: 009367

Place : Kolkata
Dated : 30th May, 2016

Consolidated Balance Sheet as at March 31, 2016

(₹ in lacs)

	Notes	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	3	**7,777.76**	7,377.76
Reserves and Surplus	4	**(95,992.39)**	(27,012.02)
Money Received against Share Warrants		**465.13**	–
		(87,749.50)	(19,634.26)
Share Application Money pending allotment		**0.20**	71.44
Non Current Liabilities			
Long Term Borrowings	5	**231,896.94**	203,923.00
		231,896.94	203,923.00
Current Liabilities			
Short Term Borrowings	6	**79,433.32**	72,854.14
Trade Payables	7	**79,912.77**	90,414.47
Other Current Liabilities	7	**88,960.13**	61,066.15
Short Term Provisions	8	**838.98**	609.49
		249,145.20	224,944.25
TOTAL		**393,292.84**	**409,304.43**
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	9	**169,130.10**	180,921.52
Capital Work in Progress and Pre-Operative Expenditure Pending Allocation	10	**13,003.56**	12,655.01
Non Current Investments	11	**200.90**	199.40
Deferred Tax Assets (Net)	12	**30,716.69**	30,716.69
Long Term Loans and Advances	13	**11,547.37**	12,059.64
Other Non Current Assets	14	**450.76**	49.46
		225,049.38	236,601.72
Current Assets			
Inventories	15	**52,787.82**	52,871.85
Trade Receivables	16	**73,681.25**	77,124.08
Cash and Bank Balances	17	**1,676.82**	3,414.09
Short Term Loans and Advances	13	**30,598.47**	28,389.00
Other Current Assets	18	**9,499.10**	10,903.69
		168,243.46	172,702.71
TOTAL		**393,292.84**	**409,304.43**
Significant Accounting Policies	2		

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

As per our report of even date

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

CA J. K. Choudhury
Partner
Membership No. 009367

Place : Kolkata
Date : 30th May, 2016

For and on behalf of the Board of Directors

Aditya Jajodia
Chairman & Managing Director
DIN : 00045114

Sanjiv Jajodia
Wholetime Director & Chief Financial Officer
DIN : 00036339

Rajiv Jajodia
Director
DIN : 00045192

Ajay Kumar Tantia
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2016

(₹ in lacs)

	Notes	Year ended March 31, 2016	Year ended March 31, 2015
INCOME			
Revenue from Operations (Gross)	19	**133,790.10**	162,095.95
Less: Excise Duty	19	**11,776.57**	11,528.72
Revenue from Operations (Net)		**122,013.53**	150,567.23
Other Income	20	**1,612.31**	3,516.20
Total Revenue (I)		**123,625.84**	154,083.43
EXPENSES			
Cost of Materials Consumed	21	**106,841.33**	94,317.56
Purchase of Stock in Trade		**183.25**	24,806.27
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	**(775.05)**	1,661.67
Employee Benefits Expense	23	**5,394.12**	5,461.94
Finance Costs	24	**42,467.95**	38,412.85
Depreciation and Amortization Expense	9	**12,222.44**	13,406.93
Other Expenses	25	**26,272.17**	27,459.78
Total Expenses (II)		**192,606.21**	205,527.00
Profit / (Loss) before exceptional items and Tax (I-II)		**(68,980.37)**	(51,443.57)
Exceptional Item		**–**	318.31
Profit / (Loss) before Tax (I-II)		**(68,980.37)**	(51,761.88)
Tax Expenses:			
Provision (Write back) relating to earlier year		**–**	15.16
Deferred tax charge/(credit)		**–**	(11,163.85)
Total Tax Expense		**–**	(11,148.69)
Profit/(Loss) for the period		**(68,980.37)**	(40,613.19)
Earnings per Equity Share : (Nominal Value per Share ₹ 10)			
Basic & Diluted	38	**(93.47)**	(55.83)
Significant Accounting Policies	2		

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

As per our report of even date

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

CA J. K. Choudhury
Partner
Membership No. 009367

Place : Kolkata
Date : 30th May, 2016

For and on behalf of the Board of Directors

Aditya Jajodia
Chairman & Managing Director
DIN : 00045114

Sanjiv Jajodia
Wholetime Director & Chief Financial Officer
DIN : 00036339

Rajiv Jajodia
Director
DIN : 00045192

Ajay Kumar Tantia
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2016

(₹ in lacs)

	Current year ended March 31, 2016	Previous year ended March 31, 2015
A: Cash Flow From Operating Activities		
Net Profit / (Loss) Before Taxes	**(68,980.37)**	(51,761.88)
Adjustments For :		
Depreciation / Amortisation (Net)	**12,222.44**	13,406.92
Miscellaneous Expenditure Written Off	**4.40**	--
Loss on Sale of Fixed Assets	**0.04**	7.67
Irrecoverable Debts and Advances Written off	**5.73**	15.89
Liabilities no longer required written back	**(21.26)**	(427.22)
Interest on Term Loans and Others	**40,745.86**	36,911.23
Provision for doubtful debts/(written back)	**495.51**	--
Dividend from long term Non Trade Investments	**(1.35)**	(1.35)
Prior Period Expenditure (net)	**318.33**	(146.16)
Bad debt Recovery	**--**	(7.43)
(Profit) / Loss on Foreign Exchange Fluctuations (Net)	**191.62**	(1,285.31)
Interest Income	**(1,574.39)**	(1,696.12)
Operating Profit / (Loss) Before Working Capital Changes	**(16,593.43)**	(4,983.76)
Movements in Working Capital :		
Decrease/(Increase) in Trade Receivables	**4,139.71**	(1,420.64)
Increase in Loans and Advances and Other Current/Non Current Assets	**(790.44)**	(4,077.78)
Decrease in Inventories	**84.02**	1,079.38
Decrease/(Increase) in Trade Payables, Other Liabilities and Provisions	**(4,367.42)**	3,116.45
Cash generated from (used in) Operating Activities	**(17,527.57)**	(6,286.36)
Direct Taxes paid (net of refunds)	**107.16**	137.27
Net Cash generated from (used in) Operating Activities	**(17,420.41)**	(6,149.08)
B: Cash Flow From Investing Activities		
Purchase of Fixed Assets	**(1,532.22)**	(697.24)
Proceeds from Sale of Fixed Assets	**77.27**	62.40
Purchase of Investments in Government Securities	**(1.50)**	–
Proceeds from maturity of fixed deposits	**359.86**	1,237.03
Dividend from long term Investments (other than Trade)	**1.35**	1.35
Loan received from body corporate	**–**	564.05
Interest received	**1,529.63**	2,057.31
Net Cash generated from Investing Activities	**434.39**	3,224.90

Consolidated Cash Flow Statement for the year ended March 31, 2016 *(Contd.)*

(₹ in lacs)

	Current year ended March 31, 2016	Previous year ended March 31, 2015
C: Cash Flow From Financing Activities		
Proceeds from issue of equity/Preference share capital	**(5.75)**	(26.60)
Advance against Share Application Money	**(3.39)**	8.99
Money Received against share warrants	**865.13**	–
Proceeds from long / short term Borrowings	**59,652.05**	55,711.51
Repayment of long / short term Borrowings	**(15,010.97)**	(15,886.94)
Interest Paid	**(29,653.58)**	(35,525.93)
Dividend Paid	**(0.54)**	(0.51)
Net Cash generated from Financing Activities	**15,842.94**	4,280.52
Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)	**(1,143.07)**	1,356.34
Cash and Cash Equivalents as at the beginning of the year	**1,765.86**	409.52
Cash and Cash Equivalents as at the end of the year	**622.79**	1,765.86
Components of cash and cash Equivalents		
Cash on hand	**108.15**	77.12
Cheques in hand	**121.46**	1,287.69
Balance with Scheduled Banks on:		
Current Account	**214.84**	183.88
Fixed Deposit Account	**1,506.88**	1,905.03
Unclaimed Dividend Account *	**1.17**	1.71
Unclaimed Fractional Share Balance*	**0.16**	0.16
Cash and Bank Balances as per Note 18	**1,952.66**	3,455.59
Less : Fixed deposits not considered as cash equivalents	**1,329.87**	1,689.73
Cash and Cash Equivalents in Cash Flow Statement :	**622.79**	1,765.86

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

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

As per our report of even date

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

CA J. K. Choudhury
Partner
Membership No. 009367

Place : Kolkata
Date : 30th May, 2016

For and on behalf of the Board of Directors

Aditya Jajodia
Chairman & Managing Director
DIN : 00045114

Sanjiv Jajodia
Wholetime Director & Chief Financial Officer
DIN : 00036339

Rajiv Jajodia
Director
DIN : 00045192

Ajay Kumar Tantia
Company Secretary

Notes to Consolidated Financial Statements for the year ended March 31, 2016

1 PRINCIPLES OF CONSOLIDATION:

(a) The Consolidated Financial Statements which relate to Jai Balaji Industries Limited ("the Company") and its subsidiaries and joint ventures (collectively referred as "the Group"), have been prepared on the following basis :

(b) The Subsidiary Companies considered in the financial statements are as follows :

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership / interest	
		As at March 31, 2016	As at March 31, 2015
Nilachal Iron & Power Limited (NIPL)	India	**100%**	100%
Jai Balaji Steels (Purulia) Limited	India	**100%**	100%
Jai Balaji Energy (Purulia) Limited	India	**100%**	100%

(c) In terms of Accounting Standard 21 – 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India, the financial statements of the Company and its Subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenditure, after fully eliminating intra-group balances, intra-group transactions and any unrealised profit/loss included therein.

(d) The difference of the cost to the Company of its investment in Subsidiary as at the date of acquisition of stake is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be. Any such difference arising subsequently is adjusted against Statement of Profit and Loss.

e) The Joint Venture Companies considered in the financial statements are as follows :

Name of the Joint Venture Company	Country of Incorporation	Proportion of Ownership / interest	
		As at March 31, 2016	As at March 31, 2015
Rohne Coal Company Private Ltd.	India	**6.90%**	6.90%
Andal East Coal Company Private Ltd*	India	**32.79%**	32.79%

***Refer Note no 1(f) below**

(f) In terms of Accounting Standard 27 – 'Financial Reporting of Interests in Joint Venture' issued by the Institute of Chartered Accountants of India, the Company has prepared these consolidated financial statements by including the Company's proportionate interest in the Joint Venture's assets, liabilities, income and expenditure etc in the consolidated financial statements in respective line items. However it is inappropriate to follow the principles of consolidation of assets, liabilities, income and expenditure to the extent of companies interest in M/s. Andal East Coal Company Private Ltd, one of the Joint Venture Companies in which the company holds 32.79% equity shares.

(g) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and are presented, to the extent possible, in the same manner as the Company's separate financial statements.

(h) The financial statements of the entities used for the purpose of consolidation are drawn up for the same reporting period i.e year ending 31st March, 2016 .

2 Summary of Significant Accounting Policies

(a) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India. The Group has prepared these financial statements to comply in all material respects with the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts), Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared under the historical

Notes to Consolidated Financial Statements for the year ended March 31, 2016 *(Contd.)*

cost convention on an accrual basis. The accounting policies have been consistently applied by the Group and except for the changes discussed more fully below, are consistent with those used in the previous year.

(b) Use of estimates

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

(c) Tangible Fixed Assets

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

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

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

(d) Depreciation

i) The classification of Plant and Machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.

ii) Depreciation on fixed assets is provided on depreciable value of assets using Straight Line Method on the basis of useful life specified in Schedule II to the Companies Act, 2013, except for Railway Wagons and Moulds as stated below.

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

iv) Pipe Moulds for Ductile Iron Foundry Works are depreciated over a period of 4 years.

v) In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.

(e) Borrowing Costs

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

(f) Impairment

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

(g) Tangible Fixed Assets acquired under Finance Lease

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

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

(h) Government grants and subsidies

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

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

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

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

Notes to Consolidated Financial Statements for the year ended March 31, 2016 *(Contd.)*

(i) Investments

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

(j) Inventories

Inventories are valued as follows:

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

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

(k) Revenue Recognition

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

Sale of Goods

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

Income from Services

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

Interest

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

Dividend

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

(l) Foreign currency transactions

(i) Initial Recognition

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

(ii) Conversion

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

(iii) Exchange Differences

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

(m) Retirement and other employee benefits

i. Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contribution is charged to statement of profit and loss of the year when the contributions to the respective fund is due. There is no other obligation other than the contribution payable to provident fund.

ii. Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each financial year. Unrecognised

Notes to Consolidated Financial Statements for the year ended March 31, 2016 *(Contd.)*

past service cost arising at the time of change in plan measures are charged to statement of profit and loss on a straight line basis over the period of vesting of the defined benefit obligation.

iii. Short term compensated absences are provided for based on estimates whereas long term compensated absences are provided for on the basis of actuarial valuation, as per projected unit credit method.

iv. Actuarial gains / losses are immediately taken to statement of profit and loss and are not deferred.

(n) Taxation

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

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

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

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

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

(o) Expenditure on new projects and substantial expansion

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

All direct capital expenditure on expansion are capitalised. As regards indirect expenditure on expansion, only that portion is capitalised which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalised only if they increase the value of the asset beyond its original standard of performance.

(p) Segment Reporting Policies

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

(q) Earnings Per Share

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

Notes to Consolidated Financial Statements for the year ended March 31, 2016 *(Contd.)*

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

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

(r) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

(s) Cash and Cash Equivalents

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

(t) Contingent Liabilities

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

(u) Basis of classification of Current and Non Current

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

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

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

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

Note 3 : Share Capital **(₹ in lacs)**

	As at March 31, 2016	As at March 31, 2015
Authorised capital		
101,000,000 (101,000,000) Equity Shares of ₹ 10/- each	**10,100.00**	10,100.00
Issued, subscribed and fully paid-up capital		
77,781,486 (73,781,486) Equity Shares of ₹ 10/- each	**7,778.15**	7,378.15
Less: Calls unpaid (Due from other than directors or officers)	**0.39**	0.39
Total	**7,777.76**	7,377.76

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

	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	**(₹ in lacs)**	No. of Shares	(₹ in lacs)
Equity Shares of ₹ 10/- each				
At the beginning of the period	**73,781,486**	**7,377.76**	67,276,486	6,727.26
Issued during the period	**4,000,000**	**400.00**	6,505,000	650.50
At the end of the period	**77,781,486**	**7,777.76**	73,781,486	7,377.76

(b) Terms / rights attached to equity shares

The Company has only one class of ordinary shares (equity shares) having at par value of ₹10/- each. Each shareholder of ordinary shares (equity shareholders) is entitled to one vote per share .The Company declares and pays dividend in Indian Rupees. The dividend

Notes to Consolidated Financial Statements for the year ended March 31, 2016 *(Contd.)*

proposed by the Board of Directors is subject to approval of the share holders in the ensuing annual general meeting except in the case of interim dividend . In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distributions of all preferential amounts , in the proportions to their share holdings.

(c) Lock-in of shares

The 40,00,000 Equity Shares allotted on 30th March, 2016 pursuant to part conversion of warrants issued to companies falling under the promoter group are under lock-in till 29th June, 2019

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

	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	**% holding in the class**	No. of Shares	% holding in the class
Enfield Suppliers Ltd.	**112,21,233**	**14.43**	131,21,233	17.78
Hari Management Ltd.	**70,44,000**	**9.06**	151,44,533	20.53
Client Rosehill Limited	**38,86,734**	**5.00**	38,86,734	5.27
Jai Salasar Balaji Industries (P) Ltd.	**126,15,157**	**16.22**	25,23,624	3.42
	347,67,124	**44.71**	346,76,124	47.00

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

(e) **Money received against share warrant**

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

Out of total 2,26,05,000 warrants, the Company has converted 40,00,000 warrants on 30th March, 2016 into Equity Shares by way of allotment of equivalent number of Equity Shares of ₹10 each on receipt of balance 75% of the consideration i.e. ₹ 7.50 per warrant in respect of 40,00,000 warrants amounting to ₹ 300 lacs.

Note 4 : Reserves & Surplus

(₹ in lacs)

	As at March 31, 2016	As at March 31, 2015
Capital Reserve		
As per last financial statements	**8,943.21**	8,943.21
Amalgamation Reserve		
As per last financial statements	**4,400.00**	4,400.00
Securities Premium Account		
As per last financial statements	**50,002.83**	47,400.83
Add : For the period	**–**	2,602.00
	50,002.83	50,002.83
General Reserve		
As per last financial statements	**10,827.08**	10,827.08
	10,827.08	10,827.08
Surplus/(Deficit) in Statement of Profit & Loss		
As per last financial statements	**(101,185.14)**	(59,519.12)
Less: Depreciation adjusted as per Companies Act, 2013 (Net of Deferred Tax ₹ Nil (₹ 540.98 lacs.)	**–**	1,052.83
Add: Profit/(Loss) for the period	**(68,980.37)**	(40,613.19)
Surplus/ (Deficit) in Statement of Profit & Loss	**(170,165.51)**	(101,185.14)
Total :	**(95,992.39)**	(27,012.02)

Note:

In view of the loss for the year as well as accumulated loss, the company has not created Debenture Redemption Reserve in respect of Zero Coupon Unsecured Non Convertible Debenture issued during the year (Refer Note 5)

Notes to Consolidated Financial Statements for the year ended March 31, 2016 *(Contd.)*

Note 5 : Long Term Borrowings **(₹ in lacs)**

	Non Current Portion		Current Portion	
	As at March 31, 2016	As at March 31, 2015	**As at March 31, 2016**	As at March 31, 2015
(Secured, unless otherwise stated)				
Term Loans				
Rupee Loan from banks	**218,811.46**	190,215.70	**37,919.25**	28,034.50
Rupee Loan from Financial Institutions	**3,023.54**	3,702.36	**3,516.86**	2,838.04
Rupee Loan from Bodies Corporate (Unsecured)	**797.25**	797.25	**–**	–
Deferred Payments Liabilities	**–**	–	**–**	0.49
Unsecured Loan :				
Debentures (Refer Note 29)	**9,264.69**	525.00	**–**	–
Other Loan and Advances				
Interest Free Loan (Unsecured)	**–**	8,682.69	**–**	–
Total :	**231,896.94**	**203,923.00**	**41,436.11**	**30,873.03**
Amount disclosed under the head "Other Current Liabilities" (Refer Note 8)	**–**	–	**(41,436.11)**	(30,873.03)
Total :	**231,896.94**	203,923.00	**–**	–

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

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

(i) Personal Guarantees of Promoter Directors of the Company.

(ii) Pledge of equity shares of the Company held by the promoters

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

(i) term loan and working capital term loan aggregating ₹135,450.69 lacs at base rate of individual lenders plus spread, where spread is computed as difference between 11.75% p.a. and base rate of the individual lenders as on 16th June, 2012.

(ii) funded interest term loan aggregating ₹17,419.84 lacs at base rate of lead banker (UCO Bank).

(iii) Viability Gap Term Loan (VGTL) aggregating to ₹100,647.45 lacs at 30bps over base rate of lender bank.

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

Payment Terms	**37 structured quarterly installments starting from April 2016**	
Installments Due	**Number**	**(₹ in lacs)**
(i) Overdue	–	13,243.50
(ii) Within one year	4	25,042.15
(iii) One year to three year	8	54,671.03
(iv) Three year to five year	8	65,293.91
(v) More than five year	14	95,267.39
	34	**2,53,517.98**

2) Rupee Term Loan from banks aggregating ₹ 7,581.55 lacs are secured by way of (i) First mortgage/charge on the entire Fixed Assets, movable and immovable, present and future ranking pari passu amongst the lenders herein (ii) First charge on all the banks accounts of the Company/Project and assignment of all the Company's project contracts and documents ranking pari passu amongst the lenders herein, and (iii) Second charge on all the stock of raw materials, semi-finished and finished goods and receivables, present and future, subservient to prior charge created by the Company in favour of its Working Capital Bankers.

Notes to Consolidated Financial Statements for the year ended March 31, 2016 *(Contd.)*

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

Terms of Repayment:-

Name of Bank	Primary Security	Collateral Security	Other Securities	Terms of repayment
State Bank of India	First charge on existing and future fixed assets of the company on pari passu basis with other term lenders by way of - i) Equitable Morgage on company's land and building at Ratanpur, Jharkhand ii) Hypothecation of plant & machinery iii) Hypothecation of machinery installed at Coal Mining Block created/to be created out of bank finance, iv) Negative lien to be created on the Coal Block at North Karanpura Block (Dumri Block) allocated to the company by Government of India.	Second charge on current assets (both present and future) of the company on pari passu basis with other term lenders.	Personal Guarantee : Sri Aditya Jajodia Sri Ashish Jajodia Sri Sanjiv Jajodia Corporate Guarantee : M/s Chandi Steel Industries Limited.	32 quarterly installments commencing from 30.06.2015.
Axis Bank	First Charge over the entire fixed assets (both present and future) of the company on pari passu with other term lenders.	Second charge on current assets (both present and future) of the company on pari passu basis with other term lenders.	Personal Guarantee : Sri Aditya Jajodia Sri Ashish Jajodia Sri Sanjiv Jajodia Corporate Guarantee (Only for Term Loan) : M/s Jai Balaji Industries Limited.	32 quarterly installments commencing from 30.06.2015.
Canara Bank	First Charge over the entire fixed assets (both present and future) of the company on pari passu with other term lenders.	Second charge on current assets (both present and future) of the company on pari passu basis with State Bank of India.	Personal Guarantee : Sri Aditya Jajodia Sri Ashish Jajodia Sri Sanjiv Jajodia Corporate Guarantee : M/s Jai Balaji Industries Limited	32 quarterly installments commencing from 30.06.2015.
UCO Bank	First charge on the immovable fixed assets & first hypothecation charge on entire movable fixed assets (both existing and future) of the company's factory at Ratanpur, Jharkhand ranking parri passu with all the term lenders.	Second charge on current assets (both present and future) of the company on pari passu basis with other term lenders.	Personal Guarantee : Sri Aditya Jajodia Sri Ashish Jajodia Sri Sanjiv Jajodia	32 quarterly installments commencing from 01.04.2015.

Notes to Consolidated Financial Statements for the year ended March 31, 2016 *(Contd.)*

3) Rupee Term Loan from a Financial Institution aggregating ₹ 2,171.58 lacs carry interest in the range of 14.50% - 15% p.a. and is for repayment. The loan is secured personal guarantees of certain promoter directors and 100% shares of its subsidiary company.

4) Unsecured loan from bodies corporate has been received from a promoter group company as per the CDR scheme.

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

Particulars	Principal (₹ in lacs)	Interest (₹ in lacs)
In respect of Banks		
- Less than 1 year	10,799.33	11,754.43
- More than 1 year	2,362.07	3,549.43
Total Banks	**13,161.40**	**15,303.86**
In respect of Financial Institution		
- Less than 1 year	376.08	1,023.40
- More than 1 year	2,262.50	1,131.88
Total FIs	**2,638.58**	**2,155.28**

Note 6 : Short Term Borrowings (₹ in lacs)

	As at March 31, 2016	As at March 31, 2015
Secured		
Loan Repayable on Demand		
- Cash Credit from Banks	**77,929.41**	72,674.33
- Working Capital Demand Loan	**–**	–
From Bodies Corporate (Unsecured)	**1,503.91**	179.81
Total :	**79,433.32**	72,854.14

Cash Credit facilities from banks aggregating ₹ 76,227.88 lacs are secured by pari- passu 1st charge over the entire current assets (both present and future) and 2nd charge over the entire fixed assets (both present and future) of the Company's units at Ranigunge and Durgapur in the state of West Bengal and Durg in the state of Chattisgarh.

The above facilities are further secured as follows.

(i) Personal Guarantees of Promoter Directors of the Company.

(ii) Pledge of equity shares of the Company held by the promoters

Cash Credit facilities from banks aggregating ₹ 1,701.53 lacs are secured by way of hypothecation of all current assets including stock and book debts (both present and future) and second charge on all fixed assets (both present and future) of the subsidiary company. The facility are further guaranteed by three Directors of the subsidiary company.

Notes to Consolidated Financial Statements for the year ended March 31, 2016 *(Contd.)*

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

	As at March 31, 2016	As at March 31, 2015
Trade Payables		
(Refer Note 35 for details due to Micro and Small Enterprises)		
- Raw materials & Others [including acceptances of ₹ 11,394.92 lacs (₹ 16,458.52 lacs)]	**79,912.77**	90,414.47
	79,912.77	90,414.47
Current Maturities of Long Term Borrowings (Refer Note 5)	**41,436.11**	30,873.03
Capital Creditors	**2,736.51**	3,570.25
Interest Accrued and due on Borrowings	**19,699.83**	8,096.67
Advance from Customer	**6,953.69**	5,752.69
Temporary Book Overdraft	**249.30**	917.28
Investor Education and Protection Fund will be credited by the following amounts (as and when due)		
- Unclaimed Dividend	**1.17**	1.71
- Unclaimed Fractional Share Liabilities	**0.16**	0.16
Others		
- Statutory Dues Payable	**7,923.98**	8,251.46
- Excise Duty payable on Closing Stock	**739.29**	518.42
- Interest Others	**7,838.02**	1,429.39
- Security Deposit	**1.60**	1.60
- Mining Development Expenses	**–**	32.95
- Due to Employees	**1,203.40**	924.79
- Other Miscellaneous	**177.06**	695.75
	88,960.13	61,066.15
Total:	**168,872.90**	151,480.62

Note 8 : Short Term Provisions **(₹ in lacs)**

	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits :		
Gratuity (Refer Note 35)	**722.39**	488.58
Leave Salary	**116.59**	120.46
Other Provision :		
Provision for Wealth Tax	**–**	0.45
Total	**838.98**	609.49

Notes to Consolidated Financial Statements for the year ended March 31, 2016 *(Contd.)*

Note 9 : Tangible Assets

(₹ in lacs)

Description	Gross Block				Depreciation / Amortisation					Net Block	
	As at March 31, 2015	Additions	Deductions	As at March 31, 2016	Up to March 31, 2015	Depreciation in respect assets whose of useful life is over	For the period	Deductions	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Freehold Land	4,450.34	–	–	4,450.34	–	–	–	–	–	4,450.34	4,450.34
Leasehold Land	707.57	–	–	707.57	145.97	–	9.53	–	155.50	552.07	561.60
Factory Buildings	42,550.36	–	34.68	42,515.68	7,442.60	–	1,269.58	–	8,712.18	33,803.50	35,107.76
Railway Siding	4,354.18	–	–	4,354.18	1,484.48	–	319.85	–	1,804.33	2,549.85	2,869.70
Plant and Machinery	185,571.99	444.15	66.26	185,949.88	62,174.99	–	7,481.23	33.42	69,622.80	116,327.08	123,397.00
Electrical Installations	25,615.69	–	–	25,615.69	11,327.57	–	3,063.35	–	14,390.92	11,224.77	14,288.12
Furniture, Fixtures	145.38	0.23	11.81	133.80	97.08	–	9.27	5.16	101.19	32.61	48.30
Office Equipments	958.10	63.96	9.80	1,012.26	840.20	–	50.84	6.66	884.38	127.88	117.90
Vehicles	297.88	–	–	297.88	217.08	–	18.79	–	235.87	62.01	80.80
Total	**264,651.48**	**508.34**	**122.55**	**265,037.27**	**83,729.98**	–	**12,222.44**	**45.24**	**95,907.18**	**169,130.10**	180,921.52
Previous Year's Total	264,018.26	716.33	83.11	264,651.48	68,742.29	1,593.80	13,406.93	13.04	83,729.98	180,921.52	–

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

(₹ in lacs)

		As at March 31, 2016	As at March 31, 2015
A Capital Work-in-Progress			
Buildings		**1,218.07**	1,216.22
Railway Siding		**395.38**	395.38
Plant and Machinery*		**397.22**	546.56
Electrical Installations		**379.17**	385.32
Minning Land		**6,471.98**	6,471.98
	Sub Total	**8,861.82**	9,015.46
Less : Transferred to Fixed Assets		**14.32**	502.84
	Total A :	**8,847.50**	8,512.62
B Pre-operative Expenditure Pending Allocation			
Opening Balance		**4,142.39**	4,105.48
Additions			
Salaries, Wages and Bonus		**0.18**	11.77
Rent and Hire		**–**	0.49
Rates and Taxes		**0.02**	0.07
Travelling and Conveyance		**3.50**	3.81
Legal and Professional Charges		**0.50**	1.70
Miscellaneous Expenses		**9.47**	18.82
Bank Guarantee Charges		**–**	0.25
		4,156.06	4,142.39
	Total B :	**4,156.06**	4,142.39
Grand Total (A+B)		**13,003.56**	12,655.01

* Plant & Machinery includes ₹ 325.00 lacs mould lying in transit

Notes to Consolidated Financial Statements for the year ended March 31, 2016 *(Contd.)*

Note 11 : Non Current Investments

(₹ in lacs)

	Number of shares	Face Value Per Share	As at March 31, 2016	As at March 31, 2015
(Valued at cost unless otherwise stated)				
Trade Investment				
Unquoted, Fully Paid up				
Investment in Equity Shares				
In Joint Venture Companies				
Andal East Coal Company Private Limited	**319,290**	**10.00**	**134.79**	134.79
{Refer note no 1(f)}			**134.79**	134.79
Non Trade Investment				
Unquoted, Fully Paid up				
Investment in Equity Shares				
Calcutta Stock Exchange Limited	**6,726**	**1.00**	**33.63**	33.63
[At cost less provision for other than temporary diminution ₹ 100.89 lacs (₹ 100.89 lacs)]				
Quoted, Fully Paid up Equity Shares				
Shyama Infosys Limited	**366,200**	**10.00**	**25.91**	25.91
Shri Nidhi Trading Co. Limited	**10,500**	**10.00**	**0.95**	0.95
In Government Securities				
National Saving Certificate (Deposited with Third Parties)			**5.62**	4.12
			66.11	64.61
Total:			**200.90**	199.40
Aggregate Value of Investments				
- Quoted			**26.86**	26.86
- Unquoted			**274.93**	273.43
Aggregate provision for diminution in the value of Investments			**100.89**	100.89
*Market Value of Quoted Investments			**26.10**	25.08

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

(₹ in lacs)

	As at March 31, 2016	As at March 31, 2015
Deferred Tax Asset		
Unabsorbed Depreciation and carry forward Business Losses	**69,202.68**	53,008.63
Expenses Allowed On Payment Basis/Other Timing Differences	**942.13**	1,041.75
Sub Total (A)	**70,144.81**	54,050.38
Deferred Tax Liability		
Timing Difference on Depreciable assets	**21,944.07**	23,333.69
Sub Total (B)	**21,944.07**	23,333.69
Deferred Tax Assets / (Liabilities) (Net) (A-B)	**48,200.74**	30,716.69
Less : Deferred Tax Assets not recognised	**(17,484.05)**	–
Total :	**30,716.69**	30,716.69
(Refer Note 31)		

Notes to Consolidated Financial Statements for the year ended March 31, 2016 *(Contd.)*

Note 13 : Loans and Advances

(₹ in lacs)

	Non Current		Current	
	As at March 31, 2016	As at March 31, 2015	**As at March 31, 2016**	As at March 31, 2015
(Unsecured, Considered Good)				
Capital Advances	**5,541.42**	5,700.61	**–**	–
Security Deposit [Net of Provision for Doubtful Advances ₹ Nil (₹ 24.28 lacs)]	**1,076.18**	1,229.47	**531.12**	90.89
Loans and advances to Related parties				
Loans to Body Corporate (Receivable on demand)*	**–**	–	**7,000.00**	7,000.00
Advances to a Body Corporate*	**–**	–	**2,723.75**	1,713.28
Share Application Money to Joint Venture Company	**–**	–	**189.71**	189.71
	–	–	**9,913.46**	8,902.99
Advances recoverable in cash or kind				
Advances recoverable in cash or in kind or for value to be received	**220.06**	220.07	**17,478.37**	14,233.61
Other Loans and advances				
Balance with Excise and other Government Authorities	**–**	–	**2,094.72**	4,435.88
Advance income tax [net of Provisions]	**–**	–	**127.64**	234.02
Sales Tax and Other Refunds Receivable	**0.00**	199.78	**148.55**	187.00
Mat Credit Entitlement	**4,709.71**	4,709.71	**304.61**	304.61
	4,709.71	4,909.49	**2,675.52**	5,161.51
Total:	**11,547.37**	12,059.64	**30,598.47**	28,389.00

*(Refer Note 33)

Note 14 : Other Non Current Assets

(₹ in lacs)

	As at March 31, 2016	As at March 31, 2015
Non Current bank balances (Refer Note 17)	**275.84**	41.50
Unamortised Expenses	**4.40**	4.40
Less: Written Off	**(4.40)**	–
Interest Receivable on Deposits	**174.92**	3.56
Total:	**450.76**	49.46

Note 15 : Inventories

(₹ in lacs)

	As at March 31, 2016	As at March 31, 2015
Raw Materials [Including in transit ₹ 6095.35 lacs (₹ 3651.61 lacs)]	**39,046.13**	40,462.46
Stores and Spares [Including in transit ₹ 158.01 lacs (₹ 41.51 lacs)]	**4,026.31**	3,689.94
Work-in-Process	**579.12**	3,018.52
Finished Goods	**8,071.51**	4,406.21
By Products and Scrap	**1,064.75**	1,294.72
Total :	**52,787.82**	52,871.85

Notes to Consolidated Financial Statements for the year ended March 31, 2016 *(Contd.)*

Note 16 : Trade Receivables (₹ in lacs)

		As at March 31, 2016	As at March 31, 2015
Outstanding for a period exceeding six month from the date they are due for payment			
Unsecured, considered good		**24,515.31**	25,869.64
Unsecured, considered doubtful		**1,488.85**	993.34
		26,004.16	26,862.98
Less: Provision for Doubtful Debts		**1,488.85**	993.34
	(A)	**24,515.31**	25,869.64
Other Debts			
Unsecured, considered good	**(B)**	**49,165.94**	51,254.44
Total	**(A+B)**	**73,681.25**	77,124.08

Note 17 : Cash and Bank Balances (₹ in lacs)

	Non Current		Current	
	As at March 31, 2016	As at March 31, 2015	**As at March 31, 2016**	As at March 31, 2015
Cash and Cash equivalents				
Balance with Banks :-				
On Current Accounts	**–**	–	**214.84**	183.88
Deposits With Original Maturity of Less Than 3 Months	**–**	–	**13.51**	–
Cash on hand	**–**	–	**108.15**	77.12
Cheques in hand	**–**	–	**121.46**	1,287.69
Unclaimed Dividend Account	**–**	–	**1.17**	1.71
Unclaimed Fractional Share Balance	**–**	–	**0.16**	0.16
	–	–	**459.29**	1,550.56
Other Bank Balances				
Deposits with original maturity for more than 12 Months*	**275.84**	41.50	**–**	215.30
Deposits with original maturity for more than 3 Months but less than 12 months*	**–**	–	**1,217.53**	1,648.23
	275.84	41.50	**1,217.53**	1,863.53
Amount disclosed under the head "Other Non Current Assets" (Refer Note 14)	**(275.84)**	(41.50)	**–**	–
Total :	**–**	–	**1,676.82**	3,414.09

*including ₹ 1,493.37 lacs (₹ 1,905.03 lacs) pledged with banks and others as margin money against borrowings/other facilities

Note 18 : Other Current Assets (₹ in lacs)

	As at March 31, 2016	As at March 31, 2015
Interest Receivable on Loans, Advances and Deposits	**23.63**	149.21
Subsidies and Incentives Receivable	**9,475.47**	10,754.48
Total :	**9,499.10**	10,903.69

Notes to Consolidated Financial Statements for the year ended March 31, 2016 *(Contd.)*

Note 19 : Revenue from Operations (₹ in lacs)

	Current year ended March 31, 2016	Previous year ended March 31, 2015
Sales of products		
Finished Goods	**126,108.52**	156,249.90
By Products and Scraps	**3,925.81**	2,921.86
Raw Materials	**2,020.61**	1,460.59
Other Operating Revenue		
Conversion Charges	**11.01**	86.34
Subsidy on Sales Tax/Value Added Tax	**1,723.20**	1,357.96
Export Incentives	**0.95**	19.30
Revenue from Operations (Gross)	**133,790.10**	162,095.95
Less: Excise Duty	**11,776.57**	11,528.72
Revenue from Operations (Net)	**122,013.53**	150,567.23

Sale of finished goods comprise*: (₹ in lacs)

	Current year ended March 31, 2016	Previous year ended March 31, 2015
Sponge Iron	**20,994.72**	19,725.51
Pig Iron	**35,475.75**	39,284.90
Steel Bars/Rods	**16,552.64**	21,480.44
Billet/MS Ingots	**20,399.58**	13,489.16
Ferro Alloys	**8,104.65**	13,691.74
Ductile Iron Pipe	**23,744.04**	22,932.66
Power	**–**	386.59
Coke/Coal	**837.14**	306.57
M.S. Billet/TMT	**–**	24,952.32
	126,108.52	156,249.90

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

Note 20 : Other Income (₹ in lacs)

	Current year ended March 31, 2016	Previous year ended March 31, 2015
Interest on :		
(a) Fixed Deposits with Banks [Gross, Tax deducted at source ₹ 14.27 lacs (₹ 19.30 lacs)]	**152.03**	204.67
(b) Loans and Advances [Gross, Tax deducted at source ₹ 42.46 lacs (₹ 28.62 lacs)]	**1,422.36**	1,508.57
(c) Refund from Income Tax Department	**–**	8.18
Dividend from long term Investments (other than trade)	**1.35**	1.35
Insurance Claims	**2.89**	69.88
Liabilities no longer required written back	**21.26**	427.22
Bad Debt Recovery	**–**	7.43
Gain on Foreign Exchange Fluctuations (Net)	**–**	1,285.31
Miscellaneous Income	**12.42**	3.59
Total :	**1,612.31**	3,516.20

Notes to Consolidated Financial Statements for the year ended March 31, 2016 *(Contd.)*

Note 21 : Cost of Materials Consumed **(₹ in lacs)**

	Current year ended March 31, 2016	Previous year ended March 31, 2015
Opening Stock	**40,462.46**	38,931.78
Purchases	**105,425.00**	95,848.24
	145,887.46	134,780.02
Less: Closing Stock	**39,046.13**	40,462.46
Raw Materials Consumed	**106,841.33**	94,317.56

Consumption of Raw Material : **(₹ in lacs)**

	Current year ended March 31, 2016	Previous year ended March 31, 2015
Iron Ore/Pellets	**32,446.81**	31,994.16
Manganese Ore	**3,451.07**	5,697.23
Sponge Iron	**4,358.15**	3,215.78
Billet/Ingot	**143.27**	350.35
Coke/Coal	**56,311.46**	47,558.08
Magnesium Metal	**346.92**	336.78
Pig Iron	**2,820.86**	466.62
Steel Scrap & Wastes	**2,410.98**	541.56
Ferro Alloys	**1,351.55**	730.46
Quartzite, Limestone and Dolomite	**3,200.26**	3,426.54
Total	**106,841.33**	94,317.56

Purchase of Stock in Trade includes : **(₹ in lacs)**

	Current year ended March 31, 2016	Previous year ended March 31, 2015
Coal (Import)	**–**	5.12
M.S. Billet	**–**	24,801.15
Coke	**160.53**	–
D.I.Fittings	**22.72**	–
	183.25	24,806.27

Note 22 : Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade **(₹ in lacs)**

	Current year ended March 31, 2016	Previous year ended March 31, 2015
Opening Stocks :		
Work-in-Process	**3,018.52**	837.18
Finished Goods	**4,406.21**	8,482.74
By Products and Scrap	**1,294.72**	1,518.67
	8,719.45	10,838.59
Less:		
Closing Stocks :		
Work-in-Process	**579.12**	3,018.52
Finished Goods	**8,071.51**	4,406.21
By Products and Scrap	**1,064.75**	1,294.72
	9,715.38	8,719.45
	(995.93)	2,119.14
Net (Increase)/Decrease in excise duty and cess on stocks	**220.88**	(457.47)
Total :	**(775.05)**	1,661.67

Notes to Consolidated Financial Statements for the year ended March 31, 2016 *(Contd.)*

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

Stock of finished goods comprises : **(₹ in lacs)**

	Current year ended March 31, 2016	Previous year ended March 31, 2015
Opening Stock :		
Sponge Iron	**202.88**	1,153.58
Pig Iron	**2,542.77**	4,060.05
Steel Bars/Rods	**67.41**	399.77
Billet/MS Ingots	**132.78**	1,071.99
Ferro Alloys	**288.46**	227.50
Ductile Iron Pipe	**614.93**	717.16
Coke	**556.99**	852.69
Total :	**4,406.21**	8,482.74
Closing Stock :		
Sponge Iron	**1,287.61**	202.88
Pig Iron	**1,686.30**	2542.77
Steel Bars/Rods	**321.92**	67.41
Billet/MS Ingot	**160.88**	132.78
Ferro Alloys	**160.23**	288.46
Ductile Iron Pipe	**1,634.57**	614.93
Coke	**2,820.00**	556.99
Total :	**8,071.51**	4,406.21

Note 23 : Employee Benefits Expense **(₹ in lacs)**

	Current year ended March 31, 2016	Previous year ended March 31, 2015
Salaries, Wages, Bonus & Other Benefits	**4,702.18**	4,828.14
Contribution to Provident Fund & other fund	**473.60**	375.80
Staff Welfare Expenses	**209.32**	207.00
Directors remuneration	**9.02**	51.00
Total :	**5,394.12**	5,461.94

Note 24 : Finance Costs **(₹ in lacs)**

	Current year ended March 31, 2016	Previous year ended March 31, 2015
Interest Expenses		
On Term loans	**28,560.78**	24,278.01
On Others	**12,168.09**	12,633.22
Finance charges	**1,739.08**	1,501.62
Total :	**42,467.95**	38,412.85

Notes to Consolidated Financial Statements for the year ended March 31, 2016 *(Contd.)*

Note 25 : Other Expenses **(₹ in lacs)**

		Current year ended March 31, 2016		Previous year ended March 31, 2015
Consumption of Stores and Spares		**7,400.40**		6,639.14
Labour Charges		**4,880.08**		5,409.62
Processing Charges		**–**		13.48
Power and Fuel		**6,195.79**		8,277.23
Repairs and Maintenance:				
- Plant and Machinery		**508.06**		819.33
- Buildings		**81.79**		78.98
- Others		**344.52**		297.72
Water Charges		**407.22**		356.76
Equipment Hire Charges		**2,017.78**		2,214.93
Shifting Expenses		**235.61**		377.38
Freight and Transportation		**1,091.12**		700.94
Rent and Hire		**55.60**		86.14
Rates and Taxes		**185.04**		101.02
Insurance		**152.35**		156.04
Advertisement		**60.59**		36.97
Brokerage and Commission (Other than Sole Selling Agents)		**86.76**		404.66
Travelling and Conveyance		**339.14**		358.27
Telephone and Postage		**72.27**		76.15
Legal and Professional Charges (Refer Note 40)		**295.91**		292.50
Directors' Fees		**2.90**		1.01
Provision for Doubtful Debts and Advances		**495.51**		–
Irrecoverable Debts and Advances Written off	**5.73**		15.89	
Less: Adjusted against Provisions	**–**	**5.73**	–	15.89
Loss on Foreign Exchange Fluctuations (Net)		**191.62**		–
Charity and Donations		**9.29**		11.98
Security and Service Charges		**509.76**		598.09
Loss on Sale of Fixed Assets		**0.04**		7.67
Miscellaneous Expenses		**324.56**		241.09
Miscellaneous Expenditure written off		**4.40**		–
Mining Development Expenses		**–**		32.95
Prior period expenses (Net)		**318.33**		(146.16)
Total :		**26,272.17**		27,459.78

Notes to Consolidated Financial Statements for the year ended March 31, 2016 *(Contd.)*

26 Contingent liabilities not provided for:

(₹ in lacs)

	As at March 31, 2016	As at March 31, 2015
a) Claims against the Company not acknowledged as debts		
i) Excise and Service Tax Demands under dispute/appeal	**25,623.32**	14,272.24
ii) Sales Tax/VAT matters under dispute/appeal	**2,432.85**	2,129.49
iii) Income Tax matters under dispute/appeal	**6.85**	6.85
b) Letters of Credit, Bills discounted and Bank Guarantees outstanding	**11,705.00**	19,895.85
c) Custom Duty on Import of Equipment and spare parts under EPCG Scheme	**4,198.00**	3,929.72
d) Guarantees and Counter guarantees given by the Company for loans obtained by subsidiary/other companies	**3,415.00**	5,045.00
27 Estimated amount of contracts remaining to be executed on Capital Account and not provided for [Net of Advances ₹ Nil (₹ 5,768.68 lacs)]	**43.00**	1,632.59

28 In respect of an electricity supply matter where the Electricity Supplier has demanded enhanced charges, the matter was challenged by the Company at the Appellate Tribunal for Electricity ("the tribunal"). The Tribunal vide its order dated May 10, 2010 dismissed the appeal of the Supplier and directed to implement the tariff as determined by the Central Electricity Regulatory Commission vide its Order dated August 6, 2009. The Supplier has preferred an appeal with Hon'ble Supreme Court, pending finalisation of the outcome of the matter, the liabilities for the electricity charges are accounted for based on provisional bills provided by the Supplier.

29 During the year, the Company has issued 8,739,685 Zero Coupon Unsecured Unlisted Non Convertible Debentures at a price of ₹ 100 each. The Debentures shall be redeemable at par within three months from the expiry of twelve years from the date of allotment i.e 14th November, 2015.

5,25,000 Zero Interest Unsecured Optionally fully Convertible Debentures of ₹ 100/- each fully paid Convertible at the option of the debenture holder anytime after the date of allotment (03.01.2014) but within 20 years from the date of allotment at the Net Asset Value per equity share as per the last Audited Balance Sheet as on the date of Conversion or redeemable at par or Premium as may be mutually decided by the Company and the debenture holder anytime after 12 months but within 20 years from the date of allotment.

30 The Company had applied for restructuring of its debts, under the Corporate Debt Restructuring (CDR) mechanism. The CDR Empowered Group approved the restructuring on 24th August, 2012 and the CDR Cell issued the Letter of Approval (LOA) on 20th September, 2012. The Master Restructuring Agreement (MRA) incorporating the terms of the LOA was signed with the lenders on 28th September, 2012 supplementary MRA was executed on 18.01.2013. The Company has also created security as per the Master Restructuring Agreement.

31 The Company has been incurring losses due to unfavourable market conditions and other adverse industry scenario from past few years. The accumulated losses of the Company as at 31st March, 2016 stands at ₹ 170,165.51 lacs. The Company has already made reference with the Board for Industrial & Financial Reconstruction (BIFR) in terms of the provisions of Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) and the said reference has also been registered with BIFR. The management is in the process of restructuring the operations including rationalizing the costs.The management believes that these measures may result in sustainable cash flows and accordingly, the company continues to prepare its accounts on a ''Going Concern'' basis and has not written off Deferred tax Assets amounting to ₹ 30,716.69 lacs provided upto 31st March, 2015.

32 During the year, the Company has accounted for the following subsidies/incentives receivable from the Government of West Bengal under West Bengal Incentive Scheme aggregating to ₹ 1,723.20 lacs (₹ 1,357.96 lacs):

(₹ in lacs)

Sl. No.	Particulars	Account to which credited	Current year ended March 31, 2016	Previous year ended March 31, 2015
a)	Industrial Promotion Assistance	Subsidy on Sales Tax / Value Added Tax under Sales & Service	**1,723.20**	1,357.96

Notes to Consolidated Financial Statements for the year ended March 31, 2016 *(Contd.)*

33 Loans and Advances includes the following balances **(₹ in lacs)**

Name of the Company	As at March 31, 2016	Maximum Amount due at any time during year ended March 31, 2016	As at March 31, 2015	Maximum Amount due at any time during year ended March 31, 2015
In terms of Regulation 34(3) of the SEBI (LODR) Regulations, 2015				
Jai Balaji Jyoti Steels Ltd.	**9,723.75**	**9,723.75**	8,713.28	8,713.28

34 **Gratuity**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than The Provisions of Payment of Gratuity Act, 1972. The Holding Company and its Subsidiary Company (NIPL) have funded their gratuity liability with insurance company in the form of a qualifying insurance policy. In respect of a joint venture company, Andal East Coal Company Private Ltd the aforesaid scheme is unfunded insurance policy.

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

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

Particulars	Current year ended March 31, 2016	Previous year ended March 31, 2015
Current service cost	**132.97**	123.91
Interest cost on benefit obligation	**60.27**	61.08
Expected return on plan assets	**(25.56)**	(30.59)
Net actuarial loss/(gain) recognised in the year	**66.14**	32.72
Past Service cost	**–**	–
Total Expenses	**233.82**	187.12

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

Particulars	As at March 31, 2016	As at March 31, 2015
Present value of Defined Benefits Obligation	**1,000.90**	806.26
Fair value of plan assets	**278.51**	317.68
	722.39	488.58
Less: Unrecognised past service cost	**–**	–
Net Liability	**722.39**	488.58

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

Particulars	As at March 31, 2016	As at March 31, 2015
Present Value of Defined Benefit Obligation at the beginning of the year	**806.25**	729.77
Current Service Cost	**132.97**	123.91
Interest Cost	**60.27**	61.08
Benefits Paid	**(67.24)**	(138.70)
Actuarial Loss/(Gain)	**68.65**	30.19
Plan Amendments	**–**	–
Present Value of Defined Benefits Obligation at the year end	**1,000.90**	806.25

Notes to Consolidated Financial Statements for the year ended March 31, 2016 *(Contd.)*

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

Particulars	**As at March 31, 2016**	As at March 31, 2015
Fair Value of Plan Assets at the beginning of the year	**317.68**	390.32
Expected Return	**25.56**	30.59
Contribution by Employer	**–**	37.98
Benefits paid	**(42.98)**	(138.71)
Actuarial Gains/(Losses)	**2.50**	(2.56)
Fair Value of Plan Assets at the year end	**302.77**	317.62

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

Particulars	**As at March 31, 2016**	As at March 31, 2015
Investment with the insurer	**100%**	100%

VI. The principal assumptions used in determining gratuity obligations for the Company's plans are shown below. **(₹ in lacs)**

Particulars	**Current year ended March 31, 2016**	Previous year ended March 31, 2015
Discount Rate	**7.90%**	7.80%
Expected Rate of return on assets	**9.00%**	9.00%
Rate of increase in salaries	**10.00%**	10.00%
Mortality Table	**Indian Assured Life Mortality (2006-08) (modified) Ultimate**	Indian Assured Life Mortality (2006-08) (modified) Ultimate

VII. Amounts for the current and previous years are as follows: (₹ in lacs)

Particulars	**As at March 31, 2016**	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Defined benefit obligation	**(1,000.90)**	(806.26)	(729.77)	(906.63)	(659.24)
Plan Assets	**278.51**	317.68	390.32	360.39	331.78
Surplus/(Deficit)	**(722.39)**	(488.58)	(339.45)	(546.24)	(327.46)
Experience Gain/(Loss) Adjustments on plan liabilities	**(81.37)**	103.41	268.19	(13.00)	110.81
Experience Gain/(Loss) Adjustments on plan assets	**2.50**	(2.51)	(0.84)	2.01	(0.03)
Experience Gain/(Loss) due to change on assumptions	**12.72**	(133.60)	104.24	(47.60)	36.78

(₹ in lacs)

Particulars	**Current year ended March 31, 2016**	Previous year ended March 31, 2015
Contribution to Provident Fund and other Funds	**649.64**	581.06

Notes to Consolidated Financial Statements for the year ended March 31, 2016 *(Contd.)*

Note:

i) The Holding Company expects to contribute ₹ 692.68 lacs (₹ 459.16 lacs) to Gratuity Fund in 2016-17.
The Subsidiary Company expects to contribute ₹ 29.71 lacs (₹ 29.42 lacs) to Gratuity Fund in 2016-17.

ii) The estimates of future salary increases,considered in actuarial valuation,take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the Actuary.

iii) The management has relied on the overall actuarial valuation conducted by the actuary.

35 Based on the information available with the Company, the amounts due to Micro and Small Enterprises as per MSMED Act, 2006 are as follows :

(₹ in lacs)

Sl No.	Particulars	Current year ended March 31, 2016	Previous year ended March 31, 2015
a)	Principal Amount remaining unpaid to the suppliers as at the end of the period	–	–
b)	Interest due on above remaining unpaid to the suppliers as at the end of the period	–	–
c)	Amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006	–	–
d)	Amount of interest due and payable for the period of delay in making payment (which have been paid beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	–	–
e)	Amount of interest accrued and remaining unpaid at the end of each accounting year; and	–	–
f)	Amount of further interest remaining due and payable even in the succeeding years.	–	–

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

37 i) Unhedged Foreign Currency Exposures outstanding at the year end are as follows :

Particulars	Foreign Currency (FC)	As at March 31, 2016		As at March 31, 2015	
		in FC	₹ in lacs	in FC	₹ in lacs
Receivables					
(a) Trade Receivables	**US$**	**–**	**–**	32,403	20.28
(b) Advances	**US$**	**60,347**	**38.12**	59,777	36.10
	Euro	**74,050**	**55.61**	111,472	75.19
Total			**93.73**		131.57
Payables					
(a) Trade Payables	**US$**	**641,005**	**425.20**	329,051	205.96
	Euro	**21,840**	**16.40**	21,840	14.75
(b) Advances	**US$**	**–**	**–**	–	–
	Euro	**–**	**–**	–	–
Total			**441.60**		220.71

Notes to Consolidated Financial Statements for the year ended March 31, 2016 *(Contd.)*

38 Basic and diluted earnings per share :

Sl No.	Particulars		Current year ended March 31, 2016	Previous year ended March 31, 2015
A	Profit/(Loss) after Tax	₹ in lacs	**(68,980.37)**	(40,613.19)
B	Number of shares at the beginning of the year	Nos.	**73,781,486**	67,276,486
C	Total equity shares outstanding at the end of the year	Nos.	**77,781,486**	73,781,486
D	Weighted average number of equity shares outstanding at the end of the year	Nos.	**73,803,344**	72,747,815
E	Nominal Value of each Share	₹	**10.00**	10.00
F	Basic Earning per Share	₹	**(93.47)**	(55.83)
G	Diluted Earning per Share	₹	**(93.47)**	(55.83)

39. **Related Party Disclosures**

a) Name of Related Parties :

Key Management Personnel	Mr. Aditya Jajodia, Chairman and Managing Director Mr. Sanjiv Jajodia, Wholetime Director and Chief Financial Officer Mr. Aashish Jajodia, Wholetime Director of Subsidiary Mr. Ajay Kumar Tantia, Company Secretary Ms. Puja Chourasia, Company Secretary of Subsidiary Ms. Ekta Agarwal, Company Secretary of Subsidiary (resigned w.e.f. 10th July 2015) Ms. Barkha Bachhuka, Company Secretary of Subsidiary (resigned w.e.f. 11th Jan 2016)
Relatives of Key Management Personnel	Mr. Rajiv Jajodia, Brother of Wholetime Director Mr. Gaurav Jajodia, Nephew of Wholetime Director
Enterprises owned or significantly influenced by key management personnel or their relatives	Chandi Steel Industries Limited (CSIL) Jai Balaji Jyoti Steels Limited (JBJSL) Jai Salasar Balaji Industries Private Limited (JSBIPL) Balaji Ispat Udyog (BIU) Shri Sankatmochan Steel Private Limited (SSSPL) Shri Jaikapish Steel Private Limited (JSPL) Enfield Suppliers Limited (ESL) Hari Management Limited (HML) Jajodia Estate Private Limited (JEPL)

Notes to Consolidated Financial Statements for the year ended March 31, 2016 *(Contd.)*

b) Related Party Transactions:

(₹ in lacs)

Relationship	Party	Sales	Purchases	Rent paid	Interest Received	Interest Paid	Director fee	Gross Salary & Perquisites/Managerial Remuneration	Loan Taken	Money Received against share Warrants	Allotment of Equity Share warrans	Allotment of Optionally Convertible Debentures (Unsecured)	Non Convertible Debentures (Unsecured)	Balance Receivable	Balance Payable	Guarantees Obtained	Corporate Guarantee Given
Key Management Personnel	Aditya Jajodia	-	-	-	-	-	-	–	-	-	-	-	-	-	-	394,390.00	-
		-	-	-	-	-	-	–	-	-	-	-	-	-	-	(394,390.00)	-
	Sanjiv Jajodia	-	-	-	-	-	-	–	-	-	-	-	-	-	-	394,390.00	-
		-	-	-	-	-	-	–	-	-	-	-	-	-	-	(394,390.00)	-
	Aashish Jajodia	-	-	-	-	-	-	-	-	-	–	-	-	-	-	10,033.00	-
		-	-	-	-	-	-	(42.00)	-	-	–	-	-	-	-	(10,033.00)	-
	Ajay Kumar Tantia	-	-	-	-	-	-	20.13	-	-	–	-	-	-	-	-	-
		-	-	-	-	-	-	(20.13)	-	-	–	-	-	-	-	-	-
	Ekta Agarwal	-	-	-	-	-	-	1.14	-	-	–	-	-	-	-	-	-
		-	-	-	-	-	-	(2.76)	-	-	–	-	-	-	-	-	-
	Puja Chourasia	-	-	-	-	-	-	0.44	-	-	–	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	–	-	-	-	-	-	-
Relatives of Key Management Personnel	Rajiv Jajodia	-	-	-	-	-	0.35	-	-	-	–	-	-	-	-	384,357.00	-
		-	-	-	-	-	(0.20)	-	-	-	–	-	-	-	-	(384,357.00)	-
	Gaurav Jajodia	-	-	-	-	-	0.35	-	-	-	–	-	-	-	-	384,357.00	-
		-	-	-	-	-	(0.20)	-	-	-	–	-	-	-	-	(384,357.00)	-
Enterprises owned or significantly influenced by key management personnel or their relatives	CSIL	7.11	146.28	-	249.48	-	-	-	-	-	-	-	-	1,613.78	-	-	900.00
		(84.47)	(504.62)	-	(275.35)	-	-	-	-	-	-	-	-	(2,122.63)	-	-	(2,530.00)
	JBJSL	171.57	3,540.70	-	1,165.80	-	-	-	-	-	-	-	-	9,723.75	-	-	-
		(360.43)	(356.87)	-	(1,057.30)	-	-	-	(323.00)	-	-	-	-	(8,390.28)	-	-	-
	JSBIPL	459.71	363.89	-	-	-	-	–	-	-	-	-	-	925.85	-	-	-
		(404.75)	(21.47)	-	-	-	-	–	-	-	-	(525.00)	-	(1,100.05)	-	-	-
	BIU	-	–	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	(7.12)	-	-	-	-	-	-	-	-	-	-	-	(1.62)	-	-
	JSPL	-	–	-	-	-	-	-	-	306.25	200.00	-	-	-	-	-	-
		-	–	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SSSPL	-	-	-	-	-	-	-	-	306.25	200.00	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	JEPL	-	-	0.79	-	-	–	–	-	-	-	-	-	-	-	-	-
		-	-	(0.73)	-	-	–	–	-	-	-	-	-	-	-	-	-
	ESL	-	-	-	-	67.28	–	–	-	-	-	-	-	-	645.57	-	-
		-	-	-	-	(60.97)	–	–	-	-	-	-	-	-	(585.02)	-	-
	HML	-	-	-	-	40.07	-	-	380.00	-	-	-	8,739.69	-	384.53	-	-
		-	-	-	-	(36.31)	-	-	(5,139.69)	-	(650.50)	-	-	-	(8,708.15)	-	-
TOTAL		638.39	4,050.87	0.79	1,415.28	107.35	0.70	21.71	380.00	612.50	400.00	-	8,739.69	12,263.38	1,030.10	394,390.00	900.00
		(849.65)	(890.08)	(0.73)	(1,332.65)	(97.28)	(0.40)	(64.89)	(5,462.69)	-	(650.50)	(525.00)	-	(11,612.96)	(9,294.79)	(394,390.00)	(2,530.00)

Notes to Consolidated Financial Statements for the year ended March 31, 2016 *(Contd.)*

40 Auditors Remuneration (included in Legal and Professional Charges) **(₹ in lacs)**

Payment to Auditor	Current year ended March 31, 2016		Previous year ended March 31, 2015	
Holding Company				
As auditor :				
Audit fee	**3.50**		3.50	
Limited Review	**7.50**		8.50	
Tax Audit	**0.75**		0.75	
Out-of-pocket expenses	**–**	**11.75**	–	12.75
In other manner for Certification		**0.34**		0.36
Total*		**12.09**		13.11
Subsidiary Company				
As auditor :				
Audit fee	**0.85**		1.62	
Tax Audit	**0.25**		0.50	
Out-of-pocket expenses	**–**	**1.10**	–	2.12
In other manner for Certification		**–**		0.30
Total		**1.10**		2.42

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

41. (a) The Proportionate share of Assets, Liabilities and Equity for the year ended March 31, 2016 and Income and Expenditure for the year ended March 31, 2016 of Joint Venture Company viz M/s Rohne Coal Company Private Limited are included in these financial statements in respective items. **(₹ in lacs)**

Particulars	As at March 31, 2016	As at March 31, 2015
Assets		
Non Current Assets		
Fixed Assets : Tangible Assets	**87.40**	87.40
Capital Work in Progress and Pre-operative Expenditure Pending Allocation	**--**	--
Long Term Loans & Advances	**220.07**	220.07
Current Assets		
Current Investments	**--**	--
Cash and Bank Balances	**0.34**	0.18
Short-Term Loans & Advances	**224.84**	224.84
Non Current Liabilities		
Long Term Provisions	**--**	--
Current Liabilities		
Trade Payables	**320.08**	248.41
Other Current Liabilities	**69.47**	35.58
Short Term Provisions	**--**	--
Equity		
Reserves and Surplus	**(100.40)**	(60.06)
Share Application Money	**0.20**	71.44
Capital Commitment and Contingencies :		
Capital Commitment and Contingencies	**--**	--

	Current year ended March 31, 2016	Previous year ended March 31, 2015
Income		
Other Income	**--**	--
Expenditure		
Other Expenses	**40.34**	57.67

Notes to Consolidated Financial Statements for the year ended March 31, 2016 *(Contd.)*

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

42 a) The current period's figures represents consolidated figures of subsidiaries and Joint Venture except one Joint Venture Company namely M/s. Andal East Coal Company Pvt Ltd.

b) Figures in brackets represent previous financial year's figures, which have been rearranged/regrouped wherever necessary to confirm to this year's classification.

As per our report of even date

For and on behalf of the Board of Directors

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

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

Place : Kolkata
Date : 30th May, 2016

Aditya Jajodia
Chairman & Managing Director
DIN : 00045114

Sanjiv Jajodia
Wholetime Director & Chief Financial Officer
DIN : 00036339

Rajiv Jajodia
Director
DIN : 00045192

Ajay Kumar Tantia
Company Secretary

Notes :

Notes :

Notes :

Corporate Information

Board of Directors

Shri Aditya Jajodia
Chairman & Managing Director

Shri Sanjiv Jajodia
Whole-time Director & Chief Financial Officer

Shri Rajiv Jajodia
Shri Gourav Jajodia
Shri Amit Kumar Majumdar
Shri Shailendra Kumar Tamotia
Shri Chandra Kant Bhartia
Shri Ashim Kumar Mukherjee
Smt. Seema Chowdhury
Smt. Swati Agarwal
Smt. Rakhi Jain
Shri Manas Kumar Nag
Nominee Director

Company Secretary & Compliance Officer

Shri Ajay Kumar Tantia

Statutory Auditors

M/s. S. K. Agrawal & Co.
Chartered Accountants
Suite - 606-08, The Chambers
1865, Rajdanga Main Road
Kolkata - 700 107

Internal Auditor

M/s. Namita Kedia & Associates
Chartered Accountants
202, Jessore Road, Lake Garden
Block - E, 1st Floor
Kolkata - 700 089

Cost Auditor

M/s. Mondal & Associates
Shri Amiya Mondal, Proprietor
Cost Accountants
45, Akhil Mistry Lane
Kolkata - 700 009

Registered Office

5, Bentinck Street
Kolkata – 700 001
West Bengal, India
Phone: 91-33-2248 9808/8173
Fax: 91-33-2243 0021
E-mail:jaibalaji@jaibalajigroup.com
Website:www.jaibalajigroup.com

Registrar and Share Transfer Agent

M/s. Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane,
(Surendra Mohan Ghosh Sarani)
2nd Floor,
Kolkata – 700 001
West Bengal, India
Phone: 91-33-2243 5029/5809
E-mail:mdpldc@yahoo.com

Plant Locations

Ranigunj
G/1, Mangalpur Industrial Complex,
Post– Baktarnagar
Dist.: Burdwan
West Bengal – 713 321, India

Durgapur
Lenin Sarani,
Dist.: Burdwan
West Bengal – 713 210, India

Durgapur
Vill: Banskopa,
P.O.: Rajbandh
Dist.: Burdwan
West Bengal – 713 212, India

Durg
Industrial Growth Centre, Borai
Village & P.O.: Rasmada,
Dist.: Durg
Chhattisgarh – 491 009, India

Bankers and Financial Institutions

Allahabad Bank
Axis Bank Limited
Bank of India
Canara Bank
Corporation Bank
ICICI Bank Limited
IDBI Bank Limited
IFCI Limited
Indian Overseas Bank
Oriental Bank of Commerce
Punjab National Bank
State Bank of Bikaner & Jaipur
State Bank of Hyderabad
State Bank of India
State Bank of Mysore
State Bank of Patiala
State Bank of Travancore
The Federal Bank Limited
UCO Bank
Union Bank of India
United Bank of India
Vijaya Bank
West Bengal Infrastructure Development Finance Corporation Limited

WEBSITE

www.jaibalajigroup.com

INVESTORS' E-MAIL ID

jaibalaji@jaibalajigroup.com

Jai Balaji Industries Limited
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