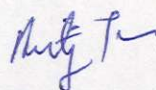

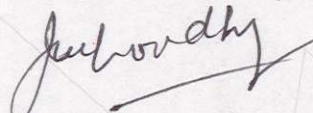
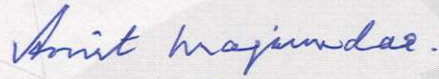




# JAI BALAJI INDUSTRIES LIMITED

## FORM A

1.	Name of the Company	Jai Balaji Industries Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2014
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Not Applicable
	To be signed by- CEO/Managing Director	For Jai Balaji Industries Limited   Aditya Jajodia Chairman & Managing Director DIN: 00045114
	CFO	For Jai Balaji Industries Limited   Sanjiv Jajodia Chief Financial Officer
	Auditor of the Company	For S.K. Agrawal & Company   (J.K. Choudhury) Partner Membership No.: 9367
	Audit Committee Chairman	For Jai Balaji Industries Limited   Amit Kumar Majumdar Chairman of the Audit Committee



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

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

E-mail : info@jaibalajigroup.com, Website : www.jaibalajigroup.com

CIN-L27102WB1999PLC089755



**Jai Balaji Industries Limited**

**INSPIRED BY STEEL**

**15<sup>th</sup> Annual Report**  

---

**2013-14**  

---

---

---

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.

---

---

Notice	1	Directors' Report	14	Corporate Governance Report	25	Management
Discussion and Analysis Report	42	Auditors' Report	48	Balance Sheet	52	
Statement of Profit & Loss	53	Cash Flow Statement	54	Notes to Financial		
Statements	56	Statement Pursuant to Section 212	81	Consolidated		
Accounts	82	Subsidiary Accounts	114			





## Notice to the Shareholders

NOTICE IS HEREBY GIVEN THAT the Fifteenth Annual General Meeting of the Members of Jai Balaji Industries Limited will be held on Saturday, 27<sup>th</sup> September, 2014 at 11:00 a.m. at Rotary Sadan (Shripati Singhania Hall), 94/2 Chowringhee Road, Kolkata - 700 020 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt -
  - a) The Standalone Audited Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statement of Profit and Loss for the financial year ended on that date together with the Report of the Board of Directors and the Auditors thereon.
  - b) The Consolidated Audited Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statement of Profit and Loss for the financial year ended on that date and report of the Auditors thereon.
2. To appoint a Director in place of Shri Shyam Bahadur Singh (holding DIN - 01982407), who retires by rotation and being eligible, offers himself for re-appointment.
3. 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 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s. S. K. Agrawal & Co., Chartered Accountants, of 4A, Council House Street, Kolkata - 700 001, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, at such remuneration as may be fixed by the Board of Directors and the Audit Committee, apart from reimbursement of out of pocket expenses and taxes as applicable."

### SPECIAL BUSINESS

#### Item No. 4

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

**"RESOLVED THAT** Shri Gourav Jajodia (holding DIN - 00028560), who was appointed by the Board as an Additional Director of the Company with effect from 20<sup>th</sup> September, 2013, in terms of Section 260 of the Companies Act, 1956 [Corresponding to 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 of the Company, be and is hereby appointed as a Director (Category - Non-Executive Promoter Director) of the Company liable to retire by rotation."

#### 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** Shri Chandra Kant Bhartia (holding DIN - 00192694), who was appointed by the Board as an Additional Director of the Company with effect from 12<sup>th</sup> August, 2014, in terms of Sections 161(1) and 149 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 a Director (Category - Independent Director) of the Company not liable to retire by rotation to hold office from the date of this Annual General Meeting till 31<sup>st</sup> March, 2019, 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 thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges."

#### 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 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 thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges, Shri Amit Kumar Majumdar (holding DIN - 00194123), whose period of office was liable to determination of retirement of Directors by rotation 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 an Independent Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office from the date of this Annual General Meeting till 31<sup>st</sup> March, 2019."

#### 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 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 thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges, Shri Shailendra Kumar Tamotia (holding DIN - 01419527),



### Notice to the Shareholders (Contd.)

whose period of office was liable to determination of retirement of Directors by rotation 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 an Independent Director be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office from the date of this Annual General Meeting till 31<sup>st</sup> March, 2019."

#### Item No. 8

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 thereof for the time being in force), a consolidated remuneration of ₹ 1,20,000/- (excluding applicable taxes and reimbursement of out-of pocket expenses, if any) as fixed by the Board of Directors at its meeting held on 29<sup>th</sup> May, 2014 to be paid to Mondal & Associates, Proprietor Mr. Amiya Mondal, being the Cost Auditors 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, Performance Appraisal Report and all such reports, annexures, records, documents etc., for the financial year 2014-15, that may be required to be prepared and submitted by the Cost Auditors under applicable statute be and is hereby ratified;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

#### Item No. 9

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

**"RESOLVED THAT** in supersession of the earlier Ordinary resolution passed under Section 293(1)(d) of the Companies Act, 1956 at the Extra-ordinary General Meeting of the Company held on 12<sup>th</sup> April, 2007, and pursuant to Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this resolution) for borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves,

that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of ₹ 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 be and is hereby approved;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to execute all such documents, instruments and writings as may be required and do all such acts, deeds and things as it may in its absolute discretion deem necessary to give effect to the above resolution and to settle any question, difficulty or doubt that may arise in this regard and also to delegate to the extent permitted by law, all or any of the powers herein conferred to any Committee of the Board or any Key Managerial Personnel (KMP) or any other Officer(s) of the Company."

#### Item No. 10

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

**"RESOLVED THAT** in supersession of the earlier Ordinary resolution passed under Section 293(1)(a) of the Companies Act, 1956 at the Annual General Meeting of the Company held on 27<sup>th</sup> September, 2007, and pursuant to Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this resolution) to hypothecate, mortgage/charge or create lien and /or other encumbrances in addition to the mortgages/charges etc. already created / to be created by the Company in such form and manner and with such ranking as at such time and on such terms on all or any of the immovable and moveable properties 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 creation of lien and / or other encumbrances created/ to be created on the immovable/moveable properties of the Company in respect of earlier resolution passed under the aforesaid Section be and is hereby approved;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to finalise and execute such deeds, documents, agreements and / or papers as may be required for creation of the aforesaid mortgage, hypothecation, charge or any other encumbrances, if any, by the Company and to execute all such documents, instruments



### Notice to the Shareholders (Contd.)

and writings as may be required and do all such acts, deeds and things as it may in its absolute discretion deem necessary to give effect to the above resolution and to settle any question, difficulty or doubt that may arise in this regard and also to delegate to the extent permitted by law, all or any of the powers herein conferred to any Committee of the Board or any Key Managerial Personnel (KMP) or any other Officer(s) of the Company."

#### Item No.11

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

**"RESOLVED THAT** pursuant to the provisions of Section 181 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors (herein referred to as 'the Board' which shall deem to include any committees thereof) to contribute to bonafide charitable and other funds provided that the aggregate amount of contribution to such funds in a financial year shall not exceed the limits as set out in Section 181 or a sum of ₹ 40 lacs (Rupees forty lacs only) whichever is higher."

#### Item No. 12

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

**"RESOLVED THAT** pursuant to Section 61(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force), the consent of the Company be and is hereby accorded to increase the existing Authorised Share Capital of ₹ 1,01,00,00,000/- (Rupees One Hundred and One Crores only) divided into 10,10,00,000 (Ten Crores Ten Lacs) equity shares of ₹ 10/- (Rupees Ten only) each to ₹ 1,30,00,00,000/- (Rupees One Hundred and Thirty Crores only) divided into 13,00,00,000 (Thirteen Crores) equity shares of ₹ 10/- (Rupees Ten only) each by creation of 2,90,00,000 (Two Crores Ninety Lacs) equity shares of ₹ 10/- (Rupees Ten only) each ranking pari-passu with the existing equity shares and consequently the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted with the following new Clause V as under:

V	The Authorised Share Capital of the Company is Rs. 1,30,00,00,000/- (Rupees One Hundred and Thirty Crores only) divided into 13,00,00,000 (Thirteen Crores) equity shares of Rs. 10/- (Rupees Ten only) each with the rights, privileges and conditions attaching thereof as are provided by the regulations of the Company for the time being with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereof respectively such preferential rights,
---	--

privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company or as may be permitted by the companies Act.
---

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

#### Item No. 13

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

A. **"RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with the rules framed there under and Schedules thereto (including any statutory modification(s) or re-enactment thereof, for the time being in force), as may be amended from time to time, consent of the Company be and is hereby accorded to alter Article 1 of the Articles of Association of the Company by substituting the same with the following Article:

"1. Save as reproduced herein, the regulations contained in Table 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company. Provided however, that the Articles shall to the extent to which they are repugnant to and/or at variance with the provisions of the Companies Act, 2013, various Schedules thereto and the rules framed there under (collectively referred to as "Act") be deemed to have been replaced by the relevant provisions/rules in the Act so as to be in consonance and harmony therewith and the relevant provisions/rules in the Act which require inclusion in the Articles shall be deemed to be included in the Articles;

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

B. **"RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with the rules framed there under and Schedules thereto (including any statutory modification(s) or re-enactment thereof, for the time being in force), as may be amended from time to time, consent of the Company be and is hereby accorded to alter the existing Articles of Association of the Company by





### Notice to the Shareholders (Contd.)

insertion of the following Article 188A after the existing Article 188:

"188A. Any member, beneficial owner, debenture-holder, other security-holder or other person entitled to copies of any documents / registers / returns / records to be kept or maintained by the Company in physical or electronic form under the provisions of the Companies Act, 2013 and rules made there under or any earlier enactment or rules, shall be provided copies thereof upon request on payment of fee of ₹ 10/- per page or any part thereof, or such other fee as may be prescribed from time to time and as may be determined by the Board;

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

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

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

Place : Kolkata  
Date : 12<sup>th</sup> August, 2014

**Ajay Kumar Tantia**  
*Company Secretary*

#### Notes:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of Special Business under item no. 4 to 13 to be transacted at the Annual General Meeting ('the meeting') is annexed hereto and forms part of the Notice.
2. **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. THE INSTRUMENT APPOINTING THE PROXY, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE COMMENCEMENT OF THE MEETING. FURTHER, PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC. MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE.**

**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.**

3. 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, provided that not less than 3 days notice in writing of the intention to inspect is given by the member to the Company.
4. Members holding shares in physical mode are requested to intimate any change in their address to the Registrar and Share Transfer Agents, M/s. 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 to their respective Depository Participants. Any such changes effected by the Depository Participants will automatically reflect in the Company's subsequent records.
5. Pursuant to Section 88 of the Companies Act, 2013 which has come into force w.e.f 1<sup>st</sup> April, 2014 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 Pvt. Ltd. of 6 Mangoe Lane, Kolkata - 700 001.
  - a. E-mail id (of the first holder)
  - b. PAN no.
  - c. Unique Identification Number (AADHAR NO.)
  - d. Mother'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 no. (In case the member is a body corporate)
6. Members are requested to quote the Folio/Client ID & DP ID Nos. in all correspondences.
7. Pursuant to the provisions of Section 91 of the Companies Act, 2013 (Corresponding to Section 154 of the Companies Act, 1956), the Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 20<sup>th</sup> September, 2014 to Saturday, 27<sup>th</sup> September, 2014 (both days inclusive).
8. Electronic copy of the Notice of the Fifteenth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes. However, members who have not registered their email



### Notice to the Shareholders (Contd.)

address, shall be furnished with physical copies of the aforesaid Notice in the permitted mode.

Further, members holding Shares in demat form, who have not registered their e-mail address as of now, are requested to register the same with their respective Depository Participant and members holding shares in Physical form are requested to register their valid e-mail address with the Company at its registered office address or by sending an e-mail at [jaibalaji@investordairy.in](mailto:jaibalaji@investordairy.in) mentioning their name and folio no. Alternatively, a 'JAIBALAJI-Go Green Form' is also available at the Company's website to enable the members holding shares in Physical form to register their e-mail address.

9. 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.
10. 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.
11. Members wishing to claim dividend, which remains unclaimed are requested to correspond with the Company Secretary, at the Company's Registered Office. Members are requested to note that dividends not encashed or claimed within 7 (Seven) years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the fund established by the Central Government, namely the Investor Education and Protection Fund (IEPF). Further, once the unclaimed 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
31.03.2007	27.09.2007	51,345.95	01.11.2014
31.03.2008	08.09.2008	53,192.00	22.10.2015
31.03.2009	15.09.2009	24,052.00	19.10.2016
31.03.2010	22.09.2010	47,116.00	26.10.2017
31.03.2011	21.09.2011	46,338.00	20.10.2018

Members holding shares in physical form can avail of the nomination facility under Section 72 of the Companies Act, 2013 by submitting Form No. SH. 13 as per Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, with the Company or its Registrar & Share Transfer Agents. Blank forms will be made available on request. The same can also be downloaded from the Company's website under the head 'Investor Relations'. In case of Shares held in demat form, the nomination has to be lodged with their respective Depository Participants.

12. Members are requested to:
  - Bring their copy of Annual Report at the meeting.
  - Deliver duly completed and signed Attendance Slip at the entrance of the venue of the meeting, for admission to the meeting hall.
13. 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 their PAN details to their respective Depository Participants. Members holding shares in physical mode can submit their PAN details to the Company's Registrar and Share Transfer Agents, M/s. Maheshwari Datamatics Private Limited, 6 Mangoe Lane, Kolkata - 700 001.
14. 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, M/s. Maheshwari Datamatics Private Limited, 6 Mangoe Lane, Kolkata - 700 001, enclosing their share certificates to enable the Company to consolidate their holdings into single folio.
15. Members are also informed that the Notice of the Fifteenth 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 2013-14 shall also be available on the website of the Company viz. [www.jaibalajigroup.com](http://www.jaibalajigroup.com)
16. 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, the Company is pleased to inform that *the business as stated in the notice may be transacted through electronic voting system and the Company is providing facility for voting by electronic means through e-voting services as provided by the Central Depository Services (India) Limited (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.*





### Notice to the Shareholders (Contd.)

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

Commencement of e-voting: From 10:00 a.m. on Saturday, 20<sup>th</sup> September, 2014

End of e-voting: up to 10:00 p.m. on Monday, 22<sup>nd</sup> September, 2014

**Members holding shares either in physical or dematerialized mode as on the cut-off date (i.e. the record date) viz. Friday, 22<sup>nd</sup> August, 2014 may exercise their vote electronically.**

- c) Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently. Further, members who have cast their vote electronically shall not be allowed to vote again at the meeting. However, members may attend the meeting and participate in the discussions, if any.
- d) Proxies cannot vote through e-voting facility.
- e) 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. the record date) being 22<sup>nd</sup> August, 2014.
- f) The Board of Directors has appointed Ms. Priti Todi, Partner of P. S. & Associates, Practising Company Secretaries, (Membership No. ACS: 14611) (Address: 225D, AJC Bose Road, 3<sup>rd</sup> Floor, Kolkata - 700 020), as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- g) The scrutinizer shall within a period of not exceeding 3 (Three) working days from the date of conclusion of the e-voting period, unblock the votes in the

presence of at least 2 (Two) witnesses not in employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the meeting.

- h) The result of e-voting shall be announced by the Chairman at the Annual General Meeting or thereafter and the resolution shall be deemed to be passed at the Annual General Meeting subject to the receipt of requisite number of votes in favour of the Resolutions.
- i) The results of e-voting will be communicated to the Stock Exchanges where 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 within 2 working days of passing of the resolution.
17. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

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

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

Place : Kolkata  
Date : 12<sup>th</sup> August, 2014

**Ajay Kumar Tantia**  
*Company Secretary*

### Annexure to the Notice

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

##### Item No. 4

Shri Gourav Jajodia (holding DIN - 00028560), aged 33 years, is a B.Com (Hons.) graduate. As one of the younger members of the family, he joined the family business at a very nascent age and has at present about 15 years of experience in Steel Industry. He supervises and controls the operational activities of the production process.

Shri Gourav Jajodia, has been appointed as an Additional Director (Category - Non-Executive Promoter) of the Company with effect from 20<sup>th</sup> September, 2013, in terms of Section 260 of the Companies Act, 1956 [Corresponding to Section 161(1) of the Companies Act, 2013] and would hold office upto the date of this Annual General Meeting. Further, pursuant to Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a Member along with a

deposit of ₹ 100,000/- (Rupees One Lac only) signifying his intention to propose the candidature of Shri Gourav Jajodia for the office of Director.

The Company has received consent in writing from Shri Gourav Jajodia to act as a Director of the Company along with the requisite disclosures as required under the Companies Act, 2013.

In the opinion of the Board, Shri Gourav Jajodia fulfils the conditions as laid down under the Companies Act, 2013 for appointment of Director and is not disqualified from being so appointed.

The Board of Directors, therefore, recommend the Resolution to be passed as an Ordinary Resolution by the members.

Shri Gourav Jajodia may be deemed to be concerned or



### Annexure to the Notice (Contd.)

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

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. 5

Shri Chandra Kant Bhartia (holding DIN – 00192694), is a Commerce Graduate from St. Xavier's College, Kolkata and is a fellow member of the Institute of Chartered Accountants of India (ICAI). He also holds DISA from ICAI. Shri Chandra Kant Bhartia is having experience of over 30 years in the areas of Finance, Accounts and Capital Market. He has expertise in Equity Research and Investments Advisory Services.

In terms of the requirement of Section 149(1) of the Companies Act, 2013 and rules made therein the Company is required to appoint at least one-third of the total number of Directors as Independent Directors on its Board. Further, in terms of SEBI Circular No. CIR/CFD/POLICY CELL/2/2014 dated 17<sup>th</sup> April, 2014 on Amendments to Clause 49 of the Equity Listing Agreement, the Company is required to appoint at least half of the total number of Directors as Independent Directors on its Board. Thus, to meet the above criteria and in view of the fact that his association would be of immense benefit to the Company, it is desirable to avail the services of Shri Chandra Kant Bhartia as an Independent Director.

The Board of Directors of the Company at its meeting held on 12<sup>th</sup> August, 2014, based on the recommendation of the Nomination and Remuneration Committee, appointed Shri Chandra Kant Bhartia, as an Additional Director (Category – Independent Director) of the Company with effect from the said date, in terms of Sections 161(1) and 149 of the Companies Act, 2013 to hold office upto the date of this Annual General Meeting and further recommended his appointment as an Independent Director of the Company, not liable to retire by rotation, to hold office from the date of this Annual General Meeting till 31<sup>st</sup> March, 2019, 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 thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.

Also, a notice in writing under Section 160 of the Companies Act, 2013, has been received from a member proposing Shri Chandra Kant Bhartia, as a candidate for the office of an Independent Director of the Company.

The Company has received consent in writing from Shri Chandra Kant Bhartia 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 Chandra Kant Bhartia fulfils

the conditions specified in the Companies Act, 2013 and rules made there under 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 Chandra Kant Bhartia 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

Shri Amit Kumar Majumdar joined the Board of Directors of the Company w.e.f. 10<sup>th</sup> July, 2010 as an Additional Director (Category – Non-Executive Independent).

Shri Amit Kumar Majumdar (holding DIN - 00194123) is a Director whose period of office was liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of the requirements of the Companies Act, 2013 read with SEBI Circular No. CIR/CFD/POLICY CELL/2/2014 dated 17<sup>th</sup> April, 2014 on Amendments to Clause 49 of the Equity Listing Agreement, the Company is required to appoint independent directors for a fixed term and their office shall not be liable to determination by retirement of directors by rotation. Accordingly, in compliance with 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 thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges, Shri Amit Kumar Majumdar, being eligible and consenting to act as such, is proposed to be appointed as an Independent Director who shall hold office from the date of this Annual General Meeting till 31<sup>st</sup> March, 2019.

Also, a notice in writing under Section 160 of the Companies Act, 2013, has been received from a member proposing Shri Amit Kumar Majumdar, as a candidate for the office of Director of the Company.

The Company has received consent in writing from Shri Amit Kumar Majumdar 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 Amit Kumar Majumdar fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to



### Annexure to the Notice (Contd.)

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

continue to avail services of Shri Amit Kumar Majumdar as an Independent Director. Accordingly, the Board recommends the resolution in relation to the appointment of Shri Amit Kumar Majumdar as an Independent Director, for the approval by the members of the Company.

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

Shri Amit Kumar Majumdar 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. 7

Shri Shailendra Kumar Tamotia joined the Board of Directors of the Company w.e.f. 15<sup>th</sup> May, 2013 as an Additional Director (Category – Non-Executive Independent).

Shri Shailendra Kumar Tamotia (holding DIN - 01419527) is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of the requirements of the Companies Act, 2013 read with SEBI Circular No. CIR/CFD/POLICY CELL/2/2014 dated 17<sup>th</sup> April, 2014 on Amendments to Clause 49 of the Equity Listing Agreement, the Company is required to appoint independent directors for a fixed term and their office shall not be liable to determination by retirement of directors by rotation. Accordingly, in compliance with 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 thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges, Shri Shailendra Kumar Tamotia, being eligible and consenting to act as such, is proposed to be appointed as an Independent Director who shall hold office from the date of this Annual General Meeting till 31<sup>st</sup> March, 2019.

Also, a notice in writing under Section 160 of the Companies Act, 2013, has been received from a member proposing Shri Shailendra Kumar Tamotia as a candidate for the office of Director of the Company.

The Company has received consent in writing from Shri Shailendra Kumar Tamotia 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 Shailendra Kumar Tamotia fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Shailendra Kumar Tamotia as an Independent Director. Accordingly, the Board recommends the resolution in relation to the appointment of Shri Shailendra Kumar Tamotia as an Independent Director, for the approval by the members of the Company.

The Board of Directors, therefore, recommend the Resolution under item no. 7 to be passed as an Ordinary Resolution by the members.

Shri Shailendra Kumar Tamotia 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. 8

On the basis of the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on 29<sup>th</sup> May, 2014, has approved the re-appointment and remuneration 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, Performance Appraisal Report and all such reports, annexures, records, documents etc., for the financial year 2014-15, that may be required to be prepared and submitted by the Cost Auditors under applicable statute.

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.

Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditors of the Company for the Financial Year 2014-15.

The Board of Directors, therefore, recommend the Resolution under item no. 8 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. 9

In accordance with the Ordinary resolution passed under Section 293(1)(d) of the Companies Act, 1956 at the Extraordinary General Meeting of the Company held on 12<sup>th</sup> April, 2007, the Board of Directors of the Company was authorised to borrow, from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course





### Annexure to the Notice (Contd.)

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

of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of ₹ 5,000/- crores (Rupees Five Thousand Crores only).

Further, in terms of Section 180(1)(c) of the Companies Act, 2013, effective w.e.f. 12<sup>th</sup> September, 2013, the Board can exercise its borrowing powers only with the consent of the members by way of a Special Resolution unlike Ordinary Resolution as was required under Section 293(1)(d) of the Companies Act, 1956. The approval of the members is also sought for any money, whatsoever borrowed/ to be borrowed by the Company after the expiry of time period granted by the Ministry of Corporate affairs in respect of earlier resolution passed under the aforesaid Section.

The Board of Directors, therefore, recommend the Resolution under item no. 9 to be passed as a Special 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. 10

In accordance with the Ordinary Resolution passed under Section 293(1)(a) of the Companies Act, 1956 at the Annual General Meeting of the Company held on 27<sup>th</sup> September, 2007, the Board of Directors of the Company were authorised to hypothecate, mortgage/charge or create lien and /or other encumbrances in addition to the mortgages / charges etc. already created / to be created by the Company in such form and manner and with such ranking as at such time and on such terms on all or any of the immovable and moveable properties 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) by the Company.

Further, in terms of Section 180(1)(a) of the Companies Act, 2013, effective w.e.f. 12<sup>th</sup> September, 2013, the Board can exercise its power to hypothecate, mortgage/charge or create lien and /or other encumbrances on the immovable/ 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. The approval of the members is also sought for any hypothecation, mortgage/charge or creation of lien and /or other encumbrances created/ to be created on the immovable/ moveable properties of the Company in respect of earlier resolution passed under the aforesaid Section.

The Board of Directors, therefore, recommend the Resolution

under item no. 10 to be passed as a Special 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. 11

The Company, as a corporate citizen believes in Corporate Social Responsibility activities in various areas.

As per Section 181 of the Companies Act, 2013, the Board of Directors of the Company can contribute to bona fide charitable and other funds, any amount the aggregate of which, in any financial year shall not exceed 5% of its average net profits for the three immediately preceding financial years.

In order to continue CSR activities, some contributions/ expenditure may come under the purview of Section 181 of the Companies Act, 2013. In view of losses, the consent of the members is sought to enable the Company to continue with CSR activities.

The Board of Directors, therefore, recommend the Resolution under item no. 11 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. 12

The Company is in need of fresh capital to achieve the future business plans contemplated by it in the coming years. The present Authorised Capital of the Company may not be sufficient for the said purpose. Accordingly, the Board of Directors of the Company at its meeting held on 12<sup>th</sup> August, 2014, proposed to increase the present Authorised Share Capital of the Company from ₹ 1,01,00,00,000/- (Rupees One Hundred and One Crores only) divided into 10,10,00,000 (Ten Crores Ten Lacs) equity shares of ₹ 10/- each (Rupees Ten only) to ₹ 1,30,00,00,000/- (Rupees One Hundred and Thirty Crores only) divided into 13,00,00,000 (Thirteen Crores) equity shares of ₹ 10/- (Rupees Ten only) each by creation of 2,90,00,000 (Two Crores Ninety Lacs) equity shares of ₹ 10/- (Rupees Ten only) each ranking pari-passu with the existing equity shares.

As a result of the increase in the Authorised Share Capital of the Company, the clause V of the Memorandum of Association is also required to be suitably amended in terms of Section 61(1)(a) of the Companies Act, 2013 and the approval of the members is sought for the same.

The Board of Directors, therefore, recommend the Resolution under item no. 12 to be passed as an Ordinary Resolution by the members.



### Annexure to the Notice (Contd.)

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

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. 13

A. With the promulgation of the Companies Act, 2013 ('the Act'), together with various Schedules thereto and the rules made there under, in replacement of the Companies Act, 1956, it has become necessary to modify the existing 'Article 1' of the Articles of Association of the Company, so as to have the effect of bringing various existing Articles, in consonance with the provisions of the Act, to the extent they are repugnant to and/or at variance with the provisions thereof and to have the effect of deemed inclusion of various new provisions of the Act which require inclusion in the Articles of Association of the Company.

Consent of the Members by way of Special Resolution is required to such alteration of Articles of Association in terms of the provisions of Section 14 of the Act.

The Board of Directors, therefore, recommend the Resolution under item no. 13A to be passed as a Special 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.

B. The Companies Act, 2013 ('the Act') provides that members, beneficial owners, debenture-holders, other

security-holders or other persons may require copies of documents/registers/returns / records kept or maintained by the Company in physical or electronic mode as prescribed under the Act and rules made there under, on payment of such fee as may be specified in the Articles of Association of the Company but not exceeding ₹ 10/- (Rupees Ten only) for each page or a part thereof.

In the context of the above, the Board of Directors of the Company ('the Board') at its meeting held on 12<sup>th</sup> August, 2014, recommended that a new Article 188A be inserted in the Articles of Association of the Company which provides for charging of such fees as set out in the Special Resolution.

Consent of the Members by way of Special Resolution is required to such alteration of Articles of Association in terms of the provisions of Section 14 of the Act.

The Board of Directors, therefore, recommend the Resolution under item no. 13B to be passed as a Special 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.

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

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

Place : Kolkata  
Date : 12<sup>th</sup> August, 2014

**Ajay Kumar Tantia**  
Company Secretary

#### Annexure to the notice pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges

#### Brief Profiles of the Directors proposed to be re-appointed at the Fifteenth Annual General Meeting

Name of Director	Shri Shyam Bahadur Singh	Shri Gourav Jajodia
Date of Birth	1 <sup>st</sup> April, 1941	26 <sup>th</sup> September, 1980
Date of Appointment	17 <sup>th</sup> December, 2007	20 <sup>th</sup> September, 2013
Qualification	B.sc (Metallurgical Engineering)	B. Com (Hons.)
Expertise in Specific functional area	Vast and rich experience in the field of Iron & Steel industry. He is the Ex Managing Director of Durgapur Steel Plant	Wide experience in Steel Industry
Directorship held in other Public Companies	1) Skipper Limited 2) Adhunik Industries Limited	1) Enfield Suppliers Limited 2) Jain Vanijya Udyog Limited 3) Jai Balaji Shakti Cement Limited 4) Chandi Steel Industries Ltd
Chairman / Member of the Committees of the Board of Directors of the Company	Audit Committee - Member	Stakeholders Relationship Committee - Member



### Annexure to the Notice (Contd.)

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

Brief Profiles of the Directors proposed to be re-appointed at the Fifteenth Annual General Meeting (Contd.)

Name of Director	Shri Shyam Bahadur Singh	Shri Gourav Jajodia
Chairman/Member of the Committees of the Board of Directors of other Public Companies in which he is a Director	Audit Committee - Skipper Limited - Member	Stakeholders Relationship Committee - Chandi Steel Industries Limited - Chairman
No. of Equity Shares held in the Company	Nil	1,19,666

### Brief Profile of Directors Seeking Appointment at the Annual General Meeting

Name of Director	Shri Amit Kumar Majumdar	Shri Shailendra Kumar Tamotia	Shri Chandra Kant Bhatia
Date of Birth	16 <sup>th</sup> August, 1938	25 <sup>th</sup> September, 1939	26 <sup>th</sup> June, 1962
Date of Appointment	10 <sup>th</sup> July, 2010	15 <sup>th</sup> May, 2013	12 <sup>th</sup> August, 2014
Qualification	B.Sc. (Allahabad University) B.Sc. (Metallurgical Engineering Banaras Hindu University), Advanced Management Program from I.I.M, Advanced Management Program from Leeds University, U.K.	BE (Hons.), ME (Soil Mechs. & Foundn. Engg.)	Commerce Graduate from St Xavier's College, Kolkata and is a fellow member of the Institute of Chartered Accountants of India (ICAI). He also holds DISA from ICAI.
Expertise in Specific functional areas	More than 51 years of experience in Iron & Steel Industry. Operational & management of large steel plants.	i) Wide and varied experience in ferrous & non-ferrous metals sector spanning over 50 years with an impressive track record in management and implementation ii) Project Management iii) Technical Education	Experience of over 30 years in the areas of Finance, Accounts and Capital Market, expertise in Equity Research and Investments Advisory Services
Directorship held in other Public Companies	1) Kap Steel Limited 2) Kap Chem Limited 3) Gujarat Nre Mineral Resources Ltd	Nil	Utkal Polymer Limited
Chairman / Member of the Committees of the Board of Directors of the Company	Audit Committee - Member; Stakeholders Relationship Committee - Member	Audit Committee - Member; Stakeholders Relationship Committee - Member	Audit Committee - Member
Chairman/Member of the Committees of the Board of Directors of other Public Companies in which he is a Director	Audit Committee & Stakeholders Relationship Committee - Gujarat NRE Mineral Resources Limited - Member	Nil	Nil
No. of Equity Shares held in the Company	Nil	Nil	Nil





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

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

**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 password for e-voting. Please note that this password is an initial password.
- ii) Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- iii) Now click on "Shareholders" tab to cast your votes.
- iv) Now select the Company's name "Jai Balaji Industries Limited" from the drop down menu and click on "SUBMIT".
- v) Now, fill up the following details in the appropriate boxes:

	<b>For Members holding shares in Demat Form</b>	<b>For Members holding shares in Physical Form</b>
User ID	<b>For NSDL:</b> 8 Character DP ID followed by 8 Digits Client ID <b>For CDSL:</b> 16 digits beneficiary ID	Folio Number registered with the Company

- vi) Next enter the Image Verification as displayed and Click on Login.
- vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- viii) If you are a first time user, follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	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) <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> <li>● PAN/Default PAN is communicated in the Attendance Slip.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>



### Annexure to the Notice (Contd.)

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

- ix) After entering these details appropriately, click on "SUBMIT" tab.
- x) Members holding shares in Physical form will then reach directly to the Company selection screen.
- xi) 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.
- xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xiii) Click on the EVSN for the relevant <Jai Balaji Industries Limited> on which you choose to vote.
- xiv) 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.
- xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xvi) 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.
- xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xviii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xix) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

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

Please follow all steps from Sr. No. (ii) to 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 under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



### Directors' Report

#### Dear Members

Yours Directors are pleased to present the fifteenth Annual Report together with the Audited Accounts of your Company for the financial year ended 31<sup>st</sup> March, 2014.

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

#### FINANCIAL PERFORMANCE

(₹ in lacs)

Particulars	Standalone		Consolidated	
	Financial year ended 31 <sup>st</sup> March, 2014	Nine months period ended 31 <sup>st</sup> March, 2013	Financial year ended 31 <sup>st</sup> March, 2014	Nine month period ended 31 <sup>st</sup> March, 2013
<b>Income</b>	<b>199,078.40</b>	156,657.62	<b>199,472.98</b>	156,711.98
Less: Expenses	193,743.78	161,997.96	194,581.89	162,442.96
Finance Costs	33,636.48	17,644.70	34,523.72	18,510.49
Depreciation and Amortization Expenses	13,572.21	8,612.67	14,334.24	9,184.92
<b>Profit/(Loss) before exceptional and extraordinary items and Tax</b>	<b>(41,874.07)</b>	(31,597.71)	<b>(43,966.87)</b>	(33,426.39)
Less : Exceptional items	—	—	—	—
<b>Profit/(Loss) before extraordinary items and Tax</b>	<b>(41,874.07)</b>	(31,597.71)	<b>(43,966.87)</b>	(33,426.39)
Less : Extraordinary items	—	—	—	—
<b>Profit/(Loss) before Tax</b>	<b>(41,874.07)</b>	(31,597.71)	<b>(43,966.87)</b>	(33,426.39)
Less : Tax expense				
Current Tax	(270.94)	147	(249.49)	1.47
MAT Credit Entitlement	—	—	—	—
Deferred Tax credit	(9,707.98)	(10,286.40)	(10,399.28)	(11,075.69)
<b>Profit/Loss after tax</b>	<b>(31,895.15)</b>	(21,312.78)	<b>(33,318.10)</b>	(22,352.17)
<b>Earnings per share (Nominal value per share ₹ 10/-)</b>				
Basic and Diluted	(48.27)	(33.42)	(50.43)	(35.04)

#### FINANCIAL HIGHLIGHTS

During the year 2013-14, your Company incurred loss which can be mainly attributable to raw material price inflation, rising borrowing costs and other global factors. The Loss before exceptional and extraordinary items and tax was ₹ 41,874.07 lacs as compared to loss of ₹ 31,597.71 lacs in the previous year. The net loss for the year under review (twelve months) was ₹ 31,895.15 lacs against loss after tax of ₹ 21,312.78 lacs in the previous year (nine months).

The Consolidated loss before exceptional and extraordinary items and tax was ₹ 43,966.87 lacs as compared to loss of ₹ 33,318.10 lacs in the previous year. The consolidated net loss for the year under review (twelve months) was ₹ 33,321.43 lacs against loss after tax of ₹ 22,352.17 lacs in the previous year (nine months).

#### DIVIDEND

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 dividend for the financial year 2013-14.

#### NUMBER OF MEETINGS OF THE BOARD

During the financial year 2013-14, 9 (Nine) meetings of the Board of Directors of your Company were held viz. 22<sup>nd</sup> April, 2013, 15<sup>th</sup> May, 2013, 4<sup>th</sup> July, 2013, 5<sup>th</sup> August, 2013, 12<sup>th</sup> August, 2013, 12<sup>th</sup> September, 2013, 14<sup>th</sup> November, 2013, 24<sup>th</sup> December, 2013 and 12<sup>th</sup> February, 2014.

Further, a Circular Resolution was passed on 20<sup>th</sup> September, 2013, by obtaining the assent of all the Directors of your Company, in terms of Section 289 of the Companies Act, 1956.





### Directors' Report (Contd.)

The maximum time gap between two consecutive Board Meetings did not exceed four months in compliance with clause 49(I)(C) of the Listing Agreement with the Stock Exchanges.

#### PREFERENTIAL ISSUE

During the year under reporting, your Company has issued and allotted 1,00,00,000 warrants on 4<sup>th</sup> July, 2013, on private placement basis to two promoter group companies viz. M/s. Hari Management Limited (81,00,000 warrants) and M/s. Enfield Suppliers Limited (19,00,000 warrants) at a issue price of ₹ 50/- each. Warrant was convertible into one fully paid-up equity share 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, at a conversion price of ₹ 50/- per equity share (including premium of ₹ 40/- per share) which is a price greater than the price determined as per Regulation 76 of Chapter VII of SEBI (ICDR) Regulations, 2009.

Subsequently, the Board of Directors of your Company at its meeting held on 5<sup>th</sup> August, 2013, has fully and partly converted the said warrants, by way of allotment of 34,95,000 equity shares at a conversion price of ₹ 50/- per equity share (including a premium of ₹ 40/- per share), being 19,00,000 equity shares to M/s. Enfield Suppliers Limited and 15,95,000 equity shares to M/s. Hari Management Limited, pursuant to the application letter received from the respective allottees.

Further, the Board of Directors of your Company at its meeting held on 29<sup>th</sup> May, 2014, has fully converted the remaining 65,05,000 warrants by way of allotment of 65,05,000 equity shares at a conversion price of ₹ 50/- per equity share (including a premium of ₹ 40/- per share) to M/s. Hari Management Limited, pursuant to the application letter received from the allottee.

Consequent to the full conversion of warrants, the paid-up equity share capital of your Company stands at ₹ 73,78,14,860 divided into 7,37,81,486 equity shares of ₹ 10/- each.

#### EXPANSION & PROJECTS

The Company continues its journey to serve its customers in a more efficient, cost-effective, reliable and environment-friendly manner, while bolstering its market position in the industry.

The Company had expanded a 350000 MTPA Coke Oven Plant along with Waste Heat Recovery Boiler of 80 TPH. The said coke oven is presently running satisfactorily.

The Dumri Coal Block allotted to the subsidiary company M/s. Nilachal Iron & Power Limited, has received Environmental clearance and Forest Go Certificate. Forest

clearance stage one has been received and stage two is under process, Net Present Value letter has also been received from the authorities.

Your Company's products meet stringent quality parameters which is gaining market share comprising of private, institutional, non-institutional and government body buyers. This achievement highlights the technical and project execution skills of the management of your Company to successfully execute large projects within record time.

#### SUBSIDIARIES

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

##### ■ Nilachal Iron & Power Limited

A Wholly Owned Subsidiary of your Company since 26<sup>th</sup> October, 2007, having its manufacturing plant located at Kandra near Jamshedpur, Jharkhand. Currently, it manufactures sponge iron, and work on increasing its capacity by 60,000 tonnes per annum has been initiated. The Company has been allotted the Dumri Coal Block for captive mining from the Government of India, about 300 kms from the plant. During the year under review, the Company has achieved total revenue of ₹ 394.39 lacs as against ₹ 2,400.29 lacs in the previous year. The Profit/Loss before Interest, Depreciation and tax (PBIDT) for the year amounted to ₹ 443.597 lacs as against ₹ 701.56 lacs for the previous year. The Net Loss for the year 2013-14 stood at ₹ 1,423.02 lacs as against loss after tax of ₹ 1,677.72 lacs in the previous year.

##### ■ Jai Balaji Steels (Purulia) Limited

A Wholly Owned Subsidiary of your Company since 1<sup>st</sup> November, 2010. It did not commence commercial production as on the date of reporting.

##### ■ Jai Balaji Energy (Purulia) Limited

A Wholly Owned Subsidiary of your Company since 1<sup>st</sup> November, 2010. It did not commence commercial production as on the date of reporting.

The Audited Balance Sheet and Statement of Profit & Loss together with the respective Reports of the Board of Directors' and the Auditors' thereon of the said subsidiaries, wherever applicable, for the financial year ended 31<sup>st</sup> March, 2014 are attached in terms of Section 212 of the Companies Act, 1956.

A statement relating to amount of profit/(loss) of subsidiaries, dealt with and not dealt with in the Companies account, as per Section 212 of the Companies Act, 1956 is also provided in this report.



### Directors' Report (Contd.)

#### JOINT VENTURES

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

##### ■ Andal East Coal Company Private Limited

A Joint Venture Company 'M/s. Andal East Coal Company Private Limited' was formed in 2009-10 with the Registrar of Companies, West Bengal, in which your Company along with M/s. Bhushan Steel Limited and M/s 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. Your Company has 32.79% stake in the coal block.

##### ■ Rohne Coal Company Private Limited

A Joint Venture Company 'M/s. Rohne Coal Company Private Limited' was formed in 2008-09 with the Registrar of Companies, NCT of Delhi & Haryana, in which your Company along with M/s JSW Steel Limited & M/s 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. Your Company has 6.90% stake in the coal block.

Both the Joint Venture Companies are in the process of setting up coal mining facilities at their respective coal blocks.

#### 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.

Further, during the year under reporting, your Company had applied for listing and trading approvals to the Stock Exchanges where shares of the Company are listed in respect of 34,95,000 equity shares of ₹ 10/- each allotted to the two promoter group companies viz. M/s. Hari Management Limited (81,00,000 warrants) and M/s. Enfield Suppliers Limited (19,00,000 warrants) upon conversion of 34,95,000 warrants.

Subsequently, final listing and trading approvals was granted to your Company by the Stock Exchanges, in respect of the aforesaid equity shares post which the listed equity capital of your Company stood at ₹ 67,27,64,860 divided into 6,72,76,486 equity shares of ₹ 10/- each.

Further, post the allocation of 65,05,000 equity shares to M/s. Hari Management Limited upon conversion of the remaining 65,05,000 convertible warrants, your Company

had applied for listing and trading approval to the Stock Exchanges in respect of the aforesaid equity shares. The listing approval in respect of the said equity shares has been granted to your Company by the Stock Exchanges post which the listed equity capital of your Company stands at ₹ 73,78,14,860 divided into 7,37,81,486 equity shares of ₹ 10/- each.

Your Company has paid the annual listing fees for the year 2014 - 15 to the abovementioned Stock Exchanges.

#### DEMATERIALIZED SHARES

The dematerialised shares of your Company are maintained by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

During the year under reporting, your Company has received confirmation of dematerialisation and admission in NSDL and CDSL of 34,95,000 equity shares of ₹ 10/- each allotted to the two promoter group companies viz. M/s. Hari Management Limited (81,00,000 warrants) and M/s. Enfield Suppliers Limited (1,900,000 warrants) upon conversion of 3,495,000 warrants as well as 65,05,000 equity shares of ₹ 10/- each allotted to M/s. Hari Management Limited upon conversion of the remaining 65,05,000 warrants.

Also, your Company has paid the annual custodial fees for the financial year 2014-15 to NSDL and CDSL.

#### PROSPECTS

The speed and degree of changes in the global economy and the increasingly complex interplay of factors influencing a more globally integrated steel business make horizon watching essential. In 2013 world steel demand grew higher than previous forecasts due to a stronger than expected performance in the developed world in the second half of the year. At the end of 2013, global industrial production indicators showed a definite upswing in sentiment, with 3% month on month growth which is further expected to grow in 2014 with a forecasted growth of about 4% as compared to 1.9% in 2013. Overall, the global economic outlook was positive with industrial production forecast to grow by 4% in 2014. Global steel demand increased by an estimated 3.2% in 2013 as compared to 2012, largely due to increased infrastructure and construction activity. However, growth in emerging markets slowed down in 2013 due to weak demand especially in developed countries and tighter financial conditions.

India has become the second best in terms of growth amongst the top ten steel producing countries in the world and a net exporter of steel during 2013-14. The Indian steel sector contributes nearly 2% of the GDP (Gross Domestic Product) and employs over 5 lacs people. In 2013, India remained the 4<sup>th</sup> largest steel producing country in the world since 2010, behind China, Japan and the US and is expected to become the 2<sup>nd</sup> largest producer of crude steel in the world by 2015.



### Directors' Report (Contd.)

Steel is crucial to the development of any modern economy and is considered to be the backbone of human civilization. The level of per capita consumption of steel is treated as an important index of the level of socio-economic development and living standards of the people of any country and thus is a major contributor to the overall economic development of every nation. India is bestowed with large resources of iron ore which occur in different geological formations. India is the world's largest producer of sponge iron. Trend indicate that blast furnace route of iron making capacity would continue to dominate the iron production scenario in India. India is almost self sufficient in iron ore and to meet the future projected targets the existing raw-materials are to be utilized efficiently.

The Indian economy's outlook for 2013-14 can be viewed as cautiously optimistic. The growth rate of the economy improved from 4.4 per cent in quarter 1 in the fiscal year 2013-14 to 4.8 per cent in Quarter 2. Compared to Quarter 1, Quarter 2 has evidenced a robust pick-up in the growth of the agricultural sector and a gradual recovery in the industrial sector. In India, steel demand is expected to grow by 3.3 per cent to 76.2 million tonnes in 2014, following a 1.8 per cent growth in 2013 as per the short-range outlook for 2014 and 2015 of the world steel association.

Despite the challenging environment in which the steel industry operates, there are a number of factors that are leading to improved conditions for steel companies. The optimistic employment scenario and rising income levels and continuity of the developmental projects around the world would strengthen economy growth and your Company believes in focussing on its long term growth strategies in order to secure its long-term competitive position in the industry.

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

The relevant information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the Annexure forming part of this Annual report.

#### 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) #	
	2013-14	2012-13	2013-14	2012-13 (Nine Months)
Sponge Iron	345,000	345,000	197,211	136,418
Pig Iron	509,250	509,250	273,166	208,010
Steel Bars/Rods	260,000	260,000	66,037	60,518
Billet/MS Ingot	906,230	906,230	280,162	262,920
Ferro Alloys	106,618	106,618	16,807	29,305
Ductile Iron Pipe	240,000	240,000	58,772	41,449
Power	101.10 (MW)	101.10 (MW)	239.37 (MU)	217.48 (MU)
Sinter	608,000	608,000	484,459	382,223
Coke	350,000	350,000	207,935	100,056

# includes production for third party conversion Ferro Alloy 150 M.T (1,499 M.T) and Lam Coke 15,527 (0 M.T) respectively.

#### DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm that:

- i) In the preparation of annual accounts for the financial year ended 31<sup>st</sup> March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on 31<sup>st</sup> March, 2014 and of the loss of the Company for the year ended on that date;
- iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) The annual accounts for the financial year ended 31<sup>st</sup> March, 2014, have been prepared on a going concern basis.

#### INFORMATION PURSUANT TO SEC 217 OF THE COMPANIES ACT, 1956

The Company does not have any employee whose particulars are required to be furnished under Section 217(2A) of the





### Directors' Report (Contd.)

Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended from time to time.

#### CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

Your Company has always strived to maintain highest ethical standards and practice sound Corporate Governance. The Board of Directors of your Company strive to take necessary actions to optimize value for various stakeholders and meet their expectations.

Your Company is in compliance with clause 49 of the Listing Agreement with the Stock Exchanges. A Separate Section on Corporate Governance and a certificate from the Auditors of your Company regarding compliance with the requirements of Corporate Governance as stipulated under the said clause, and Management Discussion and Analysis are annexed to this report.

#### CONSOLIDATED FINANCIAL STATEMENTS

In terms of Clause 32 of the Listing Agreement with the Stock Exchanges, the duly audited Consolidated Financial Statements, conforming to Accounting Standard 21 and 27 issued by the Institute of Chartered Accountants of India, are attached as a part of the 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 in which your Company is holding 32.79% equity shares has not been followed as per Accounting Standard 27. Sufficient disclosure in this regard has been made in the Financial Statements which forms part of this Annual Report.

#### AUDITORS

M/s. S. K. Agrawal & Co., Chartered Accountants, who were appointed as Auditors of your Company in the last Annual General Meeting held on 12<sup>th</sup> September, 2013 retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Company has received a confirmation from M/s. S. K. Agrawal & Co., Chartered Accountants that their re-appointment, if made, will be within the criteria provided in Section 141 and 139 of the Companies Act, 2013. The Audit Committee and the Board of Directors of your Company recommend the re-appointment of M/s. S. K. Agrawal & Co., Chartered Accountants, as the Auditors of your Company. Therefore, members are requested to consider the re-appointment of M/s. S. K. Agrawal & Co., Chartered Accountants, as Auditors of your Company to hold office from the conclusion of the ensuing AGM until the conclusion of the next AGM based on remuneration as may be fixed subsequently by the Board of Directors.

#### AUDITORS' REPORT

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

The Board of Directors of your Company has appointed M/s. Mondal & Associates, Proprietor Mr. Amiya Mondal as the Cost Auditor of your Company in accordance with the provisions of Sections 139, 141 and 148 of the Companies Act, 2013 (corresponding to Sections 224 (1B) and 233B of the Companies Act, 1956) read with the Companies (cost records and audit) Rules, 2014 and any other relevant provisions, rules, circulars issued by the Ministry of Corporate Affairs, to carry out audit of cost records of the Company for the financial year 2014-15 at a consolidated remuneration of ₹ 1,20,000/- (excluding applicable taxes) which shall be subject to ratification by the Members at the ensuing Annual General Meeting of your Company.

#### COST AUDIT REPORT

The Company has filed the Cost Audit Report for the financial year 2012-13 with the Registrar of Companies, Ministry of Corporate Affairs in the prescribed form.

#### SECRETARIAL AUDIT

In compliance with the provisions of Section 204 of the Companies Act, 2013, the Board of Directors of your Company, at its meeting held on 29<sup>th</sup> May, 2013, has appointed Shri Sandip Kumar Kejriwal, Practising Company Secretary, as the Secretarial Auditor of your Company to conduct the Secretarial Audit.

#### DEPOSITS

During the year under review, your Company has not accepted any deposits from the public.

#### DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013 (corresponding to Sections 255 & 256 of the Companies Act, 1956) and the Company's Articles of Association, Shri Shyam Bahadur Singh (holding DIN - 01982407) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

During the year under review, Shri Gourav Jajodia (holding DIN - 00028560) resigned from the directorship of your Company w.e.f. 5<sup>th</sup> August, 2013. Subsequently, he was appointed as an Additional Director of your Company w.e.f. 20<sup>th</sup> September, 2013 in terms of Section 260 of the Companies Act, 1956 [corresponding to Section 161(1) of the Companies Act, 2013]. He shall hold office upto the date of the ensuing Annual General Meeting. Your Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 (corresponding to Section 257 of the Companies Act, 1956) proposing the candidature of Shri Gourav Jajodia for the office of Director of your



### Directors' Report (Contd.)

Company. In view of his wide experience and qualifications, your Directors recommend his appointment as a Director (Category - Non-Executive Promoter Director) of your Company liable to retire by rotation.

The Board of Directors of your Company at its meeting held on 12<sup>th</sup> August, 2014, based on the recommendation of the Nomination and Remuneration Committee, appointed Shri Chandra Kant Bhartia (holding DIN - 00192694), as an Additional Director (Category - Independent Director) of the Company with effect from the said date, in terms of Section 161(1) of the Companies Act, 2013 to hold office upto the date of this Annual General Meeting and further recommended his appointment as an Independent Director of the Company, not liable to retire by rotation, to hold office from the date of this Annual General Meeting till 31<sup>st</sup> March, 2019, 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 in read with Schedule IV to the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges. Further, your Company has received a notice in writing from a Member under Section 160 of the Companies Act 2013 (corresponding to Section 257 of the Companies Act, 1956) proposing the candidature of Shri Chandra Kant Bhartia for the office of Director.

In view of his wide experience and qualifications, your Directors recommend the appointment of Shri Chandra Kant Bhartia as Director of your Company not liable to retire by rotation, to hold office from the date of this Annual General Meeting till 31<sup>st</sup> March, 2019.

Your Company has received a declaration from Shri Chandra Kant Bhartia, that he meets the criteria of independence as provided under Section 149(7) of the Companies Act, 2013 read with SEBI Circular No. CIR/CFD/POLICY CELL/2/2014 dated 17<sup>th</sup> April, 2014 on Amendments to Clause 49 of the Equity Listing Agreement.

In the opinion of the Board, Shri Chandra Kant Bhartia fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company.

Pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the rules made therein read with Schedule IV to the Companies Act, 2013, Shri Amit Kumar Majumdar (holding DIN - 00194123) and Shri Shailendra Kumar Tamotia (holding DIN - 01419527), whose period of office was liable to determination of retirement of Directors by rotation and in respect of whom the Company has received notices in writing from Members in terms of Section 160 of the Companies Act, 2013 (corresponding to Section 257 of the Companies Act, 1956), shall be appointed as Independent Directors of the Company not liable to retire by rotation, to hold office from the date of this Annual General Meeting till 31<sup>st</sup> March, 2019.

Your Company has received a declaration from Shri Amit Kumar Majumdar and Shri Shailendra Kumar Tamotia, that they meet the criteria of independence as provided under Section 149(7) of the Companies Act, 2013 read with Clause 49 of the Listing Agreement amended vide SEBI Circular No. CIR/CFD/POLICY CELL/2/2014 dated 17<sup>th</sup> April, 2014.

In the opinion of the Board, Shri Amit Kumar Majumdar and Shri Shailendra Kumar Tamotia fulfils the conditions specified in the Companies Act, 2013 and rules made there under for their appointment as Independent Directors of the Company.

Further, your Directors have appointed Shri Manas Kumar Nag (holding DIN - 02058292) as a Nominee Director (Nominee of State Bank of India) w.e.f 12<sup>th</sup> September, 2013, in order to broad base the expertise of the Board of Directors of your Company.

Shri Krishnava S. Dutt, Shri Ashim Kumar Mukherjee and Shri Satish Chander Gupta have resigned from the directorship of your Company with effect from 14<sup>th</sup> May, 2013, 13<sup>th</sup> December, 2013 and 12<sup>th</sup> February, 2014, respectively. The Board wishes to place on record its sincere appreciation for the sterling contribution rendered by Shri Krishnava S. Dutt, Shri Ashim Kumar Mukherjee and Shri Satish Chander Gupta towards the growth and development of your Company through their wealth of knowledge and experience during their tenure.

All the Directors have filed form MBP-1 with your Company as required under the Companies (Meetings of Board and its Powers) Rules, 2014.

A brief resume of the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting is incorporated in the Notice calling the said meeting.

#### KEY MANAGERIAL PERSONNEL (KMP)

Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company is required to have the following Whole-time Key Managerial Personnel (KMP) and determine their terms and conditions including remuneration -

- a) Managing Director, Chief Executive Officer or Manager or in their absence, a Whole-time director
- b) Company Secretary
- c) Chief Financial Officer

The Board of Directors of your Company has appointed Shri Aditya Jajodia, Chairman & Managing Director, Shri Ajay Kumar Tantia, Company Secretary as per the requirements of the Companies Act, 1956 & Shri Sanjiv Jajodia, Chief Financial Officer as per the requirements of the Listing Agreement with the Stock Exchanges. However, the aforesaid persons are required to be designated as Key Managerial



### Directors' Report (Contd.)

Personnel (KMP) in compliance with the relevant provisions of the Companies Act, 2013. Therefore, in order to ensure compliance with the said provisions of the Companies Act, 2013, the Board of Directors of your Company, at its meeting held on 29<sup>th</sup> May, 2014, has designated the aforesaid persons as KMP w.e.f. the said date.

#### NOMINATION & REMUNERATION POLICY

The Board of Directors of your Company, at its meeting held on 29<sup>th</sup> May, 2014, has approved the Nomination & Remuneration Policy on appointment and remuneration of Directors, Key Managerial Personnel and other employees based on the recommendations of the Nomination & Remuneration Committee. The said policy sets out the criteria for determining the qualifications, positive attributes, independence of a director as per Schedule IV of the Companies Act, 2013 as required under Section 178(3) of the said Act.

#### VIGIL MECHANISM UNDER THE WHISTLEBLOWER POLICY

In compliance with Section 177(9) of the Companies Act, 2013 and rules made there under read with SEBI Circular No CIR/CFD/POLICY CELL/2/2014 dated 17<sup>th</sup> April, 2014 on Amendments to Clause 49 of the Equity Listing Agreement (effective from 1<sup>st</sup> October, 2014), the Board of Directors at their meeting held on 29<sup>th</sup> May, 2014, has adopted a Whistle Blower Policy for Directors and Employees to report their genuine concerns or grievances against any wrong doing in your Company as well as provide them adequate safeguards against victimisation. The employees and directors shall report to the Audit Committee/Chairman of Audit Committee instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy including:

- a) Manipulation of the data/records of the Company
- b) Misuse of company's properties, assets and resources
- c) Abuse of authority
- d) Leaking confidential information of the Company
- e) Violation of the Company's code of conduct or any rules/regulations/laws
- f) Forgery/fraud/corruption/bribery
- g) Physical/emotional violence
- h) Any other matter that might cause financial/non-financial loss to the director/employee of the Company or might impact their goodwill

The said policy has also been made available on the website of the Company viz., [www.jaibalajigroup.com](http://www.jaibalajigroup.com)

#### INTERNAL CONTROL AND AUDIT

Internal Control is a part of the day to day management and

administration of your Company and is designed to ensure that the significant financial, managerial and operating information that is relevant, accurate and reliable is provided on time. The Internal Audit functions serve to provide independent and objective assurance on the adequacy and effectiveness of the organisation's risk management, control and governance processes. The Internal Audit functions also assesses opportunities for improvement in business processes, systems and controls and provides recommendations designed to add value to the organisation and follows up on the implementation of the agreed audit recommendations. Your Company has various oversight Committees with their defined roles and responsibilities to ensure appropriate internal control checks and maintain balance. The Audit Committee of your Company comprises of eminent professionals who are well versed with the financial management. The Audit Committee actively reviews the adequacy and effectiveness of the internal audit functions of your Company and monitors the implementation of the same.

#### RISK MANAGEMENT

The Board of Directors of your Company at its meeting held on 29<sup>th</sup> May, 2014, has approved the Risk Management Policy of the Company. Risk Management is an integral part of your Company's business and your Company takes the endeavour to develop appropriate risks mitigation measures so as to address the threats posed by the business environment which affects or might affect its growth.

Your Company is committed to managing risks in an effective & proactive manner since it recognizes risks as an integral and unavoidable component of business. It adopts systematic approach to mitigate risks associated with accomplishment of objectives, operations, revenues and regulations. Your Company believes that this would ensure mitigating steps proactively and help to achieve its objectives. Some of the risks and steps taken by the management to mitigate them have been highlighted in the Risk Management policy of your Company.

#### HUMAN RESOURCE MANAGEMENT

The Company is dedicated to have an optimum level of human resource and believes in the concept of right talent at the right job since it considers human capital to be the most valuable asset of your Company. We nurture our human resource and provide them a growth oriented and challenging work environment thereby achieving our organisational goals. Your Company acknowledges the tremendous contribution of all its employees towards its growth in leading, thinking, working, motivating etc. Human Resources development practices in your company are guided by the principles of consistency and fairness in order to ensure a productive and innovative work place.





### Directors' Report (Contd.)

The management continuously urges for building harmonious relations and strengthening the human resource system by making available better tools, technology and techniques at the workplace to maximise the skills of the workforce, thus enhancing a competitively superior position in terms of human capital.

#### CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company views Corporate Social Responsibility (CSR) as a management strategy to integrate social and environmental concerns in its business operations and interactions with its stakeholders. Your Company strives to achieve a balance between economic, environmental and social imperatives, thus improving the quality of life of the workforce and their families as well as of the local community and society at large and simultaneously contributing to economic development.

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, a CSR Committee of your Company has been constituted on 29<sup>th</sup> May, 2014.

The Board of Directors of your Company at its meeting held on 29<sup>th</sup> May, 2014, has approved the CSR policy based on the recommendations of the CSR Committee.

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 is not applicable to your Company for the current financial year i.e. 2014-15. However, as a good practice and for better governance, your Company continues to strive towards spending for CSR the way it has been doing in the past years.

As a part of its policy, your Company undertakes a range of activities to improve the living conditions of people in the neighbourhood of all its plants. These activities include environment protection, healthcare, education, rural development etc. Some of the CSR activities undertaken by your Company during the year are as under:

#### ❖ Environment

- Plantation of trees in and around the manufacturing plants and in the adjoining villages
- Pest Control incentives in nearby villages

#### ❖ Healthcare

- Free medical treatment of employees

#### ❖ Rural development

- Refilling the empty well at nearby villages in the summer season etc.

#### ❖ Social

- Setting up of flood lights
- Arrangement of pandals and lunch for mass marriage ceremony
- Contribution to the villagers for offering puja
- Providing financial assistance for organisation of sports and cultural programmes
- Book Distribution among the poor students

Corporate Social Responsibility and Sustainable Development will continue to remain one of the leading priorities of your Company through which it shall consistently strive to touch lives and make a difference.

#### Acknowledgement

Your Directors take this opportunity to place on record their sincere gratitude to its customers, dealers, suppliers, investors, members, 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 express deep appreciation for the excellent contribution of its employees, workers, staff and executives of the Company by means of their sincere and dedicated hard work during the year under review which has been instrumental to the growth of your Company.

On behalf of the Board of Directors

**Aditya Jajodia**

*Chairman & Managing Director*

(DIN: 00045114)

Place: Kolkata

Date: 12<sup>th</sup> August, 2014





### Annexure to Directors' Report

Information under Section 217(1)(e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2014:

#### A. Conservation of energy:

##### (a) Energy conservation measures taken:

The Company is committed to conserve energy and making best use of the resources. A considerable amount of time and effort was earmarked for conserving power across all our plants. The measures undertaken were namely:

- Modification in Capacitor bank of furnace to improve Power Factor to >0.95
- Replacement of lesser efficiency capacitor to maintain the power factor to 0.99
- Use of compact fluorescent lamps and lightning in place of conventional lights
- Optimisation of the over rated capacity selection
- Introducing drives wherever there is a scope of power saving/ variable type load pattern
- Merger of 10 MVA & 22 MVA DVC power

##### (b) Additional investments and proposals, if any, being implemented for the reduction of consumption of energy:

Investment for purchasing capacitor banks, power merger, optimisation of motor rating, LED lights.

##### (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

With the implementation of above measures, there will be effective utilisation of waste-by-product like dolachar utilized in AFBC boilers, effective utilisation of waste heat used in power plant production and saving in electrical energy resulting in lowering of cost of production. Apart from the above the following factors may be noted:

- Load factor on contract demand will be increased by 15-20% by the merger of 10MVA & 22MVA power
- LED lights may save up to 50-60% of the power for replacement of light
- Drives will save up to 20-30% of the power in replacement units

##### (d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure is annexed.

#### B. Technology absorption:

The details of efforts made towards absorption of technology are given separately in the Report in Form B.

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

**Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans**

Continuing efforts are made to increase the exports by exploring, creating and developing new markets for its products. The key focus is to serve a wide range of industries and to end customers with focus on high share of business. Specific initiatives were taken in the area of enhancing customer relationship, improved processes, new product, new market and infrastructure development.

##### (a) Total foreign exchange used and earned

(₹ in lacs)

	2013-14 (twelve months)	2012-13 (nine months)
i) Foreign currency used	28,332.07	22,747.64
ii) Foreign currency earned	717.21	688.18

The foreign currency earnings decreased during the year as compared to the previous year was mainly due to global recession, decreased value of rupee and other factors.



**Annexure to Directors' Report (Contd.)**

**FORM - A**

Form for disclosure of particulars with respect to conservation of energy

**A. Power and fuel consumption:**

Particulars	2013-14 (twelve months)	2012-13 (nine months)
<b>Electricity</b>		
<b>a) Purchased</b>		
Units (in lacs)	2,666.92	3,041.85
Total amount (₹ in lacs)	12,942.84	12,848.42
Rate per unit (₹)	4.85	4.22
<b>b) Own generation</b>		
<b>i) Through diesel generator</b>		
Units (in lacs)	0.37	1.10
Units per litre of diesel	4.00	3.72
Cost per unit (₹)	14.03	12.38
<b>ii) Through power plant</b>		
Units (in lacs)	2,203.95	2,124.57
Total amount (₹ in lacs)	9,928.18	12,305.40
Cost per unit (₹)	4.50	5.79

**B. Electricity consumption per unit (MT) of production:**

Particulars	2013-14 (twelve months)	2012-13 (nine months)
Sponge iron (Units)	119.22	104.00
Billet/MS ingots (Units)	823.64	927.00
Ferro alloys (Units)	6,623.05	6,064.00
Pig iron (Units)	124.93	87.00
Steel bars/rods (Units)	131.63	119.00
Ductile Iron Pipe (Units)	846.36	504.00
Sinter (Units)	43.77	39.00
Coke (units)	37.40	77.00

**FORM - B**

Form for disclosure of particulars with respect to technology absorption

**Research and Development (R&D)**

**1. Specific areas in which R&D was carried out by the Company:-**

R & D was carried out for effective power utilisation in Ductile Iron Pipe Induction Furnace and optimization of air utilizations in ash handling Plant. Apart from the above no R & D was carried out during the year within the meaning of applicable accounting standards.

**2. Benefits derived as a result of the above R&D:-**

Improvement in load factor by better utilisation of power.

**3. Future plan of action:**

- Improvement in productivity
- Energy management system to introduce MRSS
- Reduction in wastage



## **Directors' Report (Contd.)**

- Energy conservation measures
- Safer environment

### **4. Expenditure on R&D:**

In view of established accounting practice the cost associated with the Research and Development has been merged with the respective account heads.

#### **Technology absorption, adaptation and innovation:**

##### **a) Efforts, in brief, made towards technology absorption, adaptation and innovation.**

Your company has always been aware of the latest technological know how and development and adopted them to the best possible extent to attain high levels of quality. The company continued its efforts towards improvement in the existing production process, energy conservation and waste utilisation

##### **b) Benefits derived as a result of the above efforts.**

As a result of the above, there was product improvement and saving in process costs

##### **c) In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), the following information may be furnished :**

- |  |                  |
|--|------------------|
| (i) Technology imported  | : Nil            |
| (ii) Year of import  | : Not applicable |
| (iii) Has technology been fully absorbed   | : Not applicable |
| (iv) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action | : Not applicable |



### Report of the Directors on Corporate Governance

#### 1. COMPANY'S PHILOSOPHY

##### Code of Governance

Corporate Governance is about commitment to values and ethical business conduct. The Company believes in setting high standards of ethical values, transparency, integrity and a disciplined approach to achieve excellence in all its spheres of activities for value creation for its stakeholders. The management governs the affairs of the Company in a fair, honest, ethical, transparent and legal manner to ensure optimum utilization of available resources for maximizing profits for all its stakeholders.

The Company's Code of Business Conduct and Ethics, reinforces integrity of management and fairness in dealing with the Company's stakeholders. Your Company believes structure, activities and policies of the organization are equally important as ownership and performance of the organization.

Recently, the new Companies Act, 2013 which was notified on 30<sup>th</sup> August, 2013 intends to modernize India's Corporate Governance rules and demonstrates a commitment to usher in a new era of Corporate Regulation. Further Clause 49 of the Equity Listing Agreement also stands amended in terms of SEBI Circular No. CIR/CFD/POLICY CELL/2/2014 dated 17<sup>th</sup> April, 2014 effective from 1<sup>st</sup> October, 2014, to bring in additional corporate governance norms providing stricter disclosures and protection of investor rights for listed entities and to encourage companies to 'adopt best practices on corporate governance'.

As a part of its growth strategy, the Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance across various geographies. The Company emphasises the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth.

##### Compliance with Corporate Governance Guidelines

The Company is in compliance with the requirements of the prevailing and applicable Corporate Governance

Code. The Company's compliance in terms of Clause 49 of the Listing Agreement executed with the Stock Exchanges is presented in the subsequent sections of this report.

#### 2. BOARD OF DIRECTORS

The Company's policy towards composition of Board is in terms of Corporate Governance Policy of the Listing Agreement, as amended from time to time. The Board periodically evaluates the need for change in its composition and size. The Board is headed by an Executive Chairman and consists of a combination of executive & non-executive directors and independent directors. The Board is in the process of reconstitution prescribed under the new law i.e. Companies Act, 2013 and amended Equity Listing Agreement.

The Non-Executive Independent Directors fulfils the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Rules made thereunder and meet with requirement of Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

As on 31st March, 2014, the Board consists of 8 directors, comprising:

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

During the financial period 2013-14, 9 (Nine) meetings of the Board were held viz., 22<sup>nd</sup> April, 2013; 15<sup>th</sup> May, 2013; 4<sup>th</sup> July, 2013; 5<sup>th</sup> August, 2013; 12<sup>th</sup> August, 2013; 12<sup>th</sup> September, 2013; 14<sup>th</sup> November, 2013; 24<sup>th</sup> December, 2013 and 12<sup>th</sup> February, 2014. The maximum time gap between two consecutive board meetings did not exceed four months.

A resolution was passed by circulation on 20th September, 2013 in terms of section 289 of the Companies Act, 1956, by obtaining the assent of all the Directors of the Company.

The details of composition of the Board i.e. their names and category, their attendance at Board meetings during the financial year 2013-14 and at the last Annual General Meeting and the number of other directorship(s) and Board committees' membership(s)/chairmanship(s) are as follows:

Name of Directors	Category	Attendance Particulars		Number of directorship and committee membership / chairmanship		
		Board Meetings	Last AGM	Other Directorship(s)	Committee Membership(s)	Committee Chairmanship(s)
Shri Aditya Jajodia (DIN: 00045114) (Chairman & Managing Director)	Promoter Executive Director	9	Yes	9	-	-





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

Name of Directors	Category	Attendance Particulars		Number of directorship and committee membership / chairmanship		
		Board Meetings	Last AGM	Other Directorship(s)	Committee Membership(s)	Committee Chairmanship(s)
Shri Sanjiv Jajodia (DIN: 00036339) (Whole-time Director) (Chief Financial Officer w.e.f. 20 <sup>th</sup> December, 2013)	Promoter Executive Director	9	Yes	11	–	2
Shri Rajiv Jajodia (DIN: 00045192)	Promoter Non-Executive Director	9	–	7	–	–
Shri Gourav Jajodia (DIN: 00028560) (Resigned w.e.f. 5 <sup>th</sup> August, 2013) (Appointed w.e.f. 20 <sup>th</sup> September, 2013)	Promoter Non-Executive Director	7	–	4	–	1
Shri Amit Kumar Majumdar (DIN: 00194123)	Independent Non-Executive Director	9	Yes	3	2	–
Shri Shyam Bahadur Singh (DIN: 01982407)	Executive Director	3	–	2	–	–
Shri Shailendra Kumar Tamotia (DIN: 01419527) (Appointed w.e.f. 15 <sup>th</sup> May, 2013)	Independent Non-Executive Director	7	Yes	–	–	–
Shri Manas Kumar Nag (DIN: 02058292) (Appointed w.e.f. 12 <sup>th</sup> September, 2013)	Nominee Director	3	–	–	–	–
Shri Krishnava S Dutt (DIN: 02792753) (Resigned w.e.f. 14 <sup>th</sup> May, 2013)	Independent Non-Executive Director	0	–	NA	NA	NA
Shri Ashim Kumar Mukherjee (DIN: 00047844) (Resigned w.e.f. 13 <sup>th</sup> December, 2013)	Independent Non-Executive Director	7	Yes	NA	NA	NA
Shri Satish Chander Gupta (DIN: 00025780) (Resigned w.e.f. 12 <sup>th</sup> February, 2014)	Independent Non-Executive Director	7	Yes	NA	NA	NA

As required by Clause 49 IV (G) of the Listing Agreement the details of the directors seeking appointment/re-appointment at the Fifteenth Annual General Meeting are given in the notice to the said Meeting.

Shri Krishnava S. Dutt, Shri Gourav Jajodia, Shri Ashim Kumar Mukherjee and Shri Satish Chander Gupta have resigned from the Board and sub-committees thereof w.e.f. 14<sup>th</sup> May, 2013, 5<sup>th</sup> August, 2013, 13<sup>th</sup> December, 2013 and 12<sup>th</sup> February, 2014 respectively. Shri Gourav Jajodia was then appointed as an additional director being promoter non-executive, w.e.f. 20<sup>th</sup> September, 2013. Shri Shailendra Kumar Tamotia has been appointed as an additional director being

non – executive independent director w.e.f. 15<sup>th</sup> May, 2013 and his appointment was subsequently regularised as Director at the Annual General Meeting of the Company held on 12<sup>th</sup> September, 2013 and Shri Manas Kumar Nag has been appointed as a nominee director of the Company for State Bank of India w.e.f. 12<sup>th</sup> September, 2013. Shri Chander Kant Bhartia (holding DIN-00192694), has been appointed as an Additional Director of the Company w.e.f. 12<sup>th</sup> August, 2014.

Shri Sanjiv Jajodia, was appointed as the Chief Financial Officer of the Company w.e.f. 20<sup>th</sup> December, 2013 and was then designed as



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

a Key Managerial Personnel w.e.f. 29<sup>th</sup> May, 2014 pursuant to Section 203 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other application provisions and rules, if any, of the Companies Act, 2013

As per declarations received by the Company, none of the independent directors/non-promoter directors are related to each other or to the promoters in terms of the definition of 'relative' given under the Companies Act, 1956. 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.

None of the Directors on the Board is a member of more than 10 Board-level committees or Chairman of more than 5 committees as specified in Clause 49 I (C) of the Listing Agreement across all the Companies in which he is a director. Membership(s)/ Chairmanship(s) of only the Audit Committee and Shareholders'/ Investors' Grievance Committee of all Public Limited Companies (excluding Jai Balaji Industries Limited) have been considered.

Other directorship also include alternate directorship and the directorship in the private companies that are either holding or subsidiary company of a public company but do not include directorships of any Private Companies and are based on the latest declarations received from directors.

#### 3. BOARD COMMITTEES

The Board Committees play a crucial role in the governance structure of the Company and are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The minutes of the meetings of all Committees are placed before the Board for review.

In accordance to the provisions of Companies Act, 2013 and rules made therein, and amendments to the Equity Listing Agreement, the Board of Directors, at their meeting held on 29<sup>th</sup> May, 2014, has revised the terms of reference of the Audit Committee, changed the nomenclature of the 'Share Transfer Cum Investors' Grievance Committee' to 'Stakeholders Relationship Committee', changed the nomenclature of the

'Remuneration Committee' to 'Nomination & Remuneration Committee', its composition and terms of reference, constituted a 'Corporate Social Responsibility' Committee and an 'Internal Complaints Committee'. The Board has constituted the following Committees:

#### ❖ Audit Committee

In accordance with Section 177(1) of the Companies Act, 2013 and as per the requirements of SEBI Circular dated April 17, 2014 for amendment to Equity Listing Agreement (effective from October 1, 2014), the Board of Directors of the Company at their meeting held on 29<sup>th</sup> May, 2014, has approved new terms of reference for the Audit Committee ('the committee') and thereupon the revised terms of reference of the committee are in conformity with the requirements of Clause 49 (III)(D) of the revised Listing Agreement and Section 177(1) of the Companies Act, 2013. Further the committee has been granted powers as prescribed under Clause 49 (III)(C) of the Listing Agreement.

The Company has the committee at the Board level, which acts as a link between the management, the statutory and internal auditors and cost auditor and the Board of Directors. The composition, role, functions and powers of the committee are in consonance with the requirements of applicable laws, rules and regulations. The committee is headed by Shri Amit Kumar Majumdar, an Independent Non-Executive Director of the Company. As on 31<sup>st</sup> March, 2014, the committee consists of 4 Directors, comprising:

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

During the financial period 2013-14, 6(six) meetings of the Audit Committee were held viz., 15<sup>th</sup> May, 2013; 4<sup>th</sup> July, 2013; 5<sup>th</sup> August, 2013; 12<sup>th</sup> August, 2013; 14<sup>th</sup> November, 2013 and 12<sup>th</sup> February, 2014. The necessary quorum was present at the meeting.

The Company Secretary, Shri Ajay Kumar Tantia, acts as the Secretary to the committee.

The Composition of the committee and the attendance at the meetings of the committee during the financial year 2013-14 are given below:

Name of the Members	Designation	No. of meetings attended
Shri Amit Kumar Majumdar	Chairman	6
Shri Aditya Jajodia	Member	6
Shri Shyam Bahadur Singh	Member	2
Shri Shailendra Kumar Tamotia (appointed w.e.f. 15 <sup>th</sup> May, 2013)	Member	5
Shri Satish Chander Gupta (resigned w.e.f. 12 <sup>th</sup> February, 2014)	Member	4
Shri Ashim Kumar Mukherjee (resigned w.e.f. 13 <sup>th</sup> December, 2013)	Member	5
Shri Krishnava S. Dutt (resigned w.e.f. 14 <sup>th</sup> May, 2013)	Member	NIL



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

Shri Krishnava S. Dutt, Shri Ashim Kumar Mukherjee and Shri Satish Chander Gupta ceased to be the member of Audit Committee w.e.f. 14<sup>th</sup> May, 2013, 13<sup>th</sup> December, 2013 and 12<sup>th</sup> February, 2014 respectively. Shri Shailendra Kumar Tamotia and Shri Chandra Kant Bhartia has been inducted in the committee as members w.e.f 15<sup>th</sup> May, 2013 and 12<sup>th</sup> August, 2014 respectively.

All the members of the committee are financially literate and having insight to interpret and understand financial statements and also have accounting and financial management expertise. The meetings of the committee were also attended by the representatives of the Statutory Auditor & Internal Auditor, Chief Financial Officer (CFO) and other Executives as considered appropriate. Minutes of the committee meetings are placed and discussed in length before the Board. The Chairman of the committee Shri Amit Kumar Majumdar was present at the last Annual General Meeting.

The revised terms of reference of the committee are as follows:-

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of the auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval with particular reference to matters as specified in the Companies Act, 2013 and the revised clause 49 of the Equity Listing Agreement;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. 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;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. 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;
16. 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;
17. 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;
18. To review the functioning of the vigil mechanism under Whistle Blower Policy of the Company;
19. Approval of appointment of CFO (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.
20. Carrying out any other functions as mentioned in the terms of reference of the Audit Committee.

The committee is empowered, pursuant to its terms of reference:

- I. To investigate any activity within its terms of reference;
- II. To seek information from any employee;
- III. To obtain outside legal or other professional advice;
- IV. To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### ❖ **Nomination & Remuneration Committee (formerly Remuneration Committee)**

In accordance with Section 178(1) of the Companies Act, 2013 and as per the requirements of SEBI Circular dated April 17, 2014 for amendment to Equity Listing Agreement (effective from October 1, 2014), the Board of Directors of the Company at their meeting held on 29<sup>th</sup> May, 2014, has changed the nomenclature of the 'Remuneration Committee' to 'Nomination & Remuneration Committee', ('the committee') its composition and terms of reference and thereupon the revised terms of reference of the committee are in conformity with the requirements of Clause 49 (IV)(B) of the revised Listing Agreement and Section 178(5) of the Companies Act, 2013.

The Board of Directors is collectively responsible for selection of a member on the Board. The purpose of the committee of the Company is to follow defined criteria

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

for identifying, screening, recruiting and recommending candidates for election as a Director on the Board.

The revised terms of reference of the committee are as follows:

1. To identify persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment, removal and shall carry out evaluation of every director's performance;
2. To formulate the criteria for determining qualifications, positive attributes, independence of directors; and
3. To recommend to the Board a policy relating to the remuneration for the directors, Key Managerial Personnel and other employees.

Currently, the committee is headed by Shri Amit Kumar Majumdar, an Independent Non-Executive Director of the Company. As on 31<sup>st</sup> March, 2014 the committee consists of 2 Independent Non-Executive Directors.

During the financial period 2013-14, 1(one) meeting of the committee was held viz., 22<sup>nd</sup> April, 2013. The necessary quorum was present at the meeting.

The composition of the committee and the attendance at the meetings of the committee during the financial year 2013-14 are given below:

Name of the Members	Designation	No. of meetings attended
Shri Amit Kumar Majumdar	Member	1
Shri Shyam Bahadur Singh	Member	1
Shri Ashim Kumar Mukherjee (resigned w.e.f. 13.12.2013)	Chairman	1
Shri Satish Chander Gupta (resigned w.e.f. 12.02.2014)	Member	1

As per Companies Act, 2013 and amended Equity Listing Agreement, the committee shall consist of all Non-Executive Directors. Accordingly, the Board on 29<sup>th</sup> May, 2014, reconstituted the committee removing Shri Shyam Bahadur Singh being an executive director and appointing Shri Rajiv Jajodia, promoter non-executive director as a member of the committee.

Shri Ashim Kumar Mukherjee and Shri Satish Chander Gupta ceased to be the member of the committee w.e.f. 13<sup>th</sup> December, 2013 and 12<sup>th</sup> February, 2014 respectively.

#### Remuneration policy/Criteria of payments:

The remuneration determined for the Executive/Non-executive Director is subject to the approval of the Board and the Members.

#### ■ Executive Directors:

The tenure of office of Shri Aditya Jajodia, Chairman and Managing Director and Shri Sanjiv Jajodia, Whole-time Director are for a period of 5 years from their respective dates of appointment. Shri Shyam Bahadur Singh was appointed as on Executive Director w.e.f 1st October, 2012. There is no separate provision for notice period & payment of severance fees. The Company does not also have any scheme for grant of Stock Options to its Directors, Managing Directors or other employees. The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Executive Directors. The details of remuneration paid to the Executive Directors for the financial year 2013-14 are as follows:

Name of the Directors	Salary	Benefits / Allowances, etc. (fixed component)	Total
Shri Aditya Jajodia	NIL	NIL	NIL
Shri Sanjiv Jajodia	NIL	NIL	NIL
Shri Shyam Bahadur Singh	180,000	270,000	450,000
<b>Total</b>	<b>180,000</b>	<b>270,000</b>	<b>450,000</b>

In the event of being no profits or inadequate profits, the Managing Director and Whole - time Director has waived off their remuneration for the Financial Year 2013-14.

#### ■ Non-Executive Directors:

The Non-Executive Directors do not draw any remuneration from the company other than sitting fees for attending Board Meetings. At present no sitting fees is paid for attending committee meetings. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending meetings. The Company pays Service Tax under Reverse Charge Mechanism for services received from its Directors as per the rule 2(1)(d)(EE) of the Service Tax Rules and Notification No. 30/2012 dated 20.06.2012 issued by the Government of India, Ministry of Finance (Department of Revenue) amended w.e.f. 7<sup>th</sup> of August, 2012. The details of sitting fees (including TDS) paid to the Non - Executive Directors for the financial year 2013-14 are as follows:

Name of the Directors	Sitting Fees (including TDS) (₹)
Shri Rajiv Jajodia	45,000
Shri Gourav Jajodia	35,000
Shri Ashim Kumar Mukherjee	35,000
Shri Satish Chander Gupta	35,000
Shri Shailendra Kumar Tamotia	35,000
Shri Amit Kumar Majumdar	45,000
Shri Manas Kumar Nag	15,000
<b>Total</b>	<b>245,000</b>





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

The Non-Executive Directors did not have any other material pecuniary relationship or transactions with the Company. The details of equity shares of the company held by the Non-Executive Directors as on 31<sup>st</sup> March, 2014 are 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.

#### ❖ Stakeholder Relationship Committee (formerly Share Transfer Cum Investors' Grievance Committee)

In accordance with Section 178(5) of the Companies Act, 2013 and as per the requirements of SEBI Circular dated April 17, 2014 for amendment to Equity Listing Agreement (effective from October 1, 2014), the Board of Directors of the Company at their meeting held on 29<sup>th</sup> May, 2014, have changed the nomenclature of the 'Share Transfer Cum Investors' Grievance Committee' to 'Stakeholders Relationship Committee', ('the committee').

The committee deals with various matters relating to redressal of shareholders and investors grievances. The Committee is headed by Shri Amit Kumar Majumdar, an Independent Non-Executive Director of the Company. As on 31<sup>st</sup> March, 2014, the committee consists of 4 directors, comprising:

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

The committee deals with various other matters such as:

- 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.

During the financial period 2013-14, 5(Five) meetings of the committee were held viz., 4<sup>th</sup> April, 2013; 15<sup>th</sup> May, 2013; 5<sup>th</sup> August, 2013; 14<sup>th</sup> November, 2013 and 12<sup>th</sup> February, 2014. The composition of the committee and the attendance of member of the committee during the financial year 2013-14 are as follows:

Name of the Members	Designation	No. of meetings attended
Shri Amit Kumar Majumdar	Chairman	5
Shri Aditya Jajodia	Member	5
Shri Gourav Jajodia (resigned w.e.f. 5 <sup>th</sup> August, 2013) (appointed w.e.f. 20 <sup>th</sup> September, 2013)	Member	5
Shri Shailendra Kumar Tamotia (appointed w.e.f. 15 <sup>th</sup> May, 2013)	Member	3
Shri Ashim Kumar Mukherjee (resigned w.e.f. 13 <sup>th</sup> December, 2013)	Member	4

Shri Gourav Jajodia and Shri Ashim Kumar Mukherjee ceased to be the member of the committee w.e.f. 5<sup>th</sup> August, 2013 and 13<sup>th</sup> December, 2013. Shri Shailendra Kumar Tamotia and Shri Gourav Jajodia has been inducted in the committee as member w.e.f. 15<sup>th</sup> May, 2013 and 20<sup>th</sup> September, 2013 respectively.

The details of complaints received and redressed during the year under review are given below:

<b>Complaints pending as on 1<sup>st</sup> April, 2013</b>	<b>: NIL</b>
Complaints received during the year ended 31 <sup>st</sup> March, 2014	: 1
Complaints resolved during the year ended 31 <sup>st</sup> March, 2014	: 1

**Complaints pending as on 31<sup>st</sup> March, 2014 : NIL**

All the complaints have been attended/resolved to the satisfaction of complainants during the year. No request for share transfer was pending for approval as on 31<sup>st</sup> March, 2014.

#### Compliance Officer

Shri Ajay Kumar Tantia, Company Secretary, is the Compliance Officer of the Company.

#### ❖ Management (Finance) Committee

The Company has a Management (Finance) Committee ('the committee') of Directors which as on 31<sup>st</sup> March, 2014, consists of 3 directors, comprising:

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

- 2 Promoter Executive Directors; and
- 1 Promoter Non-Executive Director.

### Terms of reference

- To assess the financial requirements of the Company;
- To approve and adopt the sanctions granted by various banks and financial institutions for lending to the Company; and
- Any other matter as referred by the Board.

During the financial period 2013-14, 7(Seven) meetings of the Committee were held viz., 3<sup>rd</sup> April, 2013; 15<sup>th</sup> May, 2013; 30<sup>th</sup> August, 2013; 28<sup>th</sup> September, 2013; 4<sup>th</sup> November, 2013; 25<sup>th</sup> November, 2013 and 14<sup>th</sup> December, 2013. The composition of the committee and the attendance of member Directors of the committee during the financial year 2013-14 are as follows:

Name of the Members	Designation	No. of meetings attended
Shri Aditya Jajodia	Chairman	7
Shri Sanjiv Jajodia	Member	7
Shri Rajiv Jajodia	Member	7
Shri Ashim Kumar Mukherjee (resigned w.e.f. 13 <sup>th</sup> December, 2013)	Member	6

Shri Ashim Kumar Mukherjee ceased to be the member of the committee w.e.f. 13<sup>th</sup> December, 2013.

### ❖ Corporate Social Responsibility Committee

In accordance with Section 135 of the Companies Act, 2013, and rules made therein, the Board of directors at their meeting held on 29<sup>th</sup> May, 2014, constituted the Corporate Social Responsibility (CSR) Committee comprising:

- a) Shri Rajiv Jajodia;
- b) Shri Shailendra Kumar Tamotia; and

- c) Shri Amit Kumar Majumdar.

The CSR policy of the Company is available on the website of the company i.e. [www.jaibalajigroup.com](http://www.jaibalajigroup.com). The purpose of CSR Committee ('the committee') is:

- i) To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;
- ii) To recommend the amount of expenditure to be incurred on such activities; and
- iii) To monitor the CSR Policy of the Company from time to time.

### ❖ Internal Complaints Committee

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder, the Board of directors at their meeting held on 29<sup>th</sup> May, 2014, constituted an Internal Complaints Committee ('the committee') comprising:

- a) Ms. Abha Basu, Presiding Officer;
- b) Ms. Priti Todi, outside member;
- c) Shri Ajay Kumar Tantia; and
- d) Ms. Prerna Sharma

The policy on Prevention of Sexual Harassment of Women at workplace is available on the website of the company i.e. [www.jaibalajigroup.com](http://www.jaibalajigroup.com). The purpose of the committee is to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment for matters connected therewith or incidental thereto.

## 4. GENERAL BODY MEETINGS

### ❖ Annual General Meeting

The location, date and time of the last three Annual General Meetings are as follows:

Financial Year	Date	Time	Location
2012-13	12.09.2013	11:00 A.M.	Rotary Sadan (Shripati Singhanian Hall), 94/2, Chowringhee Road, Kolkata - 700 020
2011-12	18.12.2012	11:00 A.M.	Rotary Sadan (Shripati Singhanian Hall), 94/2, Chowringhee Road, Kolkata - 700 020
2010-11	21.09.2011	11:00 A.M.	Rotary Sadan (Shripati Singhanian Hall), 94/2, Chowringhee Road, Kolkata - 700 020



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

#### Special Resolutions

The following Special Resolutions were taken up in the last three Annual General Meetings and were passed with the requisite majority.

#### ■ 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. 1<sup>st</sup> May, 2013 on terms, conditions and remuneration as mentioned in the agreement dated 22<sup>nd</sup> April, 2013.

#### ■ 2011-12

- Approval u/s 81(1A) of the Companies Act, 1956 to create, issue, offer and allot on preferential basis to promoters group companies upto 1,00,00,000 warrants of ₹ 50/- each and given an option to holder thereof to apply for conversion of such warrants in aggregate upto 1,00,00,000 equity shares of ₹ 50/- each including premium of ₹ 40/- per share.
- Appointment of Shri Shyam Bahadur Singh as an Executive Director of the Company on a remuneration not exceeding to ₹ 75,000/- per month w.e.f. 1<sup>st</sup> October, 2012.
- Re-appointment of Shri Aditya Jajodia as Managing Director of the Company for a further period of 5 years w.e.f. 23<sup>rd</sup> July, 2012 on terms, conditions and remuneration as mentioned in the agreement dated 20<sup>th</sup> July, 2012.

#### ❖ Extra-ordinary General Meeting

The details of the Extra-ordinary General Meeting (EGM) of the equity shareholders of the Company held during the last three years are as follows:

#### Postal Ballot

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

#### 5. DISCLOSURES

##### ❖ Related Party Disclosures

There are no materially significant related party transactions that have/may have potential conflict with the interest of the Company at large. However, disclosure of related party transactions as per requirements of Accounting Standards (AS) - 18 is set out under Note no. 37 relating to financial statements.

##### ❖ Capital Markets Disclosure

The Company has complied with the requirements of Stock Exchanges, SEBI and other statutory authorities on matters relating to the capital markets during the last three years and consequently no penalties or strictures have been imposed on the Company by these authorities for non-compliance of any matter related to the capital markets.

##### ❖ Vigil Mechanism under the Whistleblower policy

In compliance with Section 177(9) of the Companies Act, 2013 and as per the requirements of SEBI Circular dated April 17, 2014 for amendment to Equity Listing Agreement (effective from October 1, 2014), the Board of directors at their meeting held on 29<sup>th</sup> May, 2014, has adopted a Whistle Blower Policy for Directors and Employees to report their genuine concerns or grievances against any wrong doing in the Company as well as provide there adequate safe guards against victimisation. The employees and directors shall

Financial year	Venue	Day and date	Time	Nature and nos. of Special Resolutions
2011-12	Rotary Sadan (Shripati Singhania Hall), 94/2, Chowringhee Road, Kolkata - 700 020	Wednesday 09.05.2012	11:00 A.M.	<ol style="list-style-type: none"> <li>1. Alteration in Articles of Association</li> <li>2. Appointment of M/s. U. Narain &amp; Co. and M/s. Rashmi &amp; Co. as Joint Statutory Auditors</li> <li>3. Approval for keeping the Register of members, Index of members etc., and Annual Return under Sections 159 and 160 of the Companies Act, 1956 at the office of Registrar and Share Transfer Agent as may be appointed from time to time.</li> </ol>



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

report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy including:

- a) Manipulation of the data/records of the Company;
- b) Misuse of company's properties, assets and resources;
- c) Abuse of authority by any director/employee;
- d) Leaking confidential information of the Company;
- e) Violation of the Company's code of conduct or any rules/regulations/laws;
- f) Forgery/fraud/corruption/Bribery;
- g) Physical/emotional violence;
- h) Any other matter that might cause financial/non-financial loss to the director/employee of the Company or might impact their goodwill.

The Audit Committee of the Company shall oversee the vigil mechanism under the whistle Blower Policy. The said Policy is also available on the website of the Company viz. [www.jaibalajigroup.com](http://www.jaibalajigroup.com)

#### ❖ 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, to the extent these apply and extend to the Company.

#### ❖ Disclosure of Accounting Treatment

The Company has followed the Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 issued by The Institute of Chartered Accountants of India referred to in section 211(3)(c) of the Companies Act, 1956, in preparation of its financial statements. The financial statements have been audited by M/s. S. K. Agrawal & Co., Chartered Accountants, Statutory Auditors of the Company and have been discussed with the Audit Committee. The Company has adequate internal control systems to identify the risk.

#### ❖ Code of Conduct

In pursuance to Clause 49 of the Listing Agreement, the Board has approved the '**Code of Conduct for Board members and senior management personnel**' and the same has been circulated and posted on the Company's website. The Board of Directors and the senior management personnel have given their declarations confirming compliance of the provisions of the above code of conduct for the year ended 31<sup>st</sup> March, 2014. The Company Secretary is responsible for adherence to the code. A declaration to this effect signed by the Chairman & Managing Director forms part of this Annual Report.

#### ❖ Risk Management

Risk evaluation and management is an ongoing process within the company. It is periodically reviewed by the board.

#### ❖ Management Discussion and Analysis Report

A Management Discussion and Analysis Report forming part of the Directors' Report in accordance with Clause 49(IV)(F) of the Listing Agreement is attached herewith.

#### 6. RECONCILIATION OF SHARE CAPITAL AUDIT

A qualified practising Company Secretary, Mr. Sandip Kumar Kejriwal carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. 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.

#### 7. SUBSIDIARY COMPANIES

The Company has three wholly owned subsidiaries viz.,

- a) M/s Nilachal Iron & Power Limited;
- b) M/s Jai Balaji Steels (Purulia) Limited; and
- c) M/s Jai Balaji Energy (Purulia) Limited,

which are not material subsidiaries of the company. Shri Ashim Kumar Mukherjee, an independent director of the Company was also a director on the Board of M/s. Nilachal Iron & Power Limited. However, he ceased to be a director w.e.f. 13<sup>th</sup> December, 2013. The Company monitors the performance of such companies, inter alia, by the following means:

- a) Copy of the Minutes of the Meetings of the Board of Directors of the Subsidiary Companies are tabled before the Company's Board;
- b) Financial results of the Subsidiary Companies are tabled before the Company's Audit Committee and Board.

#### 8. CEO AND CFO CERTIFICATION

Shri Aditya Jajodia, Chairman & Managing Director and CEO, and Shri Sanjiv Jajodia, Whole-time Director & CFO of the Company have certified to the Board in accordance with Clause 49(V) of the Listing Agreement for the financial year ended 31<sup>st</sup> March, 2014 which is separately enclosed with this report.

#### 9. MEANS OF COMMUNICATION

##### Quarterly Financial Results

In compliance with Clause 41 of the Listing Agreement,





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

the Company regularly intimates the un-audited as well as audited financial results to the stock exchanges as soon as the same are approved and taken on record by the Board and the same is filed through NSE Electronic Application Processing System and BSE Corporate Compliance & Listing Centre.

The annual report, quarterly/half yearly results, shareholding patterns etc. of the company are also posted on the website of the Company i.e. [www.jaibalajigroup.com](http://www.jaibalajigroup.com)

#### Newspapers wherein results are normally published

The un-audited and/or audited results of the Company are published in Business Standard and The Echo of India (English Newspaper), Duranta Barta, Newz Bangla and Arthik Lipi (Vernacular Newspaper)

#### Website

In compliance of Clause 54 of the Listing Agreement and SEBI Circular No. CIR/CFD/DIL/10/2010 dated December 16, 2010, the Company is maintaining a functional website i.e. [www.jaibalaji.group.com](http://www.jaibalaji.group.com) containing the basic required information about the Company.

Contact information of the designated official responsible for assisting and handling Investor Grievances is:

#### The Company Secretary

Jai Balaji Industries Limited  
5, Bentinck Street,  
Kolkata - 700 001  
Phone No.: (91)(33) 32607848  
E-mail: [cs@jaibalajigroup.com](mailto:cs@jaibalajigroup.com)

#### News Releases, Presentations etc.

The official news releases and presentations, if any, made to institutional investors and analysts at investors meet from time to time are also posted on the Company's website. Official Press Releases are sent to the Stock Exchanges.

#### Exclusive e-mail-id for Investors' Grievances

As per Clause 47(f) of Listing Agreement and SEBI Circular No. MRD/DoP/SE/DEP/CIR-22/06, the Company has created an exclusive e-mail ID for redressal of investors grievances, i.e. [jaibalaji@jaibalajigroup.com](mailto:jaibalaji@jaibalajigroup.com)

### 10. SHAREHOLDER INFORMATION

● <b>Annual General Meeting</b>	:	Saturday, 27 <sup>th</sup> September, 2014 at 11:00 a.m.
<b>Day, date, time and venue</b>		Rotary Sadan (Shripati Singhanian Hall), 94/2, Chowringhee Road, Kolkata - 700 020
● <b>Financial calendar (tentative) for the year 2014-15</b>	:	April 2014 to March 2015
		The probable dates for the publication of the Financial Results for the financial year 2014-15:
		1 <sup>st</sup> Quarter Results                      On 12 <sup>th</sup> August, 2014
		2 <sup>nd</sup> Quarter Results                      On or before 14 <sup>th</sup> November, 2014
		3 <sup>rd</sup> Quarter Results                      On or before 14 <sup>th</sup> February, 2015
		Annual Results                              On or before 30 <sup>th</sup> May, 2015
● <b>Date of book closure</b>	:	Saturday, 20 <sup>th</sup> September, 2014 to Saturday, 27 <sup>th</sup> September, 2014 (both days inclusive)
● <b>Date of Dividend payment</b>	:	N.A.



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

- **Listing of equity shares on stock exchanges** : National Stock Exchange of India Ltd.  
"EXCHANGE PLAZA",  
Bandra-Kurla Complex, Bandra (E),  
Mumbai - 400 051  
  
BSE Ltd.  
25 P. J. Towers, Dalal Street  
Mumbai - 400 001  
  
The Calcutta Stock Exchange Ltd.  
7, Lyons Range,  
Kolkata - 700 001

The Company has paid annual listing fees to each of the above Stock Exchanges for the financial year 2014-15

- **Stock Code/Symbol** : NSE - JAIBALAJI;  
BSE - 532976; CSE - 10020253
- **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,  
17<sup>th</sup> Floor, Dalal Street  
Mumbai - 400 001

- **Demat ISIN Number in the NSDL and CDSL**
  - For fully paid-up equity shares : INE 091G01018
  - For partly paid-up equity shares : IN 9091G01016

- The company has paid annual custodial fees to each of the above depositories for the financial year 2014-15.

- **Corporate Identification Number (CIN)** : L27102WB1999PLC089755

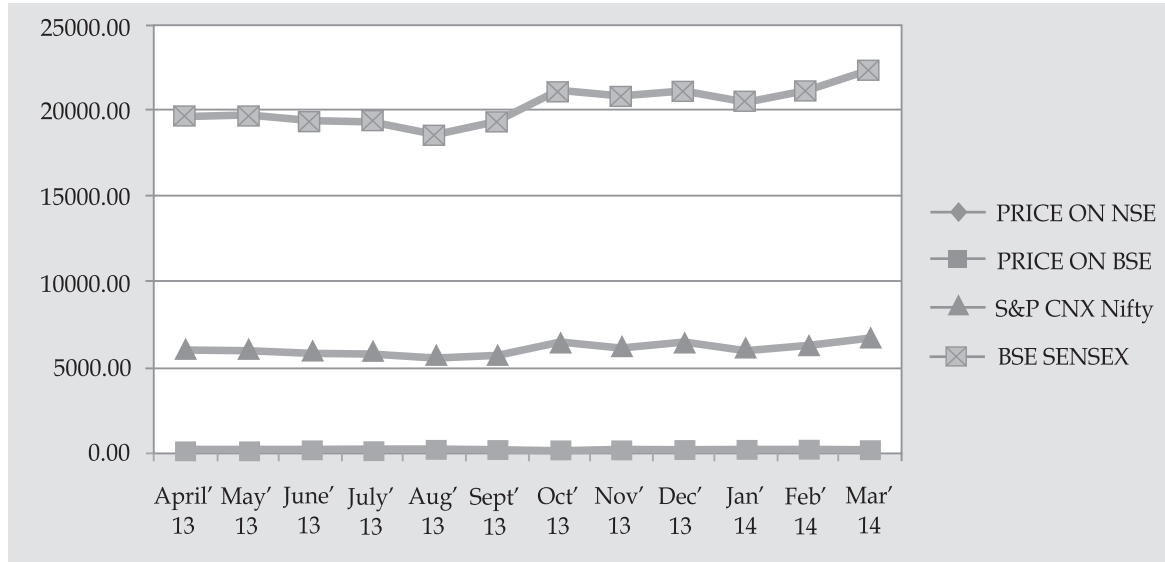
### ● **Market price data**

The Company's monthly high and low prices recorded on the National Stock Exchange of India Limited & BSE Limited during each month in last financial year 2013-14 (April, 2013 to March, 2014) are as under:

Month	Share Price (NSE)		Share Price (BSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April '13	30.00	23.90	30.00	23.80
May '13	32.00	23.20	31.45	24.00
June '13	28.40	19.55	27.75	19.50
July '13	29.40	24.55	29.70	24.15
August '13	23.45	18.95	25.00	19.50
September '13	20.95	17.20	20.70	17.00
October '13	19.00	15.00	18.70	15.50
November '13	17.75	13.95	17.40	14.00
December '13	15.95	12.80	16.35	12.50
January '14	15.00	8.85	14.99	8.85
February '14	12.80	7.50	12.71	7.55
March '14	12.35	9.10	12.00	9.32

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

### Share price performance in comparison to broad based indices - NSE Nifty and BSE Sensex



- Registrars and Share Transfer Agent : Registrar and Share Transfer Agent  
M/s. 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 : 99.98% of the equity shares of the Company are in electronic mode. Transfer of these shares is done through the depositories. As regards transfer of shares held in physical form the transfer documents can be lodged with the Registrar & Share Transfer Agent at the above mentioned address. The transfers are normally processed within 15 days from the date of receipt, if the documents are complete in all respects.

### 11. CATEGORIES OF SHAREHOLDERS AS ON 31<sup>st</sup> March, 2014

Category	Number of Shareholders	Shareholders %	Number of ordinary shares held	Holding %
Resident individual	9706	94.32	9,916,864	14.74
Non-Resident individual	121	1.20	440,904	0.66
Domestic Companies	403	3.90	8,842,240	13.14
Foreign Companies	3	0.00	8,304,547	12.34
Foreign Institutional Investors	8	0.10	2,932,844	4.36
Trust	1	0.00	1	0.00
Directors and their relative	11	0.10	9,929,672	14.76
Promoter Bodies Corporate	6	0.10	26,785,723	39.81
Clearing Member	32	0.30	123,691	0.18
<b>Total</b>	<b>10,291</b>	<b>100.00</b>	<b>67,276,486</b>	<b>100.00</b>

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

### 12. DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2014

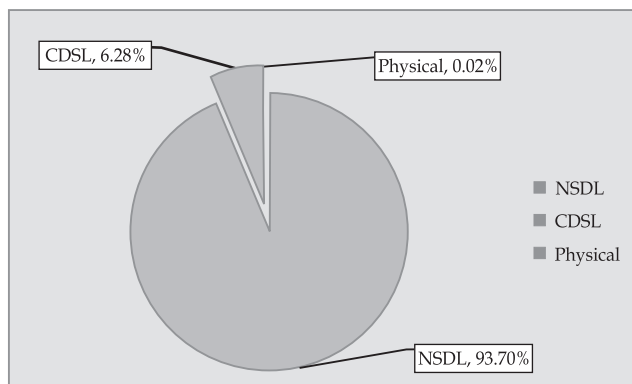
Range of ordinary shares held	No. of Shareholders	Percentage (%) to total shareholders	No. of Shares	Percentage(%) to Share Capital
Up to 500	8,652	84.07	1,035,931	1.54
501 to 1000	666	6.47	539,260	0.80
1001 to 2000	378	3.67	570,644	0.85
2001 to 3000	150	1.46	379,112	0.56
3001 to 4000	74	0.72	265,292	0.39
4001 to 5000	65	0.63	303,223	0.45
5001 to 10000	133	1.29	1,005,832	1.50
10001 and above	173	1.68	63,177,192	93.90
<b>Total</b>	<b>10,291</b>	<b>100.00</b>	<b>67,276,486</b>	<b>100.00</b>

### 13. DEMATERIALISATION OF SHARES AND LIQUIDITY AS ON 31<sup>ST</sup> MARCH, 2014

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories in India - the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As at 31<sup>st</sup> March, 2014 a total of 67,260,950 equity shares of the Company, representing 99.98% of the Company's share capital were held in dematerialised form of which 63,037,334 equity shares were held with NSDL and 4,223,616 equity shares with CDSL.

The Company's shares are regularly traded on the National Stock Exchange of India Limited and BSE Limited. As per agreements of the Company with NSDL and CDSL, the investors have an option to dematerialise their ordinary shares with either of the depositories.

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.



### 14. 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 Company has issued and allotted 1,00,00,000 warrants on 4<sup>th</sup> July, 2013, on private placement basis to two promoter group companies viz. M/s. Hari Management Limited (81,00,000 warrants) and M/s. Enfield Suppliers Limited (19,00,000 warrants) at issue price of ₹ 50/- each. Each warrant was convertible into one fully paid-up equity share 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, at a conversion price of ₹ 50/- per equity share (including premium of ₹ 40/- per share) which is a price greater than the price determined as per Regulation 76 of Chapter VII of SEBI (ICDR) Regulations, 2009.

Subsequently, the Board of Directors at its meeting held on 5<sup>th</sup> August, 2013, has fully and partly converted the said warrants, by way of allotment of 3,495,000 equity shares at a conversion price of ₹ 50/- per equity share (including a premium of ₹ 40/- per share), being 1,900,000 equity shares to M/s. Enfield Suppliers Limited and 1,595,000 equity shares to M/s. Hari Management Limited, pursuant to the application letter received from the respective allottees. In respect of the aforesaid equity shares post which the paid-up equity share capital of the Company stood at ₹ 67,27,64,860 divided into 6,72,76,486 equity shares of ₹ 10/- each.

Further, the Board of Directors at its meeting held on 29<sup>th</sup> May, 2014, has fully converted the remaining 65,05,000 warrants by way of allotment of 65,05,000 equity shares at a conversion price of ₹ 50/- per equity share (including





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

a premium of ₹ 40/- per share) to M/s. Hari Management Limited, pursuant to the application letter received from the allottee.

Consequent to the full conversion of warrants, the paid-up equity share capital of the Company stands at ₹ 73,78,14,860 divided into 7,37,81,486 equity shares of ₹ 10/- each.

#### 15. DETAILS OF UNCLAIMED SHARES

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 in line with the Circular no.

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 1 <sup>st</sup> April, 2013	10	847
Number of shareholders who approached issuer for transfer of shares from suspense account during the year	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the year	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying as at 31 <sup>st</sup> March, 2014	10	847

SEBI/CFD/DIL/LA/1/2009/24/04 dated 24<sup>th</sup> April, 2009 issued by the SEBI which could not be credited to shareholder's demat account for 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 issuer, 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.

#### 16. PLEDGE OF EQUITY SHARES

As per declarations received, the under mentioned promoters/promoter group of the Company have pledged the Equity Shares of the Company held by them:

Sl. No.	Name of Promoter/ Promoter Group	No. of Equity Shares pledged as on 31.03.2014	% to total holding of respective promoter in the Company	% to aggregate no. of Equity shares held by all the promoters in the Company	% to total no. of Equity Shares the Company
1	Shri Aditya Jajodia	3,075,000	83.68%	8.38%	4.57%
2	Shri Sanjiv Jajodia	2,640,000	99.64%	7.19%	3.92%
3	Shri Rajiv Jajodia	1,550,000	98.83%	4.22%	2.30%
4	Shri Aashish Jajodia	323,000	40.66%	0.88%	0.48%
5	M/s. Enfield Suppliers Limited	11,221,233	85.52%	30.56%	16.68%
6	M/s. Hari Management Limited	7,044,000	81.53%	19.19%	10.47%
7	M/s. Jai Salasar Balaji Industries Pvt. Ltd.	2,519,000	99.82%	6.86%	3.74%
8	M/s. K. D Jajodia Steels Industries Pvt. Ltd.	2,410,000	99.99%	6.56%	3.58%
	<b>Total</b>	<b>30,782,233</b>	<b>-</b>	<b>83.84%</b>	<b>45.75%</b>



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

**17. PLANT LOCATIONS**

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

**18. 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: info@jaibalajigroup.com  
Website: www.jaibalajigroup.com

**19. ADOPTION OF NON-MANDATORY REQUIREMENTS**

**1. Management (Finance) Committee**

The details pertaining to the Management (Finance) Committee have been provided in item no. 3 of this Report.

**2. Shareholder rights**

Half-yearly financial results including summary of the significant events are currently not being sent to each household of shareholders. However, these are posted on the Company's website at [www.jaibalajigroup.com](http://www.jaibalajigroup.com).

**Auditors' Certificate on Corporate Governance**

The Company has received a certificate, annexed to the Directors' Report, from the Statutory Auditors of the Company testifying to its compliances with the provisions relating to Corporate Governance as stipulated in Clause 49 of the Listing Agreement executed with the Stock Exchanges.

**For and on behalf of the Board**

**Aditya Jajodia**

*Chairman & Managing Director*

(DIN: 00045114)

Place : Kolkata

Date : 12<sup>th</sup> August, 2014



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

### **DECLARATION**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, this is to confirm that all the members of the Board and Senior Management have affirmed compliance with the Code of Conduct for the financial year ended 31<sup>st</sup> March, 2014.

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

Place : Kolkata  
Date : 29<sup>th</sup> May, 2014

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

---

### **Auditors' Certificate on Compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement**

To

**The Members of Jai Balaji Industries Limited**

We have examined the compliance of conditions of corporate governance by Jai Balaji Industries Limited, for the financial year ended 31<sup>st</sup> March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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

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

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

Place : Kolkata  
Date : 12<sup>th</sup> August, 2014

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

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



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

### **Certification by Chief Executive Officer and Chief Financial Officer**

We, Aditya Jajodia, Chairman & Managing Director and Sanjiv Jajodia, Chief Financial Officer of Jai Balaji Industries Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the Financial Statements and all its notes on accounts as well as the Cash Flow Statements, for the financial year ended 31<sup>st</sup> March, 2014;
2. Based on our knowledge and information, these statements do not contain any materially untrue statement and do not omit any material fact which may make the statements or figures contained therein misleading;
3. Based on our knowledge and information, the financial statements, and other financial information included in this report present, in all material respects, a true and fair view of the Company's affairs, its financial condition, results of operations and cash flows of the Company for the financial year ended 31<sup>st</sup> March, 2014 and are in compliance with the existing accounting standards and/or applicable laws and regulations;
4. To the best of our knowledge and belief, no transaction entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct;
5. That we accept responsibility for establishing and maintaining internal controls. 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 the 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 and;
6. That we have informed the Auditors and the Audit Committee of:
  - i) significant changes in the internal control over financial reporting during the year;
  - ii) significant changes 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.

Place : Kolkata  
Date : 29<sup>th</sup> May, 2014

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

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





## Management Discussion and Analysis

### Management Discussion and Analysis

The core business of your Company is manufacturing and marketing of Iron and Steel products. The Management Discussions and Analysis is presented hereunder with a view to convey the management's perspective on the financial condition and operating performance of the Company for the financial year ended on 31<sup>st</sup> March, 2014.

### Industry Structure & Development

#### Global Overview

The speed and degree of changes in the global economy and the increasingly complex interplay of factors influencing a more globally integrated steel business make horizon watching essential. While the global economy expanded by 3% in the financial year 2013, the rate of growth was slower than expected as compared to 3.2% in the previous financial year. The growth was more robust during the second half of the financial year, while Euro zone showed slower recovery leading to greater unemployment and deflation. Unrest in Ukraine and political instability in west Asia could threaten the global economic recovery.

#### Economy Outlook

The overall global economic outlook was positive and the economic environment improved in developed markets as compared to the emerging markets which showed slower signs of growth in 2013. In December 2013, world crude steel production for the 65 countries reporting to the World Steel Association (world steel) was 129.2 MT, an increase of 6.3% compared to December 2012. The crude steel capacity utilization ratio of the 65 countries in December 2013 declined to 74.2% from 75.8% in November 2013. The average capacity utilisation in 2013 was 78.1% compared to 76.2% in 2012.

Rank	Country	2013 (MT)	2012 (MT)	Percentage (%) increase or (decrease)
1	China	779.00	724.70	7.5
2	Japan	110.60	107.20	3.1
3	United States	87.00	88.70	(2.0)
4	India	81.20	77.30	5.1
5	Russia	69.40	70.40	(1.5)
6	South Korea	66.00	69.10	(4.4)
7	Germany	42.60	42.70	0.0
8	Turkey	34.70	35.90	(3.4)
9	Brazil	34.20	34.50	(1.0)
10	Ukraine	32.80	33.00	(0.5)

Source: World Steel Association

After a period of sustained weakness & uncertainty, global economy seemed to be continuing along the road to recovery.

Following their marked improved during 2013 economic indicators strengthened further in the first months of 2014 or stabilized at levels which are on an average the highest since 2011. Despite some signs of recovery in global steel demand, continued volatility and uncertainty make it a challenging environment for steel companies.

#### Indian Economy

After achieving unprecedented growth of over 9 per cent for three successive years between 2005-06 and 2007-08 and recovering swiftly from the global financial crisis of 2008-09, the Indian economy has been going through challenging times that culminated in lower than 5 per cent growth of GDP at factor cost. Persistent uncertainty in the global outlook, caused by the crisis in the Euro area and general slowdown in the global economy, compounded by domestic structural constraints and inflationary pressures, resulted in a protracted slowdown, which was broadly in sync with trends in other emerging economies, but relatively deeper. India's growth declined from an average of 8.3 per cent per annum during 2004-05 to 2011-12 to an average of 4.6 per cent in 2012-13 and 2013-14. What is particularly worrisome is the slowdown in manufacturing growth that averaged 0.2 per cent per annum in 2012-13 and 2013-14.

In addition to the growth slowdown, inflation continued to pose significant challenges. Although the rate of inflation declined during the period, it is still above comfort levels. The higher inflation is majorly attributable to food inflation. Fortunately, the upward trend of inflation that played a part in slowdown in growth, savings, investment, and consumption, appears to have subsided.

Developments on external account have generated some optimism that the Indian economy is better prepared to confront the challenges of global policy reversals. Improvement is also observed on the fiscal front, with the fiscal deficit declining from 5.7 per cent of GDP in 2011-12 to 4.9 per cent in 2012-13 and 4.5 per cent in 2013-14. Though, much of this improvement has been achieved by reduction in expenditure rather than from increased revenue. Measures such as curbs on gold import also helped bring down the current account deficit.

The prolonged slowdown was a result of factors such as policy log-jam, tight monetary conditions, falling rupee and weak external demand. Coupled with this was persistent inflation which raised worries for the economy.

#### World Steel

In 2013 the world steel demand grew at a rate higher than forecasts which was mainly attributable to stronger than expected performance in the developed countries in the second half of the year. In particular, recovery in the United States and bottomed out of effects of crisis in European Union played a major role. The demand in Euro zone is expected to be positive in 2014.

The emerging and developing economies, on the other hand, continued to struggle with structural issues, financial market



### Management Discussion and Analysis (contd.)

volatility and other internal problems. This, along with China's deceleration resulted in a slightly lower growth rate.

Although, in 2014 growth in most part of the world will accelerate as a result of continuing steady recovery in the developed countries and improvement in the condition for emerging economies, the deceleration in demand for steel in China may offset the effect of positive growth from the rest of the world. This will result in prevention of broad recovery momentum from registering a higher growth rate.

As such, the Steel Industry continues to face challenge from different parts of the world. The recovery in Euro zone is still mild and is constrained by high debt and unemployment. Structural problems in the emerging economies are less likely to be resolved in the short term. Apart from this unstable political conditions in many emerging economies may also add to the crisis.

World crude steel production reached 1,607 mega tonnes (MT) for the year 2013, up by 3.5% compared to 2012. The growth came mainly from Asia and Middle East while crude steel production in all other regions decreased in 2013 compared to 2012.

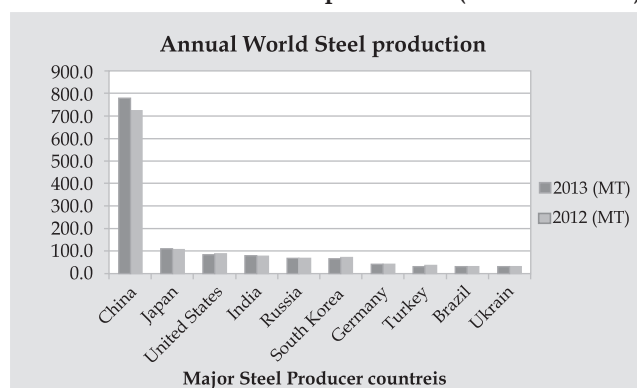
**Asia:** Annual production for Asia was 1,080.9 MT of crude steel in 2013, an increase of 6.0% compared to 2012. The region's share of world steel production increased slightly from 65.7% in 2012 to 67.3% in 2013. The increase was mainly attributable to China, Japan and South Korea.

**European Union (EU):** The EU recorded a decrease of -1.8% compared to 2012, producing 165.6 MT of crude steel in 2013. Germany, Italy, France and Spain being the major producers.

**USA:** In 2013, crude steel production in North America was 119.3 MT, a decrease of -1.9% on 2012. The US produced 87.0 MT of crude steel, down by -2.0% compared to 2012.

In December 2013, world crude steel production for the 65 countries reporting to the World Steel Association (world steel) was 129.2 Mt, an increase of 6.3% compared to December 2012. The crude steel capacity utilisation ratio of the 65 countries in December 2013 declined to 74.2% from 75.8% in November 2013. The average capacity utilisation in 2013 was 78.1% compared to 76.2% in 2012.

#### Annual World Crude Steel production (million tonnes)



Source: World Steel Association

#### Indian Steel Industry

Steel is crucial to the development of any modern economy and is considered to be the backbone of human civilization. The level of per capita consumption of steel is treated as an important index of the level of socio-economic development and living standards of the people of any country and thus is a major contributor to the overall economic development of every nation. India is bestowed with large resources of iron ore which occur in different geological formations. India is the world's largest producer of sponge iron. Trends indicate that blast furnace route of iron making capacity would continue to dominate the iron production scenario in India. India is almost self sufficient in iron ore and to meet the future projected targets the existing raw-materials are to be utilized efficiently.

Indian Steel Industry is the core of the economy. These economic developments had a critical impact on the Industry. While policy paralysis, higher interest rates and tighter liquidity made investment decisions more difficult, the falling rupee had an impact on import of raw material.

The Indian steel sector contributes nearly 2% of the GDP (Gross Domestic Product) and employed over 5 lac people. The infrastructure sector is India's largest steel consumer thereby attracting investments from several global players. Owing to this connection with core infrastructure segments of the economy, the steel industry is of high priority right now. Also, steel demand is derived from other sectors like automobiles, consumer durables and infrastructure. In 2013, India remained the 4th largest steel producing country in the world since 2010, behind China, Japan and the US.

Persistent weakness in demand from key end-user industries kept the domestic steel consumption growth at a meager 0.5% during the period April-December 2013. Steel consumption growth in India registered a decline of 0.15% during the period. Prolonged decline in major raw material (iron-ore) production on account of various restrictions in mining in key iron ore producing states resulted in weak supply of raw material. At the same time, import of the raw material also became costlier on account of fall in rupee vis-à-vis USD, although prices of iron-ore declined globally. The international coking coal prices too declined during the period, however fall in rupee has largely off-set the benefit of the same of Indian steelmakers.

Due to the above factors the Indian Steel Industry continues to remain under stress. Weak price trends coupled with slower demand made profitability even meager. Although proposed spending in infrastructures by government and increase in foreign direct investment as well as improvement in rupee vis-à-vis USD is expected to result in improvement in the Indian Steel Industry.



## Management Discussion and Analysis (contd.)

### Indian Steel Industry

#### Production, Consumption and Growth of Steel

(million tonne)

Year	Total finished steel (alloy + non alloy)	
	Production for sale	Real consumption
2007-08	56.08	52.13
2008-09	57.16	52.35
2009-10	60.62	59.34
2010-11	68.62	66.42
2011-12	75.70	71.02
2012-13	77.62	73.33
Apr - June, 2013-14*	19.57	17.80

\* Provisional Figures

Source: Ministry of Steel.

Production of crude steel grew 2.5 per cent to 77.62 MT during the year as compared to the previous year. Real consumption also increased marginally thereby registering a growth of 0.67% higher than the previous year, although the growth was lowest in last four years.

#### Steel Consumption:

India's steel consumption grew by just 0.6 per cent in the 2013-14 fiscal, the slowest in at least four years, to 73.62 MT. Exports grew by 4.1 per cent at 5.59 MT, while imports were down by 31.3 per cent during the period at 5.45 MT.

Steel consumption grew 3.4 per cent to 5.8 million tonnes in April 2014 over the same month a year ago. The country had consumed 18.69 MT steel in the April-June quarter of last fiscal, showed data compiled by Joint Plant Committee (JPC), a body under the Steel Ministry.

#### Challenges of Steel Industry

The Steel Industry has always been operating in a challenging environment. The modern steel industry's main challenge is that of global imbalance as excessive supply sees demand centers shift from economically developed countries to developing ones. Another challenge which emerged from the mining and steel sector is the decline in profit margins in downstream processing. This is due to excessive supply and low rates of consolidation in steel, as compared with the raw materials sector. Recently, the Indian steel industry has started witnessing the signs of down cycle leading to margin compression despite strong volume growth. This is primarily due to high input costs and a weak macro environment, both globally and domestically.

During the year 2013-14, Indian Steel Industry faced number of challenges some of which are highlighted below:

- **Scarce natural resources**

Persistent slowdown in demand for steel and falling

steel prices has squeezed profitability. Additionally, global nature of the steel market is affected by oversupply and weak demand. However, the overall production growth picked up some pace, thereby registering a growth of 2.54% as compared to last year.

- **Power Shortages and Rupee Depreciation, Mixed impact**

Most steel mills are running at half of their rated capacities because of poor power supply and rising input costs which in turn results in production losses.

Depreciation in rupee against the US dollar pressurised the margins of companies to remain similar in 2013 due to increased cost of imported materials which results in persistent high cost of steel production and steel producers' limited ability to pass on higher costs due to subdued demand from end user. Moreover, a weaker rupee raised the financial leverage of steel producers. Also, export orders have been cancelled or deferred which is another set-back for the industry.

- **Structural Problems**

Structural problems in the emerging economies are less likely to be resolved in the short term leaving them fragile and susceptible to external shocks.

- **Increased raw material/energy costs and price volatility**

High raw material/energy costs are due to the fact that the main energy source for a blast furnace is coking coal/coke. Iron ore costs are also relatively high and power costs are rising. Price volatility – balancing raw material costs with sales prices - has also affected steel producers, most of whom had long term raw material supply contracts.

- **Stabilization**

Stabilization in the economic situation, driven by continued albeit slow growth in steel demand, the economic prospects remained weak and reflected inherent risks in the steel sector.

- **Overcapacity**

The very nature of steelmaking and large amounts of capital investments means that the sector does not find it easy to adjust quickly to changing circumstance. Steel mills, operating at high capacity, may not be able of reduce production with a corresponding sudden decrease in demand. This causes an oversupply of steel in the market. There remains a lag between demand fluctuation and production adjustments as there is still structural overcapacity in certain product segments. Further, the industry has over-invested in the new capacity mainly due to increased investments in technology upgrades which in turn results in increase in the capacity.





## Management Discussion and Analysis (contd.)

- *Challenges arising from global climatic changes*

There are challenges arising from global climatic changes and a need to limit CO<sub>2</sub> emissions from steel industry and lighter vehicles to lower tail pipe limits. There may be higher energy costs for buying CO<sub>2</sub> permits, investment in recyclables and thus concerns over steel industry's carbon leakage. Also, new steel production technologies are likely to be costly.

The iron and steel industry is highly fragmented. A combination of factors such as growth in related complimentary industries and government regulations, cyclical fluctuations in input prices, general economic conditions, and end use markets are witnessed to impact the industry dynamics significantly. The global steel demand recovery continues but growth is stabilising at a lower rate with continued volatility and uncertainty leading to a challenging environment for steel companies.

The largest and most challenging obstacle to continued growth and profitability is still the large amount of excess capacity in the industry. Certainly, there has been some progress on the restructuring needed to address the issue but the industry remains highly fragmented compared to other global businesses, and the restructuring and consolidation needed to eliminate overcapacity is likely to continue to be slow in coming years.

### Steel Outlook

The Indian economy's outlook for 2013-14 can be viewed as cautiously optimistic. The growth rate of the economy improved from 4.4 per cent in quarter 1 in the fiscal year 2013-14 to 4.8 per cent in Quarter 2. Compared to Quarter 1, Quarter 2 has evidenced a robust pick-up in the growth of the agricultural sector and a gradual recovery in the industrial sector.

In India, steel demand is expected to grow by 3.3 per cent to 76.2 million tonnes in 2014, following a 1.8 per cent growth in 2013 as per the short-range outlook for 2014 and 2015 of the World Steel Association (WSA). The WSA, whose members represent about 85 per cent of the world's steel production, expects the growth on an improved outlook for the construction and manufacturing sectors, although this may be constrained by high inflation and structural problems. In 2013, world steel demand grew higher than previous forecasts due to a stronger-than-expected performance in the developed world in the second half of the year. In particular, the recovery in the US gained strength.

The key risks to the global economy - the Eurozone crisis, a hard landing for the Chinese economy, and the US fiscal cliff issue - have all stabilized considerably and global steel demand is expected to recover to kick in by the second half, led by the emerging economies. Yet, the situation on the financial markets remains fragile and the Eurozone crisis is far from being solved. In 2014, a further pickup in global steel demand is expected with the developed economies increasingly contributing to growth.

Under the union budget 2014, many measures were announced that would positively impact the metals & mining sector. Some of these include sustained infrastructure thrust to stimulate steel demand; promotion of housing for low-medium income groups; reviving road sector by setting a target of constructing 8,500kms in FY15; and emphasis on setting up of 16 new ports. These will lead to additional demand for metals. Moreover, announcements like reduction in steel prices and elimination of customs duty on auto components too will work in favour of the sector. Most importantly, the car and bike prices in India will remain pretty much the same because of the excise duty structure attention in the Union Budget 2014.

### *Opportunities, threats, risks and concern*

#### Opportunities

There are a number of factors that are leading to improved conditions for steel companies – but there are also several lingering, fundamental issues that the industry will need to address if it is to see sustained, long-term growth. The optimistic employment scenario and rising income levels and continuity of the developmental projects around the world would strengthen economic growth.

Fiscal year 2014 is expected to be an important transition year for the global steel industry, because it will mark the first time since 2011 that all major steel-consuming countries show positive growth. The year will also mark the first time since 2006 that the growth rate in China (about 3 percent) will be exceeded by the rate for the rest of the world (about 3.5 percent). This pattern is likely to persist for the indefinite future as China shifts to a services and consumer-driven economic growth model, and growth in the other emerging economies takes stronger hold.

These developments suggest that the industry has turned the corner and is headed into recovery, and several current trends point to continued improvements in 2014 which include gradually improving capacity utilization, (78.1% in 2013/76.2% in 2012), less disruption in steel trade as Chinese exports slow in response to the anti-dumping rulings that have come down in many countries throughout the world. Indeed, the OECD report 2013 saw a record number of anti-dumping and countervailing trade cases filed since 1999 and expected further softening of raw material prices – especially iron ore – as new supply enters the market. This should provide some relief from the “squeeze” created by higher material costs and the inability to pass those costs on to customers.

These are all important and welcome developments, and there are strong grounds for expecting a brighter future. In short, the industry is getting healthier, but its condition is still somewhat tenuous – and it will be important to keep a cautious eye on events as they unfold in the coming years.

The strong growth in automotive industry and power sectors





## Management Discussion and Analysis (contd.)

would drive steel output and consumption. Increasing consumption of steel in all sectors and also in Eleventh Five year plan (2007-12) has allocated investment of USD 490 Billion for core Infra sector such as power, road, railways, ports & airports. Indian Steel producers are looking for overseas acquisitions in steel as well as raw material and also the increasing interest of foreign steel producers in India. With the improvement in the economic recessions in the west, the potential for growing demand is high.

Indian steel industry has diversified its product mix to include sophisticated value-added steel used in the automobile sector, heavy machinery and physical infrastructure. Massive infrastructure needs and expansion of industrial production will give boost to the demand in the steel sector. Steady and sustained fiscal condition and financial sector reforms will support reducing downside risks.

### Threats, Risks and Concern

While the steel consumption growth in India has been relatively resilient, slowing economic growth has meant a moderation in steel consumption growth rates. Also, the steel industry is subject to cyclical swings arising from factors such as excess capacity, regional demand & supply imbalances and volatile swings in market demand and prices, more recently exacerbated by swings in input prices as well as changes in the regulatory environment which is a matter of serious concern. Global overcapacity, demand slowdown and anti-dumping duties on exports worsened the domestic demand-supply imbalances. Indian Steel Industry's margins are affected adversely due to weak global growth, limited availability of finance and high raw material prices.

Another threat posed on the Company is the volatility in price of raw materials. The cost of raw materials supplies depend, to a large extent, on the worldwide supply and demand relationships, notably iron ore, metallurgical coal and scrap. The volatility in prices of raw materials and energy, including the mismatches between the trends in prices for raw materials and steel, as well as limitations on or disruptions in the supply of raw materials, could adversely affect the Company's profitability. Thus, achieving greater raw-material security is what a matter of concern for the Company to thrive in the challenging environment.

Further, considering the sector in which the Company operates, it becomes necessary to meet environmental standards, dust and other emission levels and to ensure that they stay within permissible limits. Hence, the Company continues to invest to improve energy efficiency and to reduce CO<sub>2</sub> emissions. Extra efforts are being taken to ensure workplace safety in mines and collieries in India and on construction sites.

### Performance Analysis

#### Financial Performance

During the year 2013-14, your Company incurred loss which can be mainly attributable to raw material price inflation, rising borrowing costs and other global factors. The Loss before exceptional and extraordinary items and tax was ₹ 41,874.07 lacs as compared to loss of ₹ 31,597.71 lacs in the previous year. The net loss for the year under review (twelve months) was ₹ 31,895.15 lacs against loss after tax of ₹ 21,312.78 lacs in the previous year (nine months).

#### Internal Control System and their adequacy

Internal Control is a part of the day to day management and administration of your Company and is designed to ensure that the significant financial, managerial and operating information that is relevant, accurate and reliable is provided on time. The Internal Audit functions serve to provide independent and objective assurance on the adequacy and effectiveness of the organisation's risk management, control and governance processes. The Internal Audit functions also assesses opportunities for improvement in business processes, systems and controls and provides recommendations designed to add value to the organisation and follows up on the implementation of the agreed audit recommendations. Your Company has various oversight Committees with their defined roles and responsibilities to ensure appropriate internal control checks and maintain balance. The Audit Committee of your Company comprises of eminent professionals who are well versed with the financial management. The Audit Committee actively reviews the adequacy and effectiveness of the internal audit functions of your Company and monitors the implementation of the same.

#### Human Resource

The Company is dedicated to have an optimum level of human resource and believes in the concept of right talent at the right job since it considers human capital to be the most valuable asset of your Company. We nurture our human resource and provide them a growth oriented and challenging work environment thereby achieving our organisational goals. Your Company acknowledges the tremendous contribution of all its employees towards its growth in leading, thinking, working, motivating etc. Human Resources development practices in your company are guided by the principles of consistency and fairness in order to ensure a productive and innovative work place.

The management continuously urges for building harmonious relations and strengthening the human resource system by making available better tools, technology and techniques at the workplace to maximise the skills of the workforce, thus enhancing a competitively superior position in terms of human capital.



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

The Company also clearly defines, communicate, and believes in strengthening the knowledge, skills, attitudes, and performance levels required for progression. As the Company is growing, more and more emphasis is given to the recruitment process and your Company has been successful in attracting best professional talent.

The Company recognized the fact that manpower is its biggest strength and their proper nurturing is necessary for the success of the organisation. Therefore, there is no greater joy for the Company than to cherish and appreciate 2,500 persons which comprises professionals from diverse backgrounds like engineering, finance, taxation, law, management, business, supervisors, operators and sub-staff at the threshold of the opportunities that lie ahead.

The Company acknowledges the fact that employees are the primary source of our competitiveness. It also acknowledges employees' contribution towards leading, thinking, working, creating, processing and dealing to enhanced growth. The Company has continued to play a pioneering role in employee welfare 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. thereby maintaining high standards of living. The focus is on enriching the quality of life of its employees, developing their potential and maximising their productivity.

A good record of participative management reflects the healthy culture of Jaibalaji. With the Company's Values as the bedrock, the unique attributes are climate of openness, equity, fairness and respect for the individual, freedom to experiment, mutual trust, and teamwork. Jai Balaji believes at being an equal opportunity employer and ensure diversity in workforce.

### 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. Significant 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 regimes and other statutes and other incidental factor.*



### Independent Auditors' Report

To The Members of  
Jai Balaji Industries Limited

#### Report on the Financial Statements

We have audited the accompanying financial statements of **Jai Balaji Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2014, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

The company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- i) In the case of the Balance Sheet, of the State of affairs of the Company as at 31<sup>st</sup> March, 2014
- ii) In the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
  - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014, from being appointed as a director in terms of Section 274(1) (g) of the Act.

For, **S. K. AGRAWAL & COMPANY**

*Chartered Accountants*  
Registration No: 306033E

**J. K. CHOUDHURY**

*Partner*

Kolkata

Dated : 29<sup>th</sup> May, 2014

Membership No: 009367



### Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- |   |  |
|---|--|
| <p>i) a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>b. The fixed assets were physically verified during the year by the management in accordance with a program of verification, covering all fixed assets over a year of three years, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.</p> <p>c. Fixed assets disposed off during the year were not substantial and therefore, do not affect the going concern assumption.</p> <p>ii) a. The Management has conducted physical verification of inventory at reasonable intervals during the year.</p> <p>b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.</p> <p>c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventory. The discrepancies noted on physical verification of stocks as compared to book records were not significant and the same has been properly dealt with in the books of accounts.</p> <p>iii) a. The Company had granted loan to a Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 8,500.00 lacs and the year-end balance in respect of such loan is ₹ 7,000.00 lacs.</p> <p>b. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loan are not <i>prima facie</i> prejudicial to the interest of the Company.</p> <p>c. The above loan is stated to be re-payable on demand. As informed, the Company has received part repayment of such loan during the year, and thus, there has been no default on the part of such party to whom the money has been lent. The payment of interest has been regular.</p> <p>d. In view of the loan being repayable on demand, there is no overdue of loan granted to the Company listed in the register maintained under section 301 of the Companies Act, 1956.</p> <p>e. The Company has taken loans from two companies, covered in the register maintained under section 301 of the Companies Act, 1956 amounting to ₹ 4017.25 lacs out of which ₹ 3220.00 lacs is interest free.</p> | <p>f. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loan are not <i>prima facie</i> prejudicial to the interest of the Company.</p> <p>iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that some of the items purchased are of a special nature and alternative sources do not exist for obtaining quotations thereof, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or any continuing failure to correct any major weakness in internal control system of the Company in respect of these areas.</p> <p>v) a. According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangement referred to in section 301 of the Companies Act, 1956, that needed to be entered into the register maintained under section 301 have been so entered.</p> <p>b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees five lakhs, entered into during the financial year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.</p> <p>vi) The Company has not accepted any deposits from public as defined under section 58A &amp; 58AA or other relevant provisions of the Companies Act, 1956.</p> <p>vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.</p> <p>viii) 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 209 (1)(d) of the Companies Act, 1956, related to the manufacture of its products and are of the opinion that <i>prima facie</i> the prescribed accounts and records have been made and maintained.</p> <p>ix) According to the information and explanations given to us in respect of statutory and other dues:</p> <p>a. The Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities, <i>except that there have been delays in deposit of dues in certain cases of sales tax, service tax, excise</i></p> |
|---|--|





### Annexure to the Independent Auditors' Report (Contd.)

*duty, provident fund and employees' state insurance.*

- b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, tax deducted at source, service tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year-end,

for a year of more than six months from the date they became payable *except for provident fund, employees' state insurance, tax deducted at source and service tax.*

- c. According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	CENVAT Credit Disallowed	11,320.16	2005-06, 2006-07 2007-08 and 2010-11	Central Excise Service Tax Appellate Tribunal/ Commissioner (Appeals)
The West Bengal Value Added Tax Act, 2003	Pending Forms	3.59	2004-05	West Bengal Appellate and Revision Board
The Central Sales Tax Act, 1956	Pending Forms/ Forms Disallowed	3,744.52	2004-05, 2005-06, 2006-07, 2008-09 2009-10 and 2010-11	West Bengal Appellate and Revision Board/ Sr. Joint Commissioner Sales Tax
The West Bengal Value Added Tax Act, 2003	Turnover Enhanced/ITC disallowed	10,182.36	2004-05, 2005-06, 2006-07, 2008-09, 2009-10 and 2010-11	West Bengal Appellate and Revision Board/Sr. Joint Commissioner Sales Tax
The Income Tax Act, 1961	Income Tax matter under Dispute / Appeal	6.85	A. Y. 2009-10	DCIT / CIT (A)

- x) *The accumulated losses of the Company at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses in current and immediately preceding financial year.*
- xi) *Based on our audit procedures and as per the information and explanation given by the management, we are of the opinion that the Company has defaulted in repayment of dues to banks during the year at different maturities as given below:*

Default in Number of quarterly installment	Principal (₹ in lacs)	Interest (₹ in lacs)
1	220.64	—
2	332.98	—
3	61.11	—
<b>Total</b>	<b>614.72</b>	<b>5,566.40</b>

*Based on our audit procedures and as per the information and explanation given by the management, we are of the opinion that the Company has defaulted in repayment of dues to financial institutions during the year at different maturities as given below:*

Default in Number of quarterly installment	Principal (₹ in lacs)	Interest (₹ in lacs)
1	1,508.30	—
<b>Total</b>	<b>1,508.30</b>	<b>693.57</b>

The Company has no outstanding dues in respect of debentures.

- xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



### Annexure to the Independent Auditors' Report (Contd.)

- xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable
- xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by its wholly owned subsidiary/others from banks; the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.
- xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- xvii) According to information and explanation given to us and on an overall examination of Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- xviii) The Company has made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 as per the terms of the CDR scheme. The price at which shares have been issued are not prejudicial to the interest of the company.
- xix) The Company did not have outstanding debentures during the year.
- xx) The Company has not raised any money through public issue during the year.
- xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the period.

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

Kolkata  
Dated : 29<sup>th</sup> May, 2014

**J. K. CHOUDHURY**  
*Partner*  
Membership No: 009367



### Balance Sheet as at March 31, 2014

(₹ in lacs)

	Notes	As at March 31, 2014	As at March 31, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Fund</b>			
Share Capital	3	6,727.26	6,377.76
Reserves and Surplus	4	11,612.37	42,109.52
Equity Share Warrants		3,252.50	–
Money Received against share warrants		–	2,509.25
		<u>21,592.13</u>	<u>50,996.53</u>
<b>Non Current Liabilities</b>			
Long Term Borrowings	5	159,676.07	172,868.35
		<u>159,676.07</u>	<u>172,868.35</u>
<b>Current Liabilities</b>			
Short Term Borrowings	6	71,156.91	52,434.26
Trade Payables	7	91,399.06	93,652.62
Other Current Liabilities	7	56,477.47	29,490.31
Short Term Provisions	8	450.48	650.04
		<u>219,483.92</u>	<u>176,227.23</u>
<b>TOTAL</b>		<u><u>400,752.12</u></u>	<u><u>400,092.11</u></u>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets			
Tangible Assets	9	183,563.84	196,878.57
Capital Work in Progress and Pre-Operative Expenditure Pending Allocation	10	11,207.25	11,181.50
Non Current Investments	11	8,097.10	8,097.10
Deferred Tax Assets (Net)	12	18,163.85	8,455.89
Long Term Loans and Advances	13	11,849.80	11,577.51
Other Non Current Assets	14	644.85	1,171.32
		<u>233,526.69</u>	<u>237,361.89</u>
<b>Current Assets</b>			
Inventories	15	50,933.19	59,434.70
Trade Receivables	16	79,109.10	69,220.61
Cash and Bank Balances	17	2,476.50	3,957.32
Short Term Loans and Advances	13	20,782.50	18,518.16
Other Current Assets	18	13,924.14	11,599.43
		<u>167,225.43</u>	<u>162,730.22</u>
<b>TOTAL</b>		<u><u>400,752.12</u></u>	<u><u>400,092.11</u></u>
<b>Significant Accounting Policies</b>	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **S. K. Agrawal & Co.**

Chartered Accountants

Firm Regn. No. 306033E

**CA J. K. Choudhury**

Partner

Membership No. : 009367

Place : Kolkata

Date : 29<sup>th</sup> May, 2014

For and on behalf of the Board of Directors

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

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

**Rajiv Jajodia**  
Director  
(DIN : 00045192)

**Ajay Kumar Tantia**  
Company Secretary



### Statement of Profit and Loss for the year ended March 31, 2014

(₹ in lacs)

	Notes	Current year ended March 31, 2014	9 months period ended March 31, 2013
<b>INCOME</b>			
Revenue from Operations (Gross)	19	212,800.93	169,572.58
Less: Excise Duty	19	15,990.80	15,088.83
Revenue from Operations (Net)		<u>196,810.13</u>	<u>154,483.75</u>
Other Income	20	2,268.27	2,173.87
<b>Total Revenue (I)</b>		<u>199,078.40</u>	<u>156,657.62</u>
<b>EXPENSES</b>			
Cost of Materials Consumed	21	129,767.47	106,210.26
Purchase of Stock in Trade	21	19,644.44	155.72
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	741.81	15,085.13
Employee Benefits Expense	23	5,900.18	4,936.10
Finance Costs	24	33,636.48	17,644.70
Depreciation and Amortisation Expense	9	13,572.21	8,612.67
Other Expenses	25	37,689.88	35,610.75
<b>Total Expenses (II)</b>		<u>240,952.47</u>	<u>188,255.33</u>
<b>Profit / (Loss) before Tax (I-II)</b>		<u>(41,874.07)</u>	<u>(31,597.71)</u>
<b>Tax Expenses:</b>			
Current Tax		—	—
Provision (Write Back) relating to earlier years		(270.94)	1.47
Deferred tax charge/(credit)		<u>(9,707.98)</u>	<u>(10,286.40)</u>
<b>Total Tax Expense / (Credit)</b>		<u>(9,978.92)</u>	<u>(10,284.93)</u>
<b>Profit/(Loss) for the period</b>		<u>(31,895.15)</u>	<u>(21,312.78)</u>
<b>Earnings per Equity Share: (Nominal Value per Share ₹ 10)</b>			
Basic & Diluted	36	(48.27)	(33.42)
<b>Significant Accounting Policies</b>	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **S. K. Agrawal & Co.**

Chartered Accountants

Firm Regn. No. 306033E

**CA J. K. Choudhury**

Partner

Membership No. : 009367

Place : Kolkata

Date : 29<sup>th</sup> May, 2014

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, 2014**

(₹ in lacs)

	Current year ended March 31, 2014	9 months period ended March 31, 2013
<b>A: Cash Flow From Operating Activities</b>		
Net Profit / (Loss) Before Taxes	(41,874.07)	(31,597.71)
Adjustments For :		
Depreciation / Amortisation (Net)	13,572.21	8,612.67
Loss on Sale of Fixed Assets	1.98	2.72
Irrecoverable Debts and Advances Written off	83.56	38.16
Liabilities no longer required written back	(476.19)	(233.69)
Interest on Term Loans and Others	31,493.65	17,708.70
Provision for doubtful debts/(written back)	738.50	(122.04)
Dividend from long term Non Trade Investments	(1.35)	(0.67)
Prior Period Expenditure (net)	116.16	38.84
(Profit) /Loss on Foreign Exchange Fluctuations (Net)	385.97	(381.93)
Interest Income	(1,683.51)	(1,386.32)
<b>Operating Profit / (Loss) Before Working Capital Changes</b>	<u>2,356.91</u>	<u>(7,321.27)</u>
Movements in Working Capital :		
Decrease / (Increase) in Trade Receivables	(10,611.58)	(24,933.43)
Increase in Loans and Advances and Other		
Current / Non Current Assets	(6,168.58)	(1,893.79)
Decrease / (Increase) in Advances to Subsidiary Company	139.29	(567.20)
Decrease / (Increase) in Inventories	8,501.51	21,459.33
Decrease in Trade Payables, Other Liabilities and Provisions	2,674.18	8,284.71
<b>Cash generated from / (used in) Operating Activities</b>	<u>(3,108.27)</u>	<u>(4,971.65)</u>
Direct Taxes paid ( net of refunds)	(99.41)	(171.41)
<b>Net Cash generated from / (used in) Operating Activities</b>	<u>(3,207.68)</u>	<u>(5,143.06)</u>
<b>B: Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	(1,158.32)	(3,437.05)
Proceeds from Sale of Fixed Assets	58.84	21.37
Purchase of Investments in Government Securities	-	(1.50)
Application money paid in Joint Venture Companies	(5.00)	(70.99)
Dividend from long term Investments (other than Trade)	1.35	0.67
Loan to Related Party	1,500.00	-
Interest received	1,549.63	1,312.26
<b>Net Cash generated from/(Used in) Investing Activities</b>	<u>1,946.50</u>	<u>(2,175.24)</u>



### Cash Flow Statement (Contd.)

(₹ in lacs)

	Current year ended March 31, 2014	9 months period ended March 31, 2013
<b>C: Cash Flow From Financing Activities</b>		
Proceeds from Call in Arrears of equity share capital	–	0.65
Money Received against share warrants	2,490.75	2,509.25
Proceeds from long / short term Borrowings	10,247.12	12,385.10
Repayment of long / short term Borrowings	(7,256.92)	(2,659.44)
Interest Paid	(4,985.02)	(4,322.50)
Dividend Paid	(0.73)	(1.77)
<b>Net Cash generated from Financing Activities</b>	<b>495.20</b>	<b>7,911.29</b>
<b>Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)</b>	<b>(765.98)</b>	<b>592.99</b>
<b>Cash and Cash Equivalents as at the beginning of the year</b>	<b>948.55</b>	<b>355.56</b>
<b>Cash and Cash Equivalents as at the end of the year</b>	<b>182.57</b>	<b>948.55</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash on hand	62.31	54.60
Cheques in hand	19.82	580.73
Balance with Scheduled Banks on:		
Current Account	98.06	310.10
Fixed Deposit Account	2,926.76	4,164.53
Unclaimed Dividend Account *	2.22	2.96
Unclaimed Fractional Share Balance*	0.16	0.16
<b>Cash and Bank Balances as per Note 17</b>	<b>3,109.33</b>	<b>5,113.08</b>
Less : Fixed deposits not considered as cash equivalents	2,926.76	4,164.53
<b>Cash and Cash Equivalents in Cash Flow Statement</b>	<b>182.57</b>	<b>948.55</b>

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

As per our report of even date

For **S. K. Agrawal & Co.**

Chartered Accountants

Firm Regn. No. 306033E

**CA J. K. Choudhury**

Partner

Membership No. : 009367

Place : Kolkata

Date : 29<sup>th</sup> May, 2014

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, 2014

#### 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. 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, 1956. 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 is provided using the Straight Line Method as per the useful lives of the assets estimated by the management which is equal to the rates prescribed under schedule XIV of the Companies Act, 1956 except for Railway Wagons and Moulds as stated below.

iii) Depreciation on Railway Wagons acquired by the Company is provided @ 10% p.a. as against 4.75% p.a. as prescribed in Schedule XIV 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. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

##### (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.



### Notes to Financial Statements (Contd.)

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.

#### (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





### Notes to Financial Statements (Contd.)

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 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



### Notes to Financial Statements (Contd.)

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.

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 Revised Schedule VI notified under the Companies Act, 1956.

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, 2014	As at March 31, 2013
<b>Authorised capital</b>		
101,000,000 (101,000,000) Equity Shares of ₹ 10/- each	<u>10,100.00</u>	<u>10,100.00</u>
<b>Issued, subscribed and fully paid-up capital</b>		
67,276,486 (63,781,486) Equity Shares of ₹ 10/- each	6,727.65	6,378.15
Less: Calls unpaid (Due from other than directors or officers)	0.39	0.39
<b>Total</b>	<u>6,727.26</u>	<u>6,377.76</u>



### Notes to Financial Statements (Contd.)

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

	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	(₹ in lacs)	No. of Shares	(₹ in lacs)
<b>Equity Shares of ₹ 10/- each</b>				
At the beginning of the period	63,781,486	6,377.76	63,781,486	6,377.11
Issued during the period	3,495,000	349.50	-	-
Call money received during the period	-	-	-	0.65
At the end of the period	<u>67,276,486</u>	<u>6,727.26</u>	<u>63,781,486</u>	<u>6,377.76</u>

(b) Terms/rights attached to equity shares

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

(c) Lock - in of shares

The Equity shares are allotted pursuant to part conversion of warrants issued to promoter group companies and are under lock-in for a period of one year from the date of allotment (5th August, 2013).

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

	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Enfield Suppliers Ltd.	13,121,233	19.50	11,221,233	17.59
Hari Management Ltd.	8,639,533	12.84	7,044,533	11.04
Client Rosehill Limited	3,886,734	5.78	3,886,734	6.09
Aditya Jajodia	3,674,576	5.46	3,674,576	5.76
	<u>29,322,076</u>	<u>43.58</u>	<u>25,827,076</u>	<u>40.48</u>

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

(e) Aggregate number of shares issued for consideration other than cash allotted during the financial year 2007-08 reported for a period of five years immediately preceding the reporting date

	As at March 31, 2014	As at March 31, 2013
	No. of Shares	No. of Shares
Equity Shares allotted as fully paid up for consideration other than cash	Nil	22,000,000



**Notes to Financial Statements (Contd.)**

**(f) Money received against share warrants:**

On 4th July, 2013 the company allotted 10,000,000 convertible warrants at a price of ₹ 50/- per warrant, which was a price greater than the price determined as per clause 76(1) of Chapter VII of SEBI(ICDR) Regulations, 2009 to two Promoter group companies, viz M/s Enfield Suppliers Ltd and M/s Hari Management Limited on a preferential basis on such terms and conditions as contained in Special Resolution passed by the company at its Annual General Meeting held on 18th December, 2012. Each warrant was convertible into one equity share of ₹ 10/- each within 18 months from the date of such issue at the option of the Allottees.

On 5th August, 2013 the said warrants were partly converted into 3,495,000 equity shares of the Company, the balance 6,505,000 warrants shall be converted in due course subject to application for the same being received from the allottee.

(₹ in lacs)

**Note 4 : Reserves & Surplus**

	As at March 31, 2014	As at March 31, 2013
<b>Capital Reserve</b>		
As per last Financial Statements	6,408.50	6,408.50
<b>Amalgamation Reserve</b>		
As per last Financial Statements	4,400.00	4,400.00
<b>Securities Premium Account</b>		
As per last Financial Statements	46,017.50	46,017.50
Add : For the period	1,398.00	-
	47,415.50	46,017.50
<b>General Reserve</b>		
As per last Financial Statements	10,325.00	10,325.00
<b>Surplus/(Deficit) in Statement of Profit &amp; Loss</b>		
As per last financial statements	(25,041.48)	(3,728.70)
Add: Profit/(Loss) for the period	(31,895.15)	(21,312.78)
<b>Surplus/ (Deficit) in Statement of Profit &amp; Loss</b>	(56,936.63)	(25,041.48)
<b>Total</b>	11,612.37	42,109.52

**Note 5 : Long Term Borrowings**

(₹ in lacs)

	Non Current Portion		Current Portion	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
<b>(Secured, unless otherwise stated)</b>				
<b>Term Loans</b>				
Rupee Loan from banks	155,429.56	167,443.31	20,635.21	1,704.50
Rupee Loan from Financial Institutions	4,246.51	5,271.55	4,337.49	8,093.01
Rupee Loan from Others	-	141.58	102.77	822.64
<b>Deferred Payments Liabilities</b>	-	11.91	12.83	20.45
<b>Other Loan and Advances</b>				
Interest Free Sales Tax Loan (Unsecured)	-	-	1.43	186.44
Interest Free Loan (Unsecured)	-	-	3,220.00	-
<b>Total</b>	159,676.07	172,868.35	28,309.73	10,827.04
Amount disclosed under the head "Other Current Liabilities" (Refer Note 7)	-	-	(28,309.73)	(10,827.04)
<b>Total</b>	159,676.07	172,868.35	-	-





### Notes to Financial Statements (Contd.)

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

- a) Rupee Term Loan from banks and financial institution are secured by pari- passu 1st charge over the entire fixed assets (both present and future) and 2nd charge over the entire current assets ( both present and future) of the Company's units at Ranigunge and Durgapur in the state of West Bengal and Durg in the state of Chattisgarh. The above loan are further secured as follows.
- Personal Guarantees of Promoter Directors of the Company.
  - Corporate Guarantee of M/s Shri Marutaye Balaji Steels Limited, a promoter group company.
  - Pledge of 100% of the promoters share of M/s. Shri Marutaye Balaji Steels Limited.
  - Pledge of equity shares of the Company held by the promoters.
- b) Rupee Term Loan from banks and financial institution carry interest as follows:
- term loan and working capital term loan aggregating ₹ 160704.33 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.
  - funded interest term loan aggregating ₹ 20022.86 lacs at base rate of lead banker ( UCO Bank).
- c) The above loans are repayable as under from the balance sheet date :

Payment Terms	32 structured quarterly installments starting from April 2014	
Installments Due	Number	(₹ in lacs)
(i) Within 1 year	4	21,215.38
(ii) One year to three year	8	45,061.43
(iii) Three year to five year	8	49,073.10
(iv) More than five year	12	65,377.28
	<b>32</b>	<b>180,727.19</b>

- Rupee Term Loan from a Financial Institution aggregating ₹ 3921.58 lacs carry interest in the range of 14.50% - 15% p.a. and is repayable in 4 equal quarterly installments starting from April, 2014. The loan is secured by Bank Guarantee , pledge of certain promoter's shareholdings in the Company and personal guarantees of certain promoter directors.
- Rupee Term Loan from others carry interest in the range of 13.65% - 14% p.a. and is repayable in 34 monthly installments starting from August 2011. The loan is secured by exclusive charge over the assets acquired under respective loan agreements and personal guarantee of certain promoter directors of the Company.
- Deferred Payment Liabilities carry interest rate of 9.40% to 10.43% and are repayable in 36 / 42 equal monthly installments from the date of disbursement of the loan amounts. These loans are secured by hypothecation of respective assets acquired there from.
- Sales tax loan from Government of Chattisgarh is interest free and is repayable in 12 yearly installments starting from 31<sup>st</sup> March, 2002
- Interest free loan has been received from a promoter group company as per the CDR scheme.
- The company has defaulted in repayment of loans and interest in respect of the following:-

Particulars	Principal (₹ in lacs)	Interest (₹ in lacs)
<b>In respect of Banks</b>		
- April 2013 to March 2014	614.72	5,566.40
<b>In respect of Financial Institutions</b>		
- April 2013 to March 2014	1,508.30	693.57

#### Note 6 : Short Term Borrowings

	As at March 31, 2014	As at March 31, 2013
<b>Secured</b>		
<b>Loan Repayable on Demand</b>		
- Cash Credit from Banks	70,164.66	52,434.26
From Bodies Corporate (Unsecured)	992.25	-
<b>Total</b>	<b>71,156.91</b>	<b>52,434.26</b>



### Notes to Financial Statements (Contd.)

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) Corporate Guarantee of M/s Shri Marutaye Balaji Steels Limited, a promoter group company.
- (iii) Pledge of 100% of the promoters share of M/s. Shri Marutaye Balaji Steels Limited.
- (iv) 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, 2014	As at March 31, 2013
Trade Payables		
(Refer Note 33 for details due to Micro and Small Enterprises)		
-Raw materials & Others [ including acceptances of ₹ 19600.69 lacs (₹ 16347.43 lacs)]	91,399.06	93,652.62
	<u>91,399.06</u>	<u>93,652.62</u>
Current Maturities of Long Term Borrowings (Refer Note 5)	28,309.73	10,827.04
Capital Creditors	3,179.68	4,089.41
Interest Accrued but not due on Borrowings	26.63	66.76
Interest Accrued and due on Borrowings	6,684.74	158.84
Advance from Customer	7,880.72	7,865.88
Temporary Book Overdraft	2,441.14	214.12
Investor Education and Protection Fund will be credited by the following amounts (as and when due)		
- Unclaimed Dividend	2.22	2.95
- Unclaimed Fractional Share Liabilities	0.16	0.16
Others		
- Statutory Dues Payable	4,850.09	3,631.71
- Excise Duty payable on Closing Stock	975.24	907.84
- Interest Others	690.57	374.99
- Due to Employees	1,411.09	1,281.55
- Other Miscellaneous	25.46	69.06
	<u>56,477.47</u>	<u>29,490.31</u>
Total:	<u>147,876.53</u>	<u>123,142.93</u>

#### Note 8 : Short Term Provisions

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
<b>Provision for employee benefits :</b>		
Gratuity (Refer Note 32)	350.87	528.64
Leave Salary	99.15	120.95
<b>Other Provision :</b>		
Provision for Wealth Tax	0.46	0.45
<b>Total</b>	<u>450.48</u>	<u>650.04</u>



### Notes to Financial Statements (Contd.)

#### Note 9 : Tangible Assets

(₹ in lacs)

Description	Gross Block			Depreciation / Amortisation				Net Block		
	As at March 31, 2013	Additions	Deductions	As at March 31, 2014	Up to March 31, 2013	For the period	Deductions	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
Freehold Land	4,175.66	-	-	4,175.66	-	-	-	-	4,175.66	4,175.66
Leasehold Land	707.57	-	-	707.57	125.95	10.49	-	136.44	571.13	581.62
Factory Buildings	40,460.89	64.79	21.83	40,503.85	4,055.75	1,350.27	-	5,406.02	35,097.83	36,405.14
Railway Siding	4,354.18	-	-	4,354.18	957.81	206.82	-	1,164.63	3,189.55	3,396.37
Plant and Machinery	172,906.05	223.55	36.19	173,093.41	40,560.44	10,757.10	1.90	51,315.64	121,777.77	132,345.61
Electrical Installations	24,395.04	0.09	-	24,395.10	4,930.90	1,161.66	-	6,092.56	18,302.54	19,464.11
Furniture, Fixtures	116.17	7.74	-	123.91	46.92	9.53	-	56.45	67.46	69.25
Office Equipments	877.78	22.13	-	899.91	549.63	56.71	-	606.34	293.57	328.15
Vehicles	217.42	-	8.91	208.51	104.76	19.63	4.21	120.18	88.33	112.66
<b>Total</b>	<b>248,210.73</b>	<b>318.30</b>	<b>66.93</b>	<b>248,462.10</b>	<b>51,332.16</b>	<b>13,572.21</b>	<b>6.11</b>	<b>64,898.26</b>	<b>183,563.84</b>	<b>196,878.57</b>
Previous Year's Total	197,814.02	50,434.77	38.06	248,210.73	42,733.46	8,612.67	13.97	51,332.16	196,878.57	

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

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
<b>A. Capital Work-in-Progress</b>		
Buildings	1,204.72	10,813.57
Railway Siding	359.01	359.01
Plant and Machinery	112.24	25,496.13
Electrical Installations	379.17	3,570.75
Land	5,274.77	6,117.86
<b>Sub Total</b>	<b>7,329.91</b>	<b>46,357.32</b>
Less : Transferred to Fixed Assets	-	39,037.76
<b>Total A</b>	<b>7,329.91</b>	<b>7,319.56</b>
<b>B Pre-operative Expenditure Pending Allocation</b>		
<b>Opening Balance</b>	<b>3,861.94</b>	<b>12,345.82</b>
<b>Additions</b>		
Power and Fuel	0.06	352.51
Salaries, Wages and Bonus	2.06	32.63
Rent and Hire	0.90	3.24
Rates and Taxes	-	0.02
Insurance	-	0.32
Travelling and Conveyance	2.14	8.59
Telephone and Postage	0.04	0.04
Legal and Professional Charges	1.17	13.93
Miscellaneous Expenses	9.00	66.43
Interest on Term Loans	0.03	288.46
Finance Charges	-	5.89
	<b>3,877.34</b>	<b>13,117.88</b>
Less : Transferred to Fixed Assets	-	9,255.94
<b>Total B</b>	<b>3,877.34</b>	<b>3,861.94</b>



**Notes to Financial Statements (Contd.)**

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
<b>C TRIAL RUN EXPENSES</b>		
Raw Materials Consumed	-	15,075.69
	-	15,075.69
<b>Personnel Cost</b>		
Salaries, Wages and Bonus	-	200.18
Contribution to Provident and Other Funds	-	3.66
	-	203.84
<b>Manufacturing, Selling and Distribution and Administrative Expenses</b>		
Consumption of Stores and Spares	-	98.57
Labour Charges	-	270.47
Power and Fuel	-	320.29
Repairs and Maintenance to Others	-	7.14
Rent and Hire	-	135.79
Other Manufacturing Expenses	-	4.19
Legal and Professional Charges	-	30.00
Miscellaneous Expenses	-	27.59
	-	894.04
<b>Interest and Finance Charges</b>		
Interest on		
- Others	-	104.58
Interest on Term Loans	-	1,174.25
Finance Charges	-	62.57
	-	1,341.40
	-	17,514.97
<b>Less:</b>		
Sales of Finished Goods	-	13,881.51
[Net of Excise duty and cess ₹ Nil (₹ 628.76 lacs)]		
Closing stock at the end of Trial-run period of a project		
Finished Goods	-	1,335.12
[Net of Excise duty and cess ₹ Nil (₹ 82.51 lacs)]		
Work-in-Process	-	428.82
[Net of Excise duty and cess ₹ Nil (₹ Nil)]		
<b>Sub Total</b>	-	15,645.45
	-	1,869.52
<b>Less : Transferred to Fixed Assets</b>	-	1,869.52
<b>Total C</b>	-	0.00
<b>Grand Total (A+B+C)</b>	<b>11,207.25</b>	<b>11,181.50</b>

**Consumption of Raw Material :**

(₹ in lacs)

	Current year ended March 31, 2014	9 months period ended March 31, 2013
Coking Coal	-	15,075.69
	-	15,075.69





### Notes to Financial Statements (Contd.)

#### Note 11 : Non Current Investments

(₹ in lacs)

	Number of shares	Face Value Per Share	As at March 31, 2014	As at March 31, 2013
<b>(Valued at cost unless otherwise stated)</b>				
<b>Trade Investment</b>				
<b>Unquoted, Fully Paid up</b>				
<b>Investment in Equity Shares</b>				
<b>In Subsidiary Companies</b>				
Nilachal Iron and Power Limited	34,948,727	10	7,709.46	7,709.46
Jai Balaji Energy (Purulia) Limited	50,000	10	5.00	5.00
Jai Balaji Steels (Purulia) Limited	50,000	10	5.00	5.00
<b>In Joint Venture Companies</b>				
Andal East Coal Company Private Limited	319,290	10	134.79	134.79
Rohne Coal Company Private Limited	69,000	10	6.90	6.90
<b>Investment in Preference Shares</b>				
<b>In a Joint Venture Company</b>				
1% Redeemable Preference Shares of Rohne Coal Company Private Limited	1,982,003	10	198.20	198.20
			<u>8,059.35</u>	<u>8,059.35</u>
<b>Non Trade Investment</b>				
<b>Unquoted, Fully Paid up</b>				
<b>Investment in Equity Shares</b>				
Calcutta Stock Exchange Limited	6,726	1	33.63	33.63
[At cost less provision for other than temporary diminution ₹ 100.89 lacs (₹ 100.89 lacs)]				
<b>In Government Securities</b>				
National Saving Certificate (Deposited with Third Parties)			4.12	4.12
			<u>37.75</u>	<u>37.75</u>
			<u>8,097.10</u>	<u>8,097.10</u>
Aggregate Value of Investments				
- Quoted			-	-
- Unquoted			8,197.99	8,197.99
Aggregate provision for diminution in the value of Investments				
			100.89	100.89

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

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
<b>Deferred Tax Asset</b>		
Unabsorbed Depreciation and carry forward Business Losses	36,822.39	27,176.87
Expenses Allowed On Payment Basis/Other Timing Differences	2,916.06	1,380.55
<b>Sub Total (A)</b>	<u>39,738.45</u>	<u>28,557.42</u>
<b>Deferred Tax Liability</b>		
Timing Difference on Depreciable assets	21,574.60	20,101.53
<b>Sub Total (B)</b>	<u>21,574.60</u>	<u>20,101.53</u>
<b>Deferred Tax Assets / (Liabilities) (Net) (A-B)</b>	<u>18,163.85</u>	<u>8,455.89</u>

Although, there is carried forward unabsorbed depreciation as on the reporting date, yet in view of the future profitability projections, the Company is virtually certain that there would be sufficient taxable income in future, to claim the above tax credit.

**Notes to Financial Statements (Contd.)**

**Note 13 : Loans and Advances**

(₹ in lacs)

	Non Current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
<b>(Unsecured, Considered Good)</b>				
<b>Capital Advances</b>	<u>5,705.73</u>	<u>5,801.19</u>	<u>-</u>	<u>-</u>
<b>Security Deposit</b>	<u>1,063.43</u>	<u>713.14</u>	<u>210.35</u>	<u>535.30</u>
[Net of Provision for Doubtful Advances ₹ 24.28 lacs (₹ 24.28 lacs)]				
<b>Loans and advances to Related parties</b>				
Loans to Body Corporate (Receivable on demand)*	-	-	7,000.00	8,500.00
Advances to a Subsidiary Company*	-	-	118.87	258.16
Advances to a Body Corporate **	-	-	951.30	740.22
Share Application Money to Joint Venture Company	-	-	198.70	193.70
	-	-	<u>8,268.87</u>	<u>9,692.08</u>
<b>Loans to Body Corporate (Receivable on demand)</b>	-	-	<u>564.05</u>	<u>564.05</u>
<b>Advances recoverable in cash or kind</b>				
Advances recoverable in cash or in kind or for value to be received	-	-	<u>9,633.05</u>	<u>6,297.27</u>
[Net of Provision for Doubtful Advances ₹ 810.70 lacs (₹ 783.62 lacs)]				
<b>Other Loans and advances</b>				
Balance with Excise and other Government Authorities Advance income tax	-	-	1,662.56	1,204.48
[net of Provisions ₹ Nil (₹ 5307.21 lacs)]	-	-	370.36	161.98
Sales Tax and Other Refunds Receivable	370.93	353.47	73.26	63.00
Mat Credit Entitlement	4,709.71	4,709.71	-	-
	<u>5,080.64</u>	<u>5,063.18</u>	<u>2,106.18</u>	<u>1,429.46</u>
<b>Total</b>	<u>11,849.80</u>	<u>11,577.51</u>	<u>20,782.50</u>	<u>18,518.16</u>

\*(Refer Note 32)

# since realised

**Note 14 : Other Non Current Assets**

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
Non Current bank balances (Refer Note 17)	632.83	1,155.76
Interest Receivable on Deposits	12.02	15.56
<b>Total</b>	<u>644.85</u>	<u>1,171.32</u>

**Note 15 : Inventories**

	As at March 31, 2014	As at March 31, 2013
Raw Materials	36,464.06	44,036.55
[Including in transit ₹ 7,165.34 lacs (₹ 5,967.79 lacs)]		
Stores and Spares	3,984.95	4,239.55
[Including in transit ₹ 41.81 lacs (₹ 185.46 lacs)]		
Work - in - Process	837.18	793.28
Finished Goods [including materials lying at port ₹ Nil (₹ 45.04 lacs)]	8,476.87	9,753.35
By Products and Scrap	1,170.13	611.97
<b>Total</b>	<u>50,933.19</u>	<u>59,434.70</u>



### Notes to Financial Statements (Contd.)

#### Note 16 : Trade Receivables

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
<b>Outstanding for a period exceeding six month from the date they are due for payment</b>		
Unsecured, considered good	23,238.46	15,263.40
Unsecured, considered doubtful	993.34	270.62
	<u>24,231.80</u>	<u>15,534.02</u>
Less: Provision for Doubtful Debts	993.34	270.62
	<u>(A) 23,238.46</u>	<u>15,263.40</u>
<b>Other Debts</b>		
Unsecured, considered good	(B) 55,870.64	53,957.21
<b>Total</b>	<u>(A+B) 79,109.10</u>	<u>69,220.61</u>

#### Note 17 : Cash and Bank Balances

(₹ in lacs)

	Non Current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
<b>Cash and Cash equivalents</b>				
Balance with Banks :-				
On Current Accounts	-	-	98.06	310.10
Cash on hand	-	-	62.31	54.60
Cheques in hand	-	-	19.82	580.73
Unclaimed Dividend Account	-	-	2.22	2.96
Unclaimed Fractional Share Balance	-	-	0.16	0.16
	<u>-</u>	<u>-</u>	<u>182.57</u>	<u>948.55</u>
<b>Other Bank Balances</b>				
Deposits with original maturity for more than 12 Months*	632.83	1,155.76	0.00	204.86
Deposits with original maturity for more than 3 Months but less than 12 months*	-	-	2,293.93	2,803.91
	<u>632.83</u>	<u>1,155.76</u>	<u>2,293.93</u>	<u>3,008.77</u>
Amount disclosed under the head "Other Non Current Assets" (Refer Note 14)	(632.83)	(1,155.76)	-	-
<b>Total</b>	<u>-</u>	<u>-</u>	<u>2,476.50</u>	<u>3,957.32</u>

\* including ₹ 2,926.76 lacs (₹ 4,164.53 lacs) pledged with banks as margin money against borrowings/other facilities

#### Note 18 : Other Current Assets

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
Interest Receivable on Loans, Advances and Deposits	501.95	364.53
Subsidies and Incentives Receivable	13,422.19	11,234.90
<b>Total</b>	<u>13,924.14</u>	<u>11,599.43</u>



**Notes to Financial Statements (Contd.)**

**Note 19 : Revenue from Operations**

(₹ in lacs)

	Current year ended March 31, 2014	9 months period ended March 31, 2013
<b>Sales of products</b>		
Finished Goods	204,872.93	163,403.96
By Products and Scraps	3,603.02	2,635.73
Raw Materials	1,881.86	16.52
<b>Other Operating Revenue</b>		
Conversion Charges	155.42	1,273.85
Subsidy on Sales Tax/Value Added Tax	2,209.93	2,225.99
Export Incentives	77.77	16.53
<b>Revenue from Operations (Gross)</b>	<u>212,800.93</u>	<u>169,572.58</u>
Less: Excise Duty	<u>15,990.80</u>	<u>15,088.83</u>
<b>Revenue from Operations (Net)</b>	<u>196,810.13</u>	<u>154,483.75</u>
<b>Sale of finished goods comprise @ :</b>		
Sponge Iron	20,042.94	6,594.29
Pig Iron	27,598.71	24,762.93
Steel Bars/Rods	24,580.34	23,926.58
Billet/MS Ingots	77,101.95	76,925.90
Ferro Alloys	7,745.31	11,237.35
Ductile Iron Pipe	25,839.80	17,916.09
Power	518.53	124.39
Sinter	248.27	-
Coke/Coal	1,444.73	1,801.79
Limestone	-	114.64
M.S. Billet/TMT	19,752.35	-
	<u>204,872.93</u>	<u>163,403.96</u>

@ 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, 2014	9 months period ended March 31, 2013
Interest on :		
(a) Fixed Deposits with Banks [Gross, Tax deducted at source ₹ 39.06 lacs ( ₹ 13.12 lacs)]	290.99	155.96
(b) Loans and Advances [Gross, Tax deducted at source ₹ 13.90 lacs ( ₹ 122.96 lacs)]	1,392.52	1,230.36
Commission Received	-	34.13
Dividend from long term Investments (other than trade)	1.35	0.67
Insurance Claims	101.30	5.25
Liabilities no longer required written back	476.19	233.69
Provision for doubt debts no longer required written back	-	122.04
Gain on Foreign Exchange Fluctuations (Net)	-	381.93
Miscellaneous Income	5.92	9.84
<b>Total</b>	<u>2,268.27</u>	<u>2,173.87</u>





**Notes to Financial Statements (Contd.)**

**Note 21 : Cost of Materials Consumed**

(₹ in lacs)

	Current year ended March 31, 2014	9 months period ended March 31, 2013
Opening Stock	44,036.55	49,620.94
Purchases	<u>122,194.98</u>	<u>100,625.87</u>
	166,231.53	150,246.81
Less: Closing Stock	<u>36,464.06</u>	<u>44,036.55</u>
Raw Materials Consumed	<u>129,767.47</u>	<u>106,210.26</u>
<b>Consumption of Raw Material</b>		
Iron Ore/Pellets/Sinter	31,265.29	23,556.76
Manganese Ore	2,717.25	4,862.94
Sponge Iron	21,873.29	14,573.89
Billet/Ingot	8,618.17	1,551.03
Coke/Coal	60,440.53	57,733.39
Magnesium Metal	369.87	285.51
Pig Iron	26.61	25.12
Steel Scrap & Wastes	70.71	532.45
Ferro Alloys	884.19	558.99
Quartzite, Limestone and Dolomite	<u>3,501.56</u>	<u>2,530.18</u>
	<u>129,767.47</u>	<u>106,210.26</u>
<b>Purchase of Stock in Trade</b>		
Coal	-	118.96
DI Fittings	-	36.76
M.S. Billet	16,074.45	-
M.S. Angle	285.71	-
TMT	<u>3,284.28</u>	-
	<u>19,644.44</u>	<u>155.72</u>

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

(₹ in lacs)

	Current year ended March 31, 2014	9 months period ended March 31, 2013
<b>Opening Stocks</b>		
Work-in-Process	793.28	642.46
Finished Goods	9,753.35	23,116.56
By Products and Scrap	<u>611.97</u>	<u>2,898.88</u>
	11,158.60	26,657.90
Add: Stock transferred from Trial Run (Refer Note 10)	-	1,763.94
	<u>11,158.60</u>	<u>28,421.84</u>
<b>Less:</b>		
<b>Closing Stocks</b>		
Work-in-Process	837.18	793.28
Finished Goods	8,476.87	9,753.35
By Products and Scrap	<u>1,170.13</u>	<u>611.97</u>
	10,484.18	11,158.60
	<u>674.42</u>	<u>17,263.24</u>
(Increase)/Decrease in excise duty and cess on stocks	<u>67.39</u>	<u>(2,178.11)</u>
<b>Total</b>	<u>741.81</u>	<u>15,085.13</u>



### Notes to Financial Statements (Contd.)

26. Contingent liabilities not provided for:

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
a) Claims against the Company not acknowledged as debts		
i) Excise and Service Tax Demands under dispute/appeal	11,320.16	5,880.10
ii) Sales Tax/VAT matters under dispute/appeal	13,930.47	6,736.99
iii) Income Tax matters under dispute/appeal	6.85	-
b) Letters of Credit, Bills discounted and Bank Guarantees outstanding	23,177.35	11,128.48
c) Custom Duty on Import of Equipment and spare parts under EPCG Scheme	4,380.00	2,468.83
d) Guarantees and Counter guarantees given by the Company for loans obtained by Subsidiary/other companies	5,045.00	7,180.00
e) Guarantee given for Joint Venture Companies	1,412.46	1,412.46
27. Estimated amount of contracts remaining to be executed on Capital Account and not provided for [Net of Advances ₹ 5,705.73 lacs (₹ 5,801.19 lacs)]	1,245.05	1,545.89

Proportionate amount of pending capital commitments on account of Joint Venture Companies is ₹ 0.64 lacs excluding one Joint Venture Company [(₹ 9.98 lacs (March 31, 2013))] as at March 31, 2014.

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 previous year the Corporate Debt Restructuring (CDR) Cell through its Empowered Group has approved a debt restructuring scheme for the Company which provides for revision in interest rates, deferment of repayment of term loans, conversion of interest into Funded Interest term loan and additional infusion of ₹ 5000.00 lacs into the Company. Subsequently, on 4th July, 2013 the company allotted 10,000,000 convertible warrants as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 to two promoter group companies @ ₹ 50 per warrant each convertible into one equity share of the company of ₹ 10 each at a price of ₹ 50/- each (including premium of ₹ 40/-). Out of the said 10,000,000 warrants, 3,495,000 warrants were converted into equity shares on 5th August, 2013.

During the year the CDR Scheme was revised by the CDR cell which provides for revision in working capital limits and term loan limits and provision of additional security and additional funds from the promoter group companies.

Necessary adjustments in the books of accounts have been made to reflect the impact of the aforesaid restructuring scheme.

30 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 ₹ 2209.93 lacs (₹ 2225.99 lacs):

(₹ in lacs)

Sl. No.	Particulars	Account to which credited	Current year ended March 31, 2014	9 months period ended March 31, 2013
a)	Industrial Promotion Assistance	Subsidy on Sales Tax / Value Added Tax under Sales & Service	2,209.93	2,225.99

31. Loans and Advances includes the following balances

(₹ in lacs)

Name of the Company	As at March 31, 2014	Maximum Amount due at any time during year ended March 31, 2014	As at March 31, 2013	Maximum Amount due at any time during year ended March 31, 2013
<b>In terms of Clause 32 of the Listing Agreement</b>				
Jai Balaji Jyoti Steels Ltd.	7951.30	9,254.19	9,240.22	9,240.22
<b>Subsidiary Company</b>				
Nilachal Iron and Power Limited	118.87	799.09	258.16	324.32



### Notes to Financial Statements (Contd.)

#### 32 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 are as follows : (₹ in lacs)

	Current year ended March 31, 2014	9 months period ended March 31, 2013
Current service cost	174.98	116.05
Interest cost on benefit obligation	67.98	41.56
Expected return on plan assets	(29.60)	(20.89)
Net actuarial loss/(gain) recognised in the year	(334.18)	57.08
Past Service cost	—	9.13
<b>Total Expenses</b>	<u>(120.82)</u>	<u>202.93</u>

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

	As at March 31, 2014	As at March 31, 2013
Present value of Defined Benefits Obligation	707.27	858.87
Fair value of plan assets	<u>356.40</u>	<u>330.23</u>
	350.87	528.64
Less: Unrecognised past service cost	—	—
<b>Total Expenses</b>	<u>350.87</u>	<u>528.64</u>

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

	As at March 31, 2014	As at March 31, 2013
Present Value of Defined Benefit Obligation at the beginning of the year	858.87	660.46
Current Service Cost	174.98	116.05
Interest Cost	67.98	41.56
Benefits Paid	(59.58)	(17.14)
Actuarial Loss/(Gain)	(334.98)	57.94
Plan Amendments	—	—
<b>Present Value of Defined Benefits Obligation at the year end</b>	<u>707.27</u>	<u>858.87</u>

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

	As at March 31, 2014	As at March 31, 2013
Fair Value of Plan Assets at the beginning of the year	330.23	310.62
Expected Return	29.60	20.89
Contribution by Employer	56.95	15.00
Benefits paid	(59.58)	(17.14)
Actuarial Gains/(Losses)	(0.80)	0.86
<b>Fair Value of Plan Assets at the year end</b>	<u>356.40</u>	<u>330.23</u>



**Notes to Financial Statements (Contd.)**

V. The major categories of plan assets as a percentage of the fair value of the total plan assets (₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
Investment with the insurer	100%	100%

VI. The principal assumptions used in determining gratuity obligations for the Company's plans are shown below.

	Current year ended March 31, 2014	9 months period ended March 31, 2013
Discount Rate	9.25%	8.20%
Expected Rate of return on assets	9.00%	9.00%
Rate of increase in salaries	10.00%	10.00%
Mortality Table	<b>Indian Assured Life Mortality (2006-08) (modified) Ultimate</b>	<b>Indian Assured Life Mortality (2006-08) (modified) Ultimate</b>

VII. Amounts for the current and previous years are as follows: (₹ in lacs)

	As at March 31, 2014	As at March 31, 2013	As at June 30, 2012	As at March 31, 2011	As at March 31, 2010
Defined benefit obligation	(707.27)	(858.87)	(660.46)	(574.74)	(366.43)
Plan Assets	356.40	330.23	310.32	209.13	150.13
Surplus/(Deficit)	(350.87)	(528.64)	(349.84)	(365.61)	(216.30)
Experience Gain/(Loss)					
Adjustments on plan liabilities	233.73	(13.21)	129.08	(68.68)	(23.15)
Experience Gain/(Loss)					
Adjustments on plan assets	(0.80)	0.86	1.62	0.99	(0.14)
Experience Gain/(Loss) due to change on assumptions	101.25	(44.73)	27.54	-	24.43

(₹ in lacs)

	Current year ended March 31, 2014	9 months period ended March 31, 2013
Contribution to Provident Fund and other Funds	389.71	508.59

**Notes:**

- i) The Company expects to contribute ₹ 350.87 lacs (₹ 528.64 lacs) to Gratuity Fund in 2014-15.
- 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.





### Notes to Financial Statements (Contd.)

33. 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, 2014	9 months period ended March 31, 2013
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.	—	—

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

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

	Foreign Currency (FC)	As at March 31, 2014		As at March 31, 2013	
		in FC	₹ in lacs	in FC	₹ in lacs
<b>Receivables</b>					
(a) Trade Receivables	US\$	—	—	78,215	42.54
(b) Advances	US\$	—	—	114,654	62.36
<b>Total</b>			—		104.90
<b>Payables</b>					
(a) Trade Payables	US\$	344,404	206.99	496,368	269.97
	Euro	21,840	18.03	83,635	58.16
(b) Advances	US\$	136,169	80.44	—	—
	Euro	38,113	31.25	—	—
<b>Total</b>			336.71		328.13



### Notes to Financial Statements (Contd.)

36. Basic and diluted earnings per share :

Sl No.	Particulars		Current year ended March 31, 2014	9 months period ended March 31, 2013
A	Profit/(Loss) after Tax	₹ in lacs	(31,895.15)	(21,312.78)
B	Number of shares at the beginning of the year	Nos.	63,781,486	63,781,486
C	Total equity shares outstanding at the end of the year	Nos.	67,276,486	63,781,486
D	Weighted average number of equity shares outstanding at the end of the year	Nos.	66,069,993	63,781,486
E	Nominal Value of each Share	₹	10.00	10.00
F	Basic Earning per Share	₹	(48.27)	(33.42)
G	Diluted Earning per Share	₹	(48.27)	(33.42)

37. Related Party Disclosures

**a. Name of Related Parties**

<b>Subsidiary Companies</b>	Nilachal Iron & Power Limited (NIPL) Jai Balaji Steels (Purulia) Limited (JBSPL) Jai Balaji Energy (Purulia) Limited (JBEPL)
<b>Joint Venture Companies</b>	Rohne Coal Company Private Limited (RCCPL) Andal East Coal Company Private Limited (AECCPL)
<b>Key Management Personnel</b>	Mr. Aditya Jajodia, Chairman and Managing Director Mr. Sanjiv Jajodia, Wholetime Director
<b>Relatives of Key Management Personnel</b>	Mr. Rajiv Jajodia, Brother of Wholetime Director Mr. Gourav Jajodia, Nephew of Wholetime Director
<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>	Chandi Steel Industries Limited (CSIL) Jai Balaji Jyoti Steels Limited (JBSL) Jai Salasar Balaji Industries Private Limited (JSBIPL) Balaji Ispat Udyog (BIU) Enfield Suppliers Limited (ESL) Hari Management Limited (HML) Jajodia Estate Private Limited (JEPL) Shri Marutaye Balaji Steels Limited (SMBSL)



### Notes to Financial Statements (Contd.)

#### b. Related Party Transactions:

Relationship	Party	Sales	Purchases	Rent paid	Interest Received	Interest Paid	Director fee	Share Application Advance	Allotment of Shares	Loan Taken	Allotment of Equity Shares warrants	Money Received against share warrants	Balance Receivable	Balance Payable	Guarantees Obtained	Corporate Guarantee Given
<b>Subsidiaries</b>	NIPL	-	-	-	-	-	-	-	-	-	-	-	118.87	-	-	2,515.00
		-	(1,631.62)	-	-	-	-	-	-	-	-	-	(258.16)	-	-	(4,500.00)
<b>Joint Venture</b>	RCCPL	-	-	-	-	-	-	(8.99)	-	-	-	-	-	-	-	898.38
		-	-	-	-	-	-	(62.00)	-	-	-	-	-	-	-	(898.38)
	AECCPL	-	-	-	-	-	-	5.00	-	-	-	-	-	-	-	514.08
		-	-	-	-	-	-	(62.00)	-	-	-	-	-	-	-	(514.08)
<b>Key Management Personnel</b>	Aditya Jajodia	-	-	-	-	-	-	-	-	-	-	-	-	-	279,829.00	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	(235,910.85)	-
	Sanjiv Jajodia	-	-	-	-	-	-	-	-	-	-	-	-	-	279,829.00	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	(235,910.85)	-
<b>Relatives of Key Management Personnel</b>	Rajiv Jajodia	-	-	-	-	-	0.45	-	-	-	-	-	-	-	279,829.00	-
		-	-	-	-	-	(0.20)	-	-	-	-	-	-	-	(235,910.85)	-
	Gaurav Jajodia	-	-	-	-	-	0.35	-	-	-	-	-	-	-	279,829.00	-
		-	-	-	-	-	(0.15)	-	-	-	-	-	-	-	(226,150.21)	-
<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>	CSIL	1,072.51	234.38	-	271.85	-	-	-	-	-	-	-	2,536.01	-	-	2,530.00
		(2,235.02)	(81.92)	-	(294.61)	-	-	-	-	-	-	-	(3,023.57)	-	-	(2,680.00)
	-JBSL	-	2,974.96	-	1,015.82	-	-	-	-	-	-	-	7,951.30	-	-	-
		-	(2,253.03)	-	(862.83)	-	-	-	-	-	-	-	(9,240.22)	-	-	-
	JSBPL	2,015.29	2,409.78	-	-	-	-	-	-	-	-	-	837.42	-	-	-
		(2,856.66)	(1,669.21)	-	-	-	-	-	-	-	-	-	-	-	-	-
	SMBSL	-	-	-	-	-	-	-	-	-	-	-	-	-	279,829.00	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	(255,945.00)	-
	JEPL	-	-	0.69	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	(0.52)	-	-	-	-	-	-	-	-	-	-	-	-
	ESL	-	-	-	-	36.56	-	-	190.00	497.25	-	-	-	533.81	-	-
		-	-	-	-	-	-	-	-	-	-	(950.00)	-	-	-	-
	HML	-	-	-	-	17.53	-	-	159.50	3,520.00	3,252.50	-	-	3,537.53	-	-
		-	-	-	-	-	-	-	-	-	-	(1,559.25)	-	-	-	-
<b>Total</b>		3,087.80	5,619.12	0.69	1,287.67	54.09	0.80	5.00	349.50	4,017.25	3,252.50	-	11,443.60	4,071.34	1,399,145.00	6,457.46
		(5,091.68)	(5,635.78)	(0.52)	(1,157.44)	-	(0.35)	(70.99)	-	-	-	(2,509.25)	(12,521.95)	-	(1,189,827.76)	(8,592.46)



### Notes to Financial Statements (Contd.)

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

(₹ in lacs)

Payment to Auditor	Current year ended March 31, 2014		9 months period ended March 31, 2013	
As auditor :				
Audit fee	3.50		9.50	
Limited Review	6.50		5.00	
Tax Audit	0.75		1.50	
Out-of-pocket expenses	—	10.75	0.54	16.54
In other manner for Certification		0.22		—
<b>Total</b>		<b>10.97</b>		<b>16.54</b>

Out of above amount, paid to previous auditor amounts to ₹ 3.25 lacs (₹ Nil)

39. 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.	
	2013-14	2012-13	2013-14	2012-13
Company's share in Joint Venture	32.79%	32.79%	6.90%	6.90%
Country of Incorporation	India	India	India	India
<b>Proportionate share of the Company in the Joint Venture Companies</b>				
Current Assets			1.39	0.54
Non Current Assets			299.47	279.20
Current Liabilities			0.11	0.08
Non Current Liabilities			—	—
Revenue			0.18	0.14
Other Expenses			0.13	0.11
Profit/(Loss) before tax			0.05	0.03
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.

40. 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, 2014	As at March 31, 2013
Total Number of Equity shares held by the promoter group	36,715,395	33,220,395
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	83.84%	92.66%
Percentage of total shares pledged to total outstanding shares of the Company	45.75%	48.26%

41. 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	37,585.42 (28,204.05)	28.96 (23.25)	1,140.51 (754.98)	11.13 (7.12)
Indigenous	92,182.05 (93,081.90)	71.04 (76.75)	9,109.15 (9,849.26)	88.87 (92.88)
<b>Total</b>	<b>129,767.47</b> (121,285.95)	<b>100.00</b> (100.00)	<b>10,249.66</b> (10,604.24)	<b>100.00</b> (100.00)



### Notes to Financial Statements (Contd.)

42. Value of Imports (calculated on CIF basis)

(₹ in lacs)

	Current year ended March 31, 2014	9 months period ended March 31, 2013
Raw materials	27,058.13	21,820.11
Components & Spare Parts	1,107.74	754.98
Capital Goods	159.66	—
<b>Total</b>	<b>28,325.53</b>	<b>22,575.09</b>

43. Expenditure in Foreign Currency (on accrual basis)

(₹ in lacs)

	Current year ended March 31, 2014	9 months period ended March 31, 2013
Professional Consultation Fees	6.54	37.03
Interest	—	112.61
Others	—	22.91
<b>Total</b>	<b>6.54</b>	<b>172.55</b>

44. Earnings in Foreign Currency (on accrual basis)

(₹ in lacs)

	Current year ended March 31, 2014	9 months period ended March 31, 2013
Exports at FOB Value	717.21	688.18

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

(₹ in lacs)

	Current year ended March 31, 2014	9 months period ended March 31, 2013
i) Financial Year to which the dividend relates	2012-13	2011-12
ii) No. of non-resident shareholders	132	134
iii) No. of Shares held	1,16,78,295	1,18,15,543
iv) Amount remitted as dividend (₹ in lacs)*	Nil	Nil

\*No dividend was declared for the financial year 2012-13 and 2011-12

46. i) The current financial year of the Company is for the year of twelve months from 1st April, 2013 to 31st March, 2014 as compared to previous financial year of nine months from 1st July, 2012 to 31st March, 2013. Hence, the current period's figures are not comparable with previous period's figures.

ii) 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 **S. K. Agrawal & Co.**

Chartered Accountants

Firm Regn. No. 306033E

**CA J. K. Choudhury**

Partner

Membership No. : 009367

For and on behalf of the Board of Directors

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

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

**Rajiv Jajodia**  
Director  
(DIN : 00045192)

Place : Kolkata

Date : 29<sup>th</sup> May, 2014

**Ajay Kumar Tantia**  
Company Secretary





## Section 212

Statement pursuant to Section 212 of the Companies Act, 1956, relating to the Subsidiary Companies :

1. Name of the Subsidiaries	: Nilachal Iron & Power Limited	Jai Balaji Steels (Purulia) Limited	Jai Balaji Energy (Purulia) Limited
2. The financial year of the Subsidiary Companies ended on :	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2014
3. a. Number of Shares held by Jai Balaji Industries Limited in the Subsidiary at the end of the Financial year of the Subsidiary Companies	: 34,948,727 Equity Shares of ₹ 10 each fully paid up	50,000 Equity Shares of ₹ 10 each fully paid up	50,000 Equity Shares of ₹ 10 each fully paid up
b. Extent of interest of Holding Company at the end of the Financial year of Subsidiary Company	: 100%	100%	100%
4. The net aggregate amount of the Subsidiary Company profit/(loss) so far as it concerns the Members of the Holding Company			
a) Not dealt with in the Holding Company's Accounts			
i) For the Financial year ended 31 <sup>st</sup> March, 2014	: ₹ (1,423.02) Lacs	N.A.	N.A.
ii) For the previous Financial year of the Subsidiary Company since it became the Holding Company's Subsidiary	: ₹ (516.71) Lacs	N.A.	N.A.
b) Dealt with in the Holding Company's account			
i) For the Financial year ended 31 <sup>st</sup> March, 2014	: NIL	N.A.	N.A.
ii) For the previous Financial year of the Subsidiary Company since it became the Holding Company's Subsidiary	: ₹ (94.64) Lacs	N.A.	N.A.

For and on behalf of the Board of Directors

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

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

**Rajiv Jajodia**  
Director  
(DIN : 00045192)

Place : Kolkata  
Date : 29<sup>th</sup> May, 2014

**Ajay Kumar Tantia**  
Company Secretary



**Notes to Financial Statements (Contd.)**

**Note 22 : Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade (Contd.)**

(₹ in lacs)

	<b>Current year ended March 31, 2014</b>	<b>9 months period ended March 31, 2013</b>
<b>Stock of finished goods comprises</b>		
<b>Opening Stock</b>		
Sponge Iron	516.72	2,358.85
Pig Iron	4,463.22	10,575.45
Steel Bars/Rods	146.54	164.56
Billet/MS Ingots	2,182.35	8,030.41
Ferro Alloys	529.97	382.93
Ductile Iron Pipe	1,004.89	1,604.36
Coke	909.66	-
<b>Total</b>	<u>9,753.35</u>	<u>23,116.56</u>
<b>Closing Stock</b>		
Sponge Iron	1,147.71	516.72
Pig Iron	4,060.05	4,463.22
Steel Bars/Rods	399.77	146.54
Billet/MS Ingot	1,071.99	2,182.35
Ferro Alloys	227.50	529.97
Ductile Iron Pipe	717.16	1,004.89
Coke	852.69	909.66
<b>Total</b>	<u>8,476.87</u>	<u>9,753.35</u>

**Note 23 : Employee Benefits Expense**

(₹ in lacs)

	<b>Current year ended March 31, 2014</b>	<b>9 months period ended March 31, 2013</b>
Salaries, Wages, Bonus & Other Benefits	5,622.58	4,398.90
Contribution to Provident Fund & other fund	68.70	355.48
Staff Welfare Expenses	199.90	177.22
Directors remuneration	9.00	4.50
<b>Total</b>	<u>5,900.18</u>	<u>4,936.10</u>

**Note 24 : Finance Costs**

(₹ in lacs)

	<b>Current year ended March 31, 2014</b>	<b>9 months period ended March 31, 2013</b>
<b>Interest Expenses</b>		
On Term loans	22,078.51	11,906.45
On Others	9,415.11	4,234.96
<b>Finance charges</b>	<u>2,142.86</u>	<u>1,503.29</u>
<b>Total</b>	<u>33,636.48</u>	<u>17,644.70</u>



**Notes to Financial Statements (Contd.)**

**Note 25 : Other Expenses**

(₹ in lacs)

	<b>Current year ended March 31, 2014</b>	<b>9 months period ended March 31, 2013</b>
Consumption of Stores and Spares	10,249.66	10,505.67
Labour Charges	5,083.84	4,066.33
Power and Fuel	13,161.32	13,266.28
Repairs and Maintenance:		
- Plant and Machinery	630.21	403.01
- Buildings	62.58	84.58
- Others	280.75	182.95
Water Charges	356.11	284.34
Equipment Hire Charges	2,288.59	1,540.53
Shifting Expenses	340.62	558.44
Freight and Transportation	1,463.86	2,059.27
Rent and Hire	94.92	103.23
Rates and Taxes	148.65	827.66
Insurance	150.78	100.21
Advertisement	88.83	47.83
Brokerage and Commission (Other than Sole Selling Agents)	195.19	169.84
Travelling and Conveyance	443.14	367.94
Telephone and Postage	94.40	75.56
Legal and Professional Charges (Refer Note 38)	363.78	261.99
Directors' Fees	2.45	1.45
Provision for Doubtful Debts and Advances	738.50	0.00
Irrecoverable Debts and Advances Written off	83.56	82.54
Less: Adjusted against Provisions	<u>—</u> 83.56	<u>44.38</u> 38.16
Loss on Foreign Exchange Fluctuations (Net)	385.97	—
Security and Service Charges	441.38	315.17
Loss on Sale of Fixed Assets	1.98	2.72
Loss on Sale of Store Inventory	36.71	—
Miscellaneous Expenses	385.95	308.75
Prior period Expenses	116.15	38.84
<b>Total</b>	<u><u>37,689.88</u></u>	<u><u>35,610.75</u></u>



### 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** ("the Company") and its subsidiaries and joint venture (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2014, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

#### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the applicable (financial reporting framework) accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Group's preparation and presentation of the consolidated financial statements 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 management, as well as evaluating the overall presentation of the consolidated financial statements.

#### OPINION

Based on consideration of the reports of other auditors on separate financial statements and on other financial

information of the components, and to the best of information and explanation given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of the Consolidated Balance Sheet, of the State of affairs of the Group as at 31<sup>st</sup> March, 2014
- ii) In the case of the Consolidated Statement of Profit and Loss, of the Loss of the group for the year ended on that date; and
- iii) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

#### OTHER MATTERS

We did not audit the financial Statements and other financial information of subsidiaries and Joint Ventures which have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors. The attached consolidated financial statements include total asset of ₹ 23,526.82 lacs as at 31<sup>st</sup> March, 2014, total revenue of ₹ 397.04 lacs and net cash outflow amounting to ₹ 13.05 lacs in respect of aforementioned subsidiaries for the period ended on that date.

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

**J. K. CHOUDHURY**  
Partner

Kolkata  
Dated : 29<sup>th</sup> May, 2014

Membership No: 009367



### Consolidated Balance Sheet as at March 31, 2014

(₹ in lacs)

	Notes	As at March 31, 2014	As at March 31, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Fund</b>			
Share Capital	3	6,727.26	6,377.76
Reserves and Surplus	4	12,052.00	43,971.39
Equity Share Warrants		3,252.50	-
Money Received against share warrants		-	2,509.25
		<u>22,031.76</u>	<u>52,858.40</u>
<b>Share Application Money pending allotment</b>		89.05	240.16
<b>Non Current Liabilities</b>			
Long Term Borrowings	5	166,937.50	175,905.98
Long Term Provisions	6	-	10.15
		<u>166,937.50</u>	<u>175,916.13</u>
<b>Current Liabilities</b>			
Short Term Borrowings	7	72,574.34	56,063.89
Trade Payables	8	92,505.73	95,257.18
Other Current Liabilities	8	57,385.56	30,788.02
Short Term Provisions	6	439.06	659.09
		<u>222,904.69</u>	<u>182,768.18</u>
<b>TOTAL</b>		<u><u>411,963.00</u></u>	<u><u>411,782.87</u></u>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets			
Tangible Assets	9	195,275.97	209,351.32
Capital Work in Progress and Pre-Operative Expenditure Pending Allocation	10	12,870.53	13,309.79
Non Current Investments	11	199.40	64.61
Deferred Tax Assets (Net)	12	19,011.87	8,612.58
Long Term Loans and Advances	13	11,964.80	12,060.26
Other Non Current Assets	14	648.75	1,175.72
		<u>239,971.32</u>	<u>244,574.28</u>
<b>Current Assets</b>			
Current Investments	15	-	0.34
Inventories	16	53,951.23	62,453.53
Trade Receivables	17	79,811.80	70,204.07
Cash and Bank Balances	18	2,703.96	4,218.35
Short Term Loans and Advances	13	21,600.55	18,732.87
Other Current Assets	19	13,924.14	11,599.43
		<u>171,991.68</u>	<u>167,208.59</u>
<b>TOTAL</b>		<u><u>411,963.00</u></u>	<u><u>411,782.87</u></u>
<b>Significant Accounting Policies</b>	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.**

Chartered Accountants

Firm Regn. No. 306033E

**CA J. K. Choudhury**

Partner

Membership No. : 009367

Place : Kolkata

Date : 29<sup>th</sup> May, 2014

For and on behalf of the Board of Directors

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

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

**Rajiv Jajodia**  
Director  
(DIN : 00045192)

**Ajay Kumar Tantia**  
Company Secretary





**Consolidated Statement of Profit and Loss for the year ended March 31, 2014**

(₹ in lacs)

	Notes	Current year ended March 31, 2014	9 months period ended March 31, 2013
<b>INCOME</b>			
Revenue from Operations (Gross)	20	213,166.66	169,572.58
Less: Excise Duty	20	15,990.80	15,088.83
Revenue from Operations (Net)		197,175.86	154,483.75
Other Income	21	2,297.12	2,228.23
<b>Total Revenue (I)</b>		<b>199,472.98</b>	<b>156,711.98</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	22	129,767.47	105,719.53
Purchase of Stock in Trade	22	19,644.44	155.72
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	741.79	15,293.65
Employee Benefits Expense	24	6,249.80	5,267.41
Finance Costs	25	34,523.72	18,510.49
Depreciation and Amortisation Expense	9	14,334.24	9,184.92
Other Expenses	26	38,178.39	36,006.65
<b>Total Expenses (II)</b>		<b>243,439.85</b>	<b>190,138.37</b>
<b>Profit / (Loss) before Tax (I-II)</b>		<b>(43,966.87)</b>	<b>(33,426.39)</b>
<b>Tax Expenses:</b>			
Current Tax		—	—
Provision (Write Back) relating to earlier years		(249.49)	1.47
Deferred tax charge/(credit)		(10,399.28)	(11,075.69)
<b>Total Tax Expense</b>		<b>(10,648.77)</b>	<b>(11,074.22)</b>
<b>Profit/(Loss) for the period</b>		<b>(33,318.10)</b>	<b>(22,352.17)</b>
<b>Earnings per Equity Share: (Nominal Value per Share ₹ 10)</b>			
Basic & Diluted	36	(50.43)	(35.04)
<b>Significant Accounting Policies</b>	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.**

Chartered Accountants

Firm Regn. No. 306033E

**CA J. K. Choudhury**

Partner

Membership No. : 009367

Place : Kolkata

Date : 29<sup>th</sup> May, 2014

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 period ended March 31, 2014

(₹ in lacs)

	Current year ended March 31, 2014	9 months period ended March 31, 2013
<b>A: Cash Flow From Operating Activities</b>		
Net Profit / (Loss) Before Taxes	(43,966.87)	(33,426.39)
Adjustments For :		
Depreciation / Amortisation (Net)	14,334.25	9,184.92
Loss on Sale of Fixed Assets	1.98	2.72
Irrecoverable Debts and Advances Written off	92.36	47.36
Liabilities no longer required written back	(478.22)	(234.14)
Interest on Term Loans and Others	32,355.87	18,559.23
Provision for doubtful debts/(written back)	738.50	(122.04)
Dividend from long term Non Trade Investments	(1.35)	(0.67)
Dividend from Current Investments (other than trade)	(0.18)	(0.14)
Prior Period Expenditure (net)	120.06	65.67
(Profit) /Loss on Foreign Exchange Fluctuations (Net)	385.97	(381.93)
Interest Income	(1703.03)	(1,417.59)
<b>Operating Profit / (Loss) Before Working Capital Changes</b>	<u>1,879.34</u>	<u>(7,723.00)</u>
Movements in Working Capital :		
Decrease / (Increase) in Trade Receivables	(10,339.63)	(24,779.53)
Increase in Loans and Advances and Other Current / Non Current Assets	(6,135.88)	(1,096.55)
Decrease / (Increase) in Advances to Subsidiary Company**	134.79	—
Decrease / (Increase) in Inventories	8,502.28	22,135.23
Decrease in Trade Payables, Other Liabilities and Provisions	2,736.08	8,149.69
<b>Cash generated from / (used in) Operating Activities</b>	(3,223.01)	(3,314.16)
Direct Taxes paid ( net of refunds)	(120.86)	(173.61)
<b>Net Cash generated from / (used in) Operating Activities</b>	<u>(3,343.87)</u>	<u>(3,487.77)</u>
<b>B: Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	(1,235.81)	(3,562.33)
Proceeds from Sale of Fixed Assets	58.84	21.37
Purchase of Investments in Government Securities	—	(1.50)
Proceeds from sale of current Investments (other than trade)	0.34	0.07
Dividend from long term Investments (other than Trade)	1.35	0.67
Dividend from Current Investments (other than Trade)	0.18	0.14
Loan to Related Party	1,500.00	—
Interest received	1,569.15	1,343.53
<b>Net Cash Generated from (Used In) Investing Activities</b>	<u>1,894.05</u>	<u>(2,198.05)</u>



### Consolidated Cash Flow Statement (Contd.)

(₹ in lacs)

	Current year ended March 31, 2014	9 months period ended March 31, 2013
<b>C: Cash Flow From Financing Activities</b>		
Proceeds from Call in Arrears of equity share capital	–	0.65
Proceeds from Share Application Money	16.03	9.29
Money Received against share warrants	2,490.75	2,509.25
Proceeds from long / short term Borrowings	11,253.20	12,385.10
Repayment of long / short term Borrowings	(7,256.92)	(3,441.01)
Interest Paid	(5,847.24)	(5,173.03)
Dividend Paid	(0.73)	(1.77)
<b>Net Cash generated from Financing Activities</b>	<b>655.09</b>	<b>6,288.48</b>
<b>Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)</b>	<b>(794.73)</b>	<b>602.65</b>
<b>Cash and Cash Equivalents as at the beginning of the year</b>	<b>1,204.25</b>	<b>606.93</b>
<b>Cash and Cash Equivalents as at the end of the year</b>	<b>409.52</b>	<b>1,209.58</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash on hand	80.40	96.65
Cheques in hand	19.82	580.73
Balance with Scheduled Banks on:		
Current Account	106.57	336.58
Fixed Deposit Account	3,127.11	4,357.03
Unclaimed Dividend Account *	2.23	2.96
Unclaimed Fractional Share Balance*	0.16	0.16
<b>Cash and Bank Balances as per Note 18</b>	<b>3,336.29</b>	<b>5,374.11</b>
Less : Fixed deposits not considered as cash equivalents	2,926.77	4,164.53
<b>Cash and Cash Equivalents in Cash Flow Statement</b>	<b>409.52</b>	<b>1,209.58</b>

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

\*\* Refer note no 1(f)

As per our report of even date

For **S. K. Agrawal & Co.**

Chartered Accountants

Firm Regn. No. 306033E

**CA J. K. Choudhury**

Partner

Membership No. : 009367

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)

Place : Kolkata

Date : 29<sup>th</sup> May, 2014

**Ajay Kumar Tantia**  
Company Secretary



### Notes to Consolidated Financial Statements for the year ended March 31, 2014

#### 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, 2014	As at March 31, 2013
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, 2014	As at March 31, 2013
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 31<sup>st</sup> March, 2014.

#### 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 notified by the Companies (Accounting Standards) Rules, 2006, to the extent applicable (as amended) and the relevant provisions of the Companies Act, 1956.



### Notes to Consolidated Financial Statements (Contd.)

The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Group and except for the changes discussed more fully below, are consistent with those used in the previous year.

#### b) Use of estimates

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

#### c) Tangible Fixed Assets

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

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

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

#### d) Depreciation

- i) The classification of Plant and Machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.
- ii) Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management which is equal to the rates prescribed under schedule XIV of the Companies Act, 1956 except for Railway Wagons and Moulds as stated below.
- iii) Depreciation on Railway Wagons acquired by the Company is provided @ 10% p.a. as against 4.75% p.a. as prescribed in Schedule XIV 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. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

#### 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.





### Notes to Consolidated Financial Statements (Contd.)

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 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



### Notes to Consolidated Financial Statements (Contd.)

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



### Notes to Consolidated Financial Statements (Contd.)

treated as a single reportable segment as per Accounting Standard-17. The Company at present primarily operates in India and therefore the analysis of geographical segments is not applicable to the Company.

#### q) Earnings Per Share

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

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

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

#### r) Provisions

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

#### s) Cash and Cash Equivalents

Cash and cash equivalents as indicated in the Cash Flow Statement comprise cash at bank and on hand

and short-term investments with an original maturity of three months or less.

#### t) Contingent Liabilities

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

#### u) Basis of classification of Current and Non Current

Assets and Liabilities in the balance sheet have been classified as either current or non-current based upon the requirements of Revised Schedule VI notified under the Companies Act, 1956.

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, 2014	As at March 31, 2013
<b>Authorised capital</b>		
101,000,000 (101,000,000) Equity Shares of ₹ 10/- each	<u>10,100.00</u>	<u>10,100.00</u>
<b>Issued, subscribed and fully paid-up capital</b>		
67,276,486 (63,781,486) Equity Shares of ₹ 10/- each	6,727.65	6,378.15
Less: Calls unpaid (Due from other than directors or officers)	0.39	0.39
<b>Total</b>	<u>6,727.26</u>	<u>6,377.76</u>



### Notes to Consolidated Financial Statements (Contd.)

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

	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	(₹ in lacs)	No. of Shares	(₹ in lacs)
<b>Equity Shares of ₹ 10/- each</b>				
At the beginning of the period	63,781,486	6,377.76	63,781,486	6,377.11
Issued during the period	3,495,000	349.50	-	-
Call money received during the period	-	-	-	0.65
At the end of the period	<u>67,276,486</u>	<u>6,727.26</u>	<u>63,781,486</u>	<u>6,377.76</u>

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

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

equity shareholders are eligible to receive the remaining assets of the Company after distributions of all preferential amounts, in the proportions to their share holdings.

#### (c) Lock-in of shares

The equity shares are allotted pursuant to part conversion of warrants issued to promoter group companies and are under lock-in for a period of one year from the date of allotment (5th August, 2013).

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

	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Enfield Suppliers Ltd.	13,121,233	19.50	11,221,233	17.59
Hari Management Ltd.	8,639,533	12.84	7,044,533	11.04
Client Rosehill Limited	3,886,734	5.78	3,886,734	6.09
Aditya Jajodia	3,674,576	5.46	3,674,576	5.76
	<u>29,322,076</u>	<u>43.58</u>	<u>25,827,076</u>	<u>40.48</u>

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

#### (e) Aggregate number of shares issued for consideration other than cash allotted during the financial year 2007-08 reported for a period of five years immediately preceding the reporting date

	As at	As at
	March 31, 2014	March 31, 2013
	No. of Shares	No. of Shares
Equity Shares allotted as fully paid up for consideration other than cash	Nil	22,000,000

#### (f) Money received against share warrants:

On 4<sup>th</sup> July, 2013 the company allotted 10,000,000 convertible warrants at a price of ₹ 50/- per warrant, which was a price greater than the price determined as per clause 76(1) of Chapter VII of SEBI (ICDR) Regulations, 2009 to two Promoter group companies, viz M/s. Enfield Suppliers Limited and M/s. Hari Management Limited on a preferential basis on such terms and conditions as contained in Special Resolution passed by the company

at its Annual General Meeting held on 18<sup>th</sup> December, 2012. Each warrant was convertible into one equity share of ₹ 10/- each within 18 months from the date of such issue at the option of the Allottees.

On 5<sup>th</sup> August, 2013 the said warrants were partly converted into 3,495,000 equity shares of the Company, the balance 6,505,000 warrants shall be converted in due course subject to application for the same being received from the allottee.



**Notes to Consolidated Financial Statements (Contd.)**

**Note 4 : Reserves & Surplus**

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
<b>Capital Reserve</b>		
As per last Financial Statements	8,943.21	8,943.21
<b>Amalgamation Reserve</b>		
As per last Financial Statements	4,400.00	4,400.00
<b>Securities Premium Account</b>		
As per last Financial Statements	46,002.83	46,005.83
Add: For the period	1,398.00	—
	47,400.83	46,005.83
<b>General Reserve</b>		
As per last Financial Statements	10,827.08	10,827.08
Transfer to Statements of Profit and Loss		
<b>Surplus/(Deficit) in Statement of Profit &amp; Loss</b>		
As per last financial statements	(26,201.02)	(3,852.56)
Add: Profit/(Loss) for the period	(33,318.10)	(22,352.17)
<b>Surplus/ (Deficit) in Statement of Profit &amp; Loss</b>	(59,519.12)	(26,204.73)
<b>Total</b>	12,052.00	43,971.39

**Note 5 : Long Term Borrowings**

(₹ in lacs)

	Non Current Portion		Current Portion	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
<b>(Secured, unless otherwise stated)</b>				
<b>Term Loans</b>				
Rupee Loan from banks	162,165.51	170,474.92	20,635.21	2,663.75
Rupee Loan from Financial Institutions	4,246.51	5,271.55	4,337.49	8,093.01
Rupee Loan from Others	0.00	141.58	102.77	822.64
<b>Deferred Payments Liabilities</b>	0.48	17.93	18.36	25.45
<b>Other Loan and Advances</b>				
Interest Free Sales Tax Loan (Unsecured)	—	—	1.43	186.44
Debentures from Related Party (Unsecured)	525.00	—	—	—
Interest Free Loan (Unsecured)	—	—	3,220.00	—
<b>Total</b>	166,937.50	175,905.98	28,315.26	11,791.29
Amount disclosed under the head "Other Current Liabilities" (Refer Note 8)	—	—	(28,315.26)	(11,791.29)
<b>Total</b>	166,937.50	175,905.98	—	—

**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 Chattisgarh.

The above loan are further secured as follows:

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





### Notes to Consolidated Financial Statements (Contd.)

- ii) Corporate Guarantee of M/s. Shri Marutaye Balaji Steels Limited, a promoter group company
  - iii) Pledge of 100% of the promoter share of M/s. Shri Marutaye Balaji Steels Limited
  - iv) 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 ₹ 160,704.33 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 16<sup>th</sup> June 2012.
  - ii) funded interest term loan aggregating ₹ 20,022.86 lacs at base rate of lead banker (UCO Bank).
- c) The above loans are repayable as under from the balance sheet date :

Payment Terms	32 structured quarterly installments starting from April 2014	
Installments Due	Number	(₹ in lacs)
(i) Within 1 year	4	21,215.38
(ii) One year to three year	8	45,061.43
(iii) Three year to five year	8	49,073.10
(iv) More than five year	12	65,377.28
	<u>32</u>	<u>180,727.19</u>

- 2) Rupee Term Loan from banks aggregating ₹ 6,735.95 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.

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 Mortgage on company's land and building at Ratanpur, Jharkhand ii) Hypothecation of plant & machinery iii) Hypothecation of machinery installed at Coal Mining Block created/to be created out of bank finance, iv) Negative lien to be created on the Coal Block at North Karanpura Block (Dumri Block) allocated to the company by Government of India.	Second charge on current assets (both present and future) of the company on pari passu basis with other term lenders.	Personal Guarantee : Sri Aditya Jajodia Sri Aashish Jajodia Sri Sanjiv Jajodia  Corporate Guarantee : M/s. Chandi Steel Industries Limited.	32 quarterly installments commencing from 30.06.2015.



### Notes to Consolidated Financial Statements (Contd.)

Name of Bank	Primary Security	Collateral Security	Other Securities	Terms of Repayment
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 Aashish 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 Aashish 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 <i>parri passu</i> 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 Aashish Jajodia Sri Sanjiv Jajodia	32 quarterly installments commencing from 01.04.2015.

- 3) Rupee Term Loan from a Financial Institution aggregating ₹ 3921.58 lacs carry interest in the range of 14.50% - 15% p.a. and is repayable in 4 equal quarterly installments starting from April, 2014. The loan is secured by Bank Guarantee, pledge of certain promoter's shareholdings in the Company and personal guarantees of certain promoter directors.
- 4) Rupee Term Loan from others carry interest in the range of 13.65% - 14% p.a. and is repayable in 34 monthly installments starting from August, 2011. The loan is secured by exclusive charge over the assets acquired under respective loan agreements and personal guarantee of certain promoter directors of the Company.
- 5) Deferred Payment Liabilities carry interest rate of 9.40% to 10.43% and are repayable in 36 / 42 equal monthly installments from the date of disbursement of the loan amounts. These loans are secured by hypothecation of respective assets acquired there from.
- 6) Sales tax loan from Government of Chattisgarh is interest free and is repayable in 12 yearly installments starting from 31<sup>st</sup> March, 2002.
- 7) 525,000 Zero Interest Unsecured Optionally fully Convertible Debentures of ₹ 100/- each fully paid Convertible at the option of

debenture holder any time 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 Balances Sheet on the date of conversion of redeemable at par or premium as may be mutually decided by the Company and the debenture holder any time after 12 months but within 20 years from the date of allotment.

- 8) Interest free loan has been received from a promoter group company as per the CDR Scheme.
- 9) The company has defaulted in repayment of loans and interest in respect of the following:

Particulars	Principal (₹ in lacs)	Interest (₹ in lacs)
<b>In respect of Banks</b>		
-April 2013 to March 2014	614.72	5,566.40
<b>In respect of Financial Institution</b>		
-April 2013 to March 2014	1,508.30	693.57

#### Note 6 : Provisions

(₹ in lacs)

	Long Term		Short Term	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
<b>Provision for employee benefits :</b>				
Gratuity (Refer Note 32)	-	9.83	339.45	537.54
Leave Salary	-	0.32	99.15	121.10
<b>Other Provision :</b>				
Provision for Wealth Tax	-	-	0.46	0.45
	<u>0.00</u>	<u>10.15</u>	<u>439.06</u>	<u>659.09</u>



**Notes to Consolidated Financial Statements (Contd.)**

**Note 7 : Short Term Borrowings**

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
<b>Secured</b>		
<b>Loan Repayable on Demand</b>		
- Cash Credit from Banks	71,582.09	56,063.89
From Bodies Corporate (Unsecured)	992.25	-
<b>Total</b>	<u>72,574.34</u>	<u>56,063.89</u>

Cash Credit facilities from banks aggregating ₹ 70,164.66 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) Corporate Guarantee of M/s. Shri Marutaye Balaji Steels Limited, a promoter group company.
- (iii) Pledge of 100% of the promoter share of M/s. Shri Marutaye Balaji Steels Limited.
- (iv) Pledge of equity shares of the Company held by the promoters.

Cash Credit facilities from banks aggregating ₹ 1,417.43 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.

**Note 8 : Trade Payables and other Current Liabilities**

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
<b>Trade Payables</b> (Refer Note 33 for details due to Micro and Small Enterprises)		
- Raw materials & Others [including acceptances of ₹ 19,600.69 lacs (₹ 16,347.43 lacs)]	92,505.73	95,257.18
	<u>92,505.73</u>	<u>95,257.18</u>
<b>Current Maturities of Long Term Borrowings (Refer Note 5)</b>	<b>28,315.26</b>	11,791.29
<b>Capital Creditors</b>	<b>3,633.30</b>	4,089.41
Interest Accrued but not due on Borrowings	26.63	66.76
Interest Accrued and due on Borrowings	6,684.74	205.58
Advance from Customer	7,899.95	7,885.60
Temporary Book Overdraft	2,441.14	214.12
Investor Education and Protection Fund will be credited by the following amounts (as and when due)		
- Unclaimed Dividend	2.22	2.95
- Unclaimed Fractional Share Liabilities	0.16	0.16
<b>Others</b>		
- Statutory Dues Payable	4,850.14	3,636.02
- Excise Duty payable on Closing Stock	975.23	908.48
- Interest Others	690.57	374.99
- Due to Employees	1,411.10	1,283.80
- For Minning	0.00	94.79
- Other Miscellaneous	455.12	234.07
	<u>57,385.56</u>	<u>30,788.02</u>
<b>Total</b>	<u>149,891.29</u>	<u>126,045.20</u>



**Notes to Consolidated Financial Statements (Contd.)**

**Note 9 : Tangible Assets**

(₹ in lacs)

Description	Gross Block			Depreciation / Amortisation				Net Block		
	As at March 31, 2013	Additions	Deductions	As at March 31, 2014	Up To March 31, 2013	For the period	Deductions	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
Freehold Land	4,449.24	1.02	-	4,450.26	-	-	-	-	4,450.26	4,449.24
Leasehold Land	707.57	-	-	707.57	125.95	10.49	-	136.44	571.13	581.62
Factory Buildings	42,520.09	64.79	21.83	42,563.05	4,291.79	1,419.05	-	5,710.84	36,852.21	38,228.30
Railway Siding	4,354.18	-	-	4,354.18	957.81	206.82	-	1,164.63	3,189.55	3,396.37
Plant and Machinery	184,745.59	225.43	36.19	184,934.83	43,111.78	11,380.64	1.90	54,490.52	130,444.31	141,633.81
Electrical Installations	25,609.12	0.09	-	25,609.21	5,117.33	1,219.04	-	6,336.37	19,272.84	20,491.79
Furniture, Fixtures	137.32	7.75	-	145.07	61.12	10.38	-	71.50	73.57	76.20
Office Equipments	916.17	22.35	-	938.52	569.60	58.36	-	627.96	310.56	346.56
Vehicles	324.48	-	8.91	315.57	178.78	29.46	4.21	204.03	111.54	145.70
<b>Total</b>	<b>263,763.76</b>	<b>321.43</b>	<b>66.93</b>	<b>264,018.26</b>	<b>54,414.16</b>	<b>14,334.24</b>	<b>6.11</b>	<b>68,742.29</b>	<b>195,275.97</b>	<b>209,349.60</b>
<b>Previous Year's Total</b>	<b>213,355.49</b>	<b>50,448.35</b>	<b>38.06</b>	<b>263,765.78</b>	<b>45,243.32</b>	<b>9,184.92</b>	<b>13.79</b>	<b>54,414.45</b>	<b>209,351.32</b>	

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

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
<b>A. Capital Work-in-Progress</b>		
Buildings	1,204.72	10,813.57
Railway Siding	395.38	395.37
Plant and Machinery	112.24	25,496.13
Electrical Installations	379.17	3,570.75
Minning Land	6,471.98	1,146.79
Land	-	6,117.86
<b>Sub Total</b>	<b>8,563.49</b>	<b>47,540.47</b>
Less : Transferred to Fixed Assets	-	39,037.76
<b>Total A</b>	<b>8,563.49</b>	<b>8,502.71</b>
<b>B. Pre-operative Expenditure Pending Allocation</b>		
<b>Opening Balance</b>	<b>4,046.98</b>	<b>13,223.40</b>
<b>Additions</b>		
Power and Fuel	0.06	352.51
Salaries, Wages and Bonus	233.80	55.01
Rent and Hire	1.00	5.62
Rates and Taxes	0.07	0.02
Insurance	-	0.32
Travelling and Conveyance	2.98	9.81
Telephone and Postage	0.04	0.06
Legal and Professional Charges	1.47	31.35
Land Related Expenses	-	0.65
Miscellaneous Expenses	10.24	70.70
Depreciation	0.01	0.17
Interest on Term Loans	0.03	299.01
Bank Guarantee Charges	10.36	8.49
Finance Charges	0.00	5.90
	<b>4,307.04</b>	<b>14,063.02</b>
Less : Transferred to Fixed Assets	-	9,255.94
<b>Total B</b>	<b>4,307.04</b>	<b>4,807.08</b>



**Notes to Consolidated Financial Statements (Contd.)**

**Note 10 : Capital Work-in-Progress and Pre-Operative Expenditure Pending Allocation (Contd.)**

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
<b>C TRIAL RUN EXPENSES</b>		
Raw Materials Consumed	-	15,075.69
	-	15,075.69
<b>Personnel Cost</b>		
Salaries, Wages and Bonus	-	200.18
Contribution to Provident and Other Funds	-	3.66
	-	203.84
<b>Manufacturing, Selling and Distribution and Administrative Expenses</b>		
Consumption of Stores and Spares	-	98.57
Labour Charges	-	270.47
Power and Fuel	-	320.29
Repairs and Maintenance to Others	-	7.14
Rent and Hire	-	135.79
Other Manufacturing Expenses	-	4.19
Legal and Professional Charges	-	30.00
Miscellaneous Expenses	-	27.59
	-	894.04
<b>Interest and Finance Charges</b>		
Interest on Term Loans	-	1,174.25
Interest on Others	-	104.58
Finance Charges	-	62.57
	-	1,341.40
<b>Total</b>	-	17,514.97
<b>Less:</b>		
Sales of Finished Goods	-	13,881.51
[Net of Excise duty and cess ₹ Nil (₹ 628.76 lacs)]		
Closing stock at the end of Trial-run period of a project		
Finished Goods	-	1,335.12
[Net of Excise duty and cess ₹ Nil (₹ 82.51 lacs)]		
Work-in-Process	-	428.82
[Net of Excise duty and cess ₹ Nil (₹ Nil)]		
<b>Sub Total</b>	-	15,645.45
	-	1,869.52
<b>Less : Transferred to Fixed Assets</b>	-	1,869.52
<b>Total C</b>	-	-
<b>Grand Total (A+B+C)</b>	<b>12,870.53</b>	<b>13,309.79</b>

**Consumption of Raw Material :**

(₹ in lacs)

	Current year ended March 31, 2014	9 months period ended March 31, 2013
Coking Coal	-	15,075.69
	-	15,075.69





**Notes to Consolidated Financial Statements (Contd.)**

**Note 11 : Non Current Investments**

(₹ in lacs)

	Number of shares	Face Value Per Share	As at March 31, 2014	As at March 31, 2013
<b>(Valued at cost unless otherwise stated)</b>				
<b>Trade Investment</b>				
<b>Unquoted, Fully Paid up Investment in Equity Shares In Joint Venture Companies</b>				
Andal East Coal Company Private Limited	319,290	10.00	134.79	0.00
{Refer note no 1(f)}			<u>134.79</u>	<u>0.00</u>
<b>Non Trade Investment</b>				
<b>Unquoted, Fully Paid up Investment in Equity Shares</b>				
Calcutta Stock Exchange Limited	6,726	1	33.63	33.63
[At cost less provision for other than temporary diminution ₹ 100.89 lacs (₹ 100.89 lacs)]				
<b>Quoted, Fully Paid up Equity Shares</b>				
Shyama Infosys Limited	366,200	10	30.03	25.91
Shri Nidhi Trading Co. Limited	10,500	10	0.95	0.95
<b>In Government Securities</b>				
National Saving Certificate (Deposited with Third Parties)			0.00	4.12
			<u>64.61</u>	<u>64.61</u>
			<u>199.40</u>	<u>64.61</u>
Aggregate Value of Investments				
- Quoted			0.00	26.86
- Unquoted			300.29	138.64
Aggregate provision for diminution in the value of Investments			100.89	100.89
*Market Value of Quoted Investments			27.57	27.57

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

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
<b>Deferred Tax Asset</b>		
Unabsorbed Depreciation and carry forward Business Losses	39,306.95	28,833.28
Expenses Allowed On Payment Basis/Other Timing Differences	2,926.41	1,386.26
<b>Sub Total (A)</b>	<u>42,233.36</u>	<u>30,219.54</u>
<b>Deferred Tax Liability</b>		
Timing Difference on Depreciable assets	23,221.49	21,606.96
<b>Sub Total (B)</b>	<u>23,221.49</u>	<u>21,606.96</u>
<b>Deferred Tax Assets / (Liabilities) (Net) (A-B)</b>	<u>19,011.87</u>	<u>8,612.58</u>

Although, there is carried forward unabsorbed depreciation as on the reporting date, yet in view of the future profitability projections, the Company is virtually certain that there would be sufficient taxable income in future, to claim the above tax credit.



Notes to Consolidated Financial Statements (Contd.)

Note 13 : Loans and Advances

(₹ in lacs)

	Non Current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
<b>(Unsecured, Considered Good)</b>				
<b>Capital Advances</b>	<u>5,768.69</u>	<u>5,864.15</u>	<u>-</u>	<u>-</u>
<b>Security Deposit</b>	<u>819.31</u>	<u>819.31</u>	<u>560.16</u>	<u>535.31</u>
[Net of Provision for Doubtful Advances ₹ 24.28 lacs (₹ 24.28 lacs)]				
<b>Loans and advances to Related parties</b>				
Loans to Body Corporate (Receivable on demand)*	-	-	7,000.00	8,500.00
Advances to a Body Corporate **	-	-	951.30	740.22
Share Application Money to Joint Venture Company	-	-	189.71	-
	<u>-</u>	<u>-</u>	<u>8,141.01</u>	<u>9,240.22</u>
<b>Loans to Body Corporate (Receivable on demand)</b>	<u>-</u>	<u>-</u>	<u>564.05</u>	<u>564.05</u>
<b>Advances recoverable in cash or kind</b>				
Advances recoverable in cash or in kind or for value to be received	4.11	4.11	10,079.64	6,789.96
<b>Other Loans and advances</b>				
Balance with Excise and other Government Authorities	4.90	4.90	1,778.50	1,349.91
Advance income tax [net of Provisions]	-	-	386.47	190.42
Sales Tax and Other Refunds Receivable	353.47	353.47	90.72	63.00
MAT Credit Entitlement	<u>5,014.32</u>	<u>5,014.32</u>	<u>-</u>	<u>-</u>
	<u>5,372.69</u>	<u>5,372.69</u>	<u>2,255.69</u>	<u>1,603.33</u>
<b>Total:</b>	<u>11,964.80</u>	<u>12,060.26</u>	<u>21,600.55</u>	<u>18,732.87</u>
*(Refer Note 33)				
# since realised				

Note 14 : Other Non Current Assets

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
Non Current bank balances (Refer Note 18)	632.33	1,155.76
Unamortised Expenses	4.40	4.40
Interest Receivable on Deposits	12.02	15.56
<b>Total:</b>	<u>648.75</u>	<u>1,175.72</u>

Note 15 : Current Investments

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
<b>Non Trade (Quoted)</b>		
<b>Investment in Mutual Fund</b>		
4237.025 units @ NAV ₹ 100.369 ICICI Flexible Income Retail Daily	-	0.30
Dividend		
591.147 units @ NAV ₹ 105.735 ICICI Flexible Income Plan Regular Daily	-	0.04
Dividend		
<b>Total :</b>	<u>-</u>	<u>0.34</u>
Aggregate Value of Investments		
- Quoted	-	0.34
Market value of the Investments	-	0.34



**Notes to Consolidated Financial Statements (Contd.)**

**Note 16 : Inventories**

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
Raw Materials [Including in transit ₹ 7,165.34 lacs (₹ 5,967.79 lacs)]	38,931.78	46,489.02
Stores and Spares [Including in transit ₹ 41.81 lacs (₹ 185.46 lacs)]	4,180.86	4,451.53
Work-in-Process	837.18	793.28
Finished Goods [including materials lying at port ₹ Nil (₹ 45.04 lacs)]	8,482.74	9,759.19
By Products and Scrap	1,518.67	960.51
<b>Total</b>	<u>53,951.23</u>	<u>62,453.53</u>

**Note 17 : Trade Receivables**

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
<b>Outstanding for a period exceeding six month from the date they are due for payment</b>		
Unsecured, considered good	23,260.67	16,246.86
Unsecured, considered doubtful	993.34	270.62
	<u>24,254.01</u>	<u>16,517.48</u>
Less: Provision for Doubtful Debts	993.34	270.62
	<u>(A) 23,260.67</u>	<u>16,246.86</u>
<b>Other Debts</b>		
Unsecured, considered good	(B) 56,551.13	53,957.21
<b>Total</b>	<u>(A+B) 79,811.80</u>	<u>70,204.07</u>

**Note 18 : Cash and Bank Balances**

(₹ in lacs)

	Non Current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
<b>Cash and Cash equivalents</b>				
Balance with Banks :				
On Current Accounts	-	-	106.57	336.58
Cash on hand	-	-	80.40	96.65
Cheques in hand	-	-	19.82	580.73
Unclaimed Dividend Account	-	-	2.23	2.96
Unclaimed Fractional Share Balance	-	-	0.16	0.16
	-	-	<u>209.18</u>	<u>1,017.08</u>
<b>Other Bank Balances</b>				
Deposits with original maturity for more than 12 Months*	632.33	1,155.76	200.85	397.36
Deposits with original maturity for more than 3 Months but less than 12 months*	-	-	2,293.93	2,803.91
	<u>632.33</u>	<u>1,155.76</u>	<u>2,494.78</u>	<u>3,201.27</u>
Amount disclosed under the head "Other Non Current Assets" (Refer Note 14)	(632.33)	(1,155.76)	-	-
<b>Total</b>	<u>-</u>	<u>-</u>	<u>2,703.96</u>	<u>4,218.35</u>

\*including ₹ 2,926.77 lacs (₹ 4,164.53 lacs) pledged with banks and others as margin money against borrowings/ other facilities

**Note 19 : Other Current Assets**

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
Interest Receivable on Loans, Advances and Deposits	501.95	364.53
Subsidies and Incentives Receivable	13,422.19	11,234.90
<b>Total</b>	<u>13,924.14</u>	<u>11,599.43</u>



**Notes to Consolidated Financial Statements (Contd.)**

**Note 20 : Revenue from Operations**

(₹ in lacs)

	Current year ended March 31, 2014	9 months period ended March 31, 2013
<b>Sales of products</b>		
Finished Goods	204,872.93	163,403.96
By Products and Scraps	3,603.02	2,635.73
Raw Materials	1,881.86	16.52
<b>Other Operating Revenue</b>		
Conversion Charges	155.42	1,273.85
Subsidy on Sales Tax/Value Added Tax	2,209.93	2,225.99
Export Incentives	77.77	16.53
Service and other Charges	365.73	-
<b>Revenue from Operations (Gross)</b>	<u>213,166.66</u>	<u>169,572.58</u>
Less: Excise Duty	15,990.80	15,088.83
<b>Revenue from Operations (Net)</b>	<u>197,175.86</u>	<u>154,483.75</u>
<b>Sale of finished goods comprise @:</b>		
Sponge Iron	20,042.94	6,594.29
Pig Iron	27,598.71	24,762.93
Steel Bars/Rods	24,580.34	23,926.58
Billet/MS Ingots	77,101.95	76,925.90
Ferro Alloys	7,745.31	11,237.35
Ductile Iron Pipe	25,839.80	17,916.09
Power	518.53	124.39
Sinter	248.27	-
Coke/Coal	1,444.72	1,801.79
Limestone	-	114.64
M.S. Billet/TMT	19,752.35	-
	<u>204,872.93</u>	<u>163,403.96</u>

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

**Note 21 : Other Income**

(₹ in lacs)

	Current year ended March 31, 2014	9 months period ended March 31, 2013
Interest on :		
(a) Fixed Deposits with Banks [Gross, Tax deducted at source ₹ 40.79 lacs ( ₹ 13.12 lacs)]	310.52	187.23
(b) Loans and Advances [Gross, Tax deducted at source ₹ 13.90 lacs ( ₹ 122.96 lacs)]	1,392.52	1,230.36
Commission Received	--	34.13
Dividend from long term Investments (other than trade)	1.35	0.67
Dividend from Current Investments (other than trade)	0.18	0.14
Insurance Claims	101.30	5.25
Liabilities no longer required written back	478.22	234.14
Provision for doubtful debts no longer required written back	-	122.04
Gain on Foreign Exchange Fluctuations (Net)	-	381.93
Miscellaneous Income	13.03	32.34
<b>Total</b>	<u>2,297.12</u>	<u>2,228.23</u>



**Notes to Consolidated Financial Statements (Contd.)**

**Note 22 : Cost of Materials Consumed**

(₹ in lacs)

	Current year ended March 31, 2014	9 months period ended March 31, 2013
Opening Stock	46,489.02	52,526.65
Purchases	122,210.23	99,681.90
	<u>168,699.25</u>	<u>152,208.55</u>
Less: Closing Stock	38,931.78	46,489.02
Raw Materials Consumed	<u>129,767.47</u>	<u>105,719.53</u>
<b>Consumption of Raw Material</b>		
Iron Ore/Pellets	31,265.29	24,123.20
Manganese Ore	2,717.25	4,862.94
Sponge Iron	21,873.29	13,310.20
Billet/Ingot	8,618.17	1,551.03
Coke/Coal	60,440.53	57,944.52
Magnesium Metal	369.87	285.51
Pig Iron	26.61	25.12
Steel Scrap & Wastes	70.71	526.60
Ferro Alloys	884.19	558.99
Quartzite, Limestone and Dolomite	3,501.56	2,531.42
	<u>129,767.47</u>	<u>105,719.53</u>
<b>Purchase of Stock in Trade Includes :</b>		
Coal	-	118.96
DI Fittings	-	36.76
M. S. Billet	16,074.45	-
M. S. Angle	285.71	-
TMT	3,284.28	-
	<u>19,644.44</u>	<u>155.72</u>

**Note 23 : Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade**

(₹ in lacs)

	Current year ended March 31, 2014	9 months period ended March 31, 2013
<b>Opening Stocks :</b>		
Work-in-Process	793.28	642.46
Finished Goods	9,759.19	23,478.79
By Products and Scrap	960.51	3,138.75
	<u>11,512.98</u>	<u>27,260.00</u>
Add: Stock transferred from Trial Run (Refer Note 10)	-	1,763.94
	<u>11,512.98</u>	<u>29,023.94</u>
<b>Less:</b>		
<b>Closing Stocks</b>		
Work-in-Process	837.18	793.28
Finished Goods	8,482.74	9,759.19
By Products and Scrap	1,518.67	960.51
	<u>10,838.59</u>	<u>11,512.98</u>
	<u>674.39</u>	<u>17,510.96</u>
(Increase)/Decrease in excise duty and cess on stocks	<u>67.40</u>	<u>(2,217.31)</u>
<b>Total</b>	<u>741.79</u>	<u>15,293.65</u>





**Notes to Consolidated Financial Statements (Contd.)**

**Note 23 : Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade (Contd.)** (₹ in lacs)

	Current year ended March 31, 2014	9 months period ended March 31, 2013
<b>Stock of finished goods comprises</b>		
<b>Opening Stock</b>		
Sponge Iron	522.56	2,721.08
Pig Iron	4,463.22	10,575.45
Steel Bars/Rods	146.54	164.56
Billet/MS Ingots	2,182.35	8,030.41
Ferro Alloys	529.97	382.93
Ductile Iron Pipe	1,004.89	1,604.36
Coke	909.66	-
<b>Total</b>	<u>9,759.19</u>	<u>23,478.79</u>
<b>Closing Stock</b>		
Sponge Iron	1,153.58	522.56
Pig Iron	4,060.05	4,463.22
Steel Bars/Rods	399.77	146.54
Billet/MS Ingot	1,071.99	2,182.35
Ferro Alloys	227.50	529.97
Ductile Iron Pipe	717.16	1,004.89
Coke	852.69	909.66
<b>Total</b>	<u>8,482.74</u>	<u>9,759.19</u>

**Note 24 : Employee Benefits Expense** (₹ in lacs)

	Current year ended March 31, 2014	9 months period ended March 31, 2013
Salaries, Wages, Bonus & Other Benefits	5,884.53	4,676.06
Contribution to Provident Fund & other fund	101.32	369.08
Staff Welfare Expenses	208.55	186.27
Directors remuneration	55.40	36.00
<b>Total</b>	<u>6,249.80</u>	<u>5,267.41</u>

**Note 25 : Finance Costs** (₹ in lacs)

	Current year ended March 31, 2014	9 months period ended March 31, 2013
<b>Interest Expenses</b>		
On Term loans	22,672.49	12,341.92
On Others	9,683.35	4,650.01
<b>Finance charges</b>	<u>2,167.88</u>	<u>1,518.56</u>
<b>Total</b>	<u>34,523.72</u>	<u>18,510.49</u>



**Notes to Consolidated Financial Statements (Contd.)**

**Note 26 : Other Expenses**

(₹ in lacs)

	<b>Current year ended March 31, 2014</b>	<b>9 months period ended March 31, 2013</b>
Consumption of Stores and Spares	10,292.64	10,516.51
Labour Charges	5,083.84	4,066.33
Processing Charges	6.83	35.75
Power and Fuel	13,392.66	13,369.95
Repairs and Maintenance:		
- Plant and Machinery	632.61	421.46
- Buildings	62.58	84.58
- Others	281.52	187.26
Water Charges	356.11	284.34
Equipment Hire Charges	2,288.59	1,587.15
Shifting Expenses	340.63	558.44
Freight and Transportation	1,463.87	2,059.27
Rent and Hire	177.61	159.30
Rates and Taxes	151.99	831.39
Insurance	160.88	108.86
Advertisement	89.19	47.96
Brokerage and Commission (Other than Sole Selling Agents)	195.18	169.84
Travelling and Conveyance	467.53	377.35
Telephone and Postage	97.86	79.05
Legal and Professional Charges (Refer Note 38)	373.08	281.84
Directors' Fees	2.45	1.45
Provision for Doubtful Debts and Advances	738.50	-
Irrecoverable Debts and Advances Written off	92.36	91.74
Less: Adjusted against Provisions	<u>- 92.36</u>	<u>44.38 47.36</u>
Loss on Foreign Exchange Fluctuations (Net)	385.97	-
Security and Service Charges	470.08	337.73
Loss on Sale of Fixed Assets	1.98	2.72
Loss on Sale of Store Inventory	36.71	-
Miscellaneous Expenses	415.09	325.09
Prior period Expenses	120.05	65.67
<b>Total</b>	<u><u>38,178.39</u></u>	<u><u>36,006.65</u></u>



### Notes to Consolidated Financial Statements (Contd.)

26. Contingent liabilities not provided for:

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
a) Claims against the Company not acknowledged as debts		
i) Excise and Service Tax Demands under dispute/appeal	11,812.14	6,372.08
ii) Sales Tax/VAT matters under dispute/appeal	13,930.47	6,736.99
iii) Income Tax matters under dispute/appeal	6.85	-
b) Letters of Credit, Bills discounted and Bank Guarantees outstanding	23,177.35	12,540.94
c) Custom Duty on Import of Equipment and spare parts under EPCG Scheme	4,380.00	2,468.83
d) Guarantees and Counter guarantees given by the Company for loans obtained by Subsidiary/other companies	5,045.00	7,180.00
27. Estimated amount of contracts remaining to be executed on Capital Account and not provided for [Net of Advances ₹ 5,768.68 lacs (₹ 5,864.15 lacs)]	1,632.59	1,943.41

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 previous year, the Corporate Debt Restructuring (CDR) Cell through its Empowered Group has approved a debt restructuring scheme for the Company which provides for revision in interest rates, deferment of repayment of term loans, conversion of interest into Funded Interest term loan and additional infusion of ₹ 5000.00 lacs into the Company. Subsequently, on 4th July, 2013 the company allotted 10,000,000 convertible warrants as per SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 to two promoter group companies @ ₹ 50 per warrant each convertible into one equity share of the company of ₹ 10 each at a price of ₹ 50/- each (including premium of ₹ 40/-). Out of the said 10,000,000 warrants, 3,495,000 warrants were converted into equity shares on 5<sup>th</sup> August, 2013.

During the year, the CDR Scheme was revised by the CDR cell which provides for revision in working capital limits and term loan limits and provision of additional security and additional funds from the promoter group companies.

Necessary adjustments in the books of accounts have been made to reflect the impact of the aforesaid restructuring scheme.

30. 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 ₹ 2209.93 lacs (₹ 2225.99 lacs):

(₹ in lacs)

Sl. No.	Particulars	Account to which credited	Current year ended March 31, 2014	9 months period ended March 31, 2013
a)	Industrial Promotion Assistance	Subsidy on Sales Tax / Value Added Tax under Sales & Service	2,209.93	2,225.99

31. Loans and Advances includes the following balances

(₹ in lacs)

Name of the Company	As at March 31, 2014	Maximum Amount due at any time during year ended March 31, 2014	As at March 31, 2013	Maximum Amount due at any time during year ended March 31, 2013
<b>In terms of Clause 32 of the Listing Agreement</b>				
Jai Balaji Jyoti Steels Ltd.	7,951.30	9,254.19	9,240.22	9,240.22



### Notes to Consolidated Financial Statements (Contd.)

#### 32 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.

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 are as follows : (₹ in lacs)

	Current year ended March 31, 2014	9 months period ended March 31, 2013
Current service cost	183.38	122.09
Interest cost on benefit obligation	71.89	44.01
Expected return on plan assets	(32.36)	(22.74)
Net actuarial loss/(gain) recognised during the year	(371.59)	58.76
Past Service cost	—	9.13
<b>Total Expenses</b>	<b>(148.68)</b>	<b>211.25</b>

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

	As at March 31, 2014	As at March 31, 2013
Present value of Defined Benefits Obligation	729.76	907.76
Fair value of plan assets	390.31	360.39
	339.45	547.37
Less: Unrecognised past service cost	—	—
<b>Net Liability</b>	<b>339.45</b>	<b>547.37</b>

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

	As at March 31, 2014	As at March 31, 2013
Present Value of Defined Benefit Obligation at the beginning of the year	906.63	698.48
Current Service Cost	183.38	122.09
Interest Cost	71.89	44
Benefits Paid	(59.70)	(17.58)
Actuarial Loss/(Gain)	(372.43)	60.77
Plan Amendments	—	—
<b>Present Value of Defined Benefits Obligation at the year end</b>	<b>729.77</b>	<b>907.76</b>

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

	As at March 31, 2014	As at March 31, 2013
Fair Value of Plan Assets at the beginning of the year	360.39	338.22
Expected Return	32.36	22.74
Contribution by Employer	58.11	15.00
Benefits paid	(59.70)	(17.58)
Actuarial Gains/(Losses)	(0.84)	2.01
<b>Fair Value of Plan Assets at the year end</b>	<b>390.32</b>	<b>360.39</b>



**Notes to Consolidated Financial Statements (Contd.)**

V. The major categories of plan assets as a percentage of the fair value of the total plan assets (₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
Investment with the insurer	100%	100%

VI. The principal assumptions used in determining gratuity obligations for the Company's plans are shown below.

	Current year ended March 31, 2014	9 months period ended March 31, 2013
Discount Rate	—	8.20%
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)

	As at March 31, 2014	As at March 31, 2013	As at June 30, 2012	As at March 31, 2011	As at March 31, 2010
Defined benefit obligation	(729.77)	(907.76)	(689.35)	(578.35)	(350.49)
Plan Assets	390.32	360.39	338.22	231.77	169.59
Surplus/(Deficit)	(339.45)	(547.37)	(351.13)	(346.58)	(180.90)
Experience Gain/(Loss)					
Adjustments on plan liabilities	233.73	(14.89)	130.69	(68.73)	(23.15)
Experience Gain/(Loss)					
Adjustments on plan assets	(0.80)	0.86	1.62	(1.20)	(0.14)
Experience Gain/(Loss) due to change on assumptions	138.70	(44.73)	27.54	-	22.91

(₹ in lacs)

	Current year ended March 31, 2014	9 months period ended March 31, 2013
Contribution to Provident Fund and other Funds	421.85	522.18

**Note:**

- The Holding Company expects to contribute ₹ 350.87 lacs (₹ 528.64 lacs) to Gratuity Fund in 2014-15. The Subsidiary Company expects to contribute ₹ - 11.41 lacs (₹ 17.60 lacs) to Gratuity Fund in 2014-15.
- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the Actuary.
- The management has relied on the overall actuarial valuation conducted by the actuary.





### Notes to Consolidated Financial Statements (Contd.)

33. 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, 2014	9 months period ended March 31, 2013
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.	—	—

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

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

Particulars	Foreign Currency (FC)	As at March 31, 2014		As at March 31, 2013	
		in FC	₹ in lacs	in FC	₹ in lacs
<b>Receivables</b>					
(a) Trade Receivables	US\$	—	—	78,215	42.54
(b) Advances	US\$	—	—	114,654	62.36
<b>Total</b>			—		104.90
<b>Payables</b>					
(a) Trade Payables	US\$	344,404	206.99	496,368	269.97
	Euro	21,840	18.03	83,635	58.16
(b) Advances	US\$	136,169	80.44	—	—
	Euro	38,113	31.25	—	—
<b>Total</b>			336.71		328.13



**Notes to Consolidated Financial Statements (Contd.)**

36. Basic and diluted earnings per share :

SI No.	Particulars		Current year ended March 31, 2014	9 months period ended March 31, 2013
A	Profit/(Loss) after Tax	₹ in lacs	(33,318.10)	(22,352.17)
B	Number of shares at the beginning of the year	Nos.	63,781,486	63,781,486
C	Total equity shares outstanding at the end of the year	Nos.	67,276,486	63,781,486
D	Weighted average number of equity shares outstanding at the end of the year	Nos.	66,069,993	63,781,486
E	Nominal Value of each Share	₹	10.00	10.00
F	Basic Earning per Share	₹	(50.43)	(35.04)
G	Diluted Earning per Share	₹	(50.43)	(35.04)

37. **Related Party Disclosures**

**a. Name of Related Parties**

<b>Key Management Personnel</b>	Mr. Aditya Jajodia, Chairman and Managing Director Mr. Sanjiv Jajodia, Wholetime Director Mr. Aashish Jajodia, Wholetime Director of Subsidiary
---------------------------------	---

<b>Relatives of Key Management Personnel</b>	Mr. Rajiv Jajodia, Brother of Wholetime Director Mr. Gourav Jajodia, Nephew of Wholetime Director
--	--

<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>	Chandi Steel Industries Limited (CSIL) Jai Balaji Jyoti Steels Limited (JBJSL) Jai Salasar Balaji Industries Private Limited (JSBIPL) Balaji Ispat Udyog (BIU) Enfield Suppliers Limited (ESL) Hari Management Limited (HML) Jajodia Estate Private Limited (JEPL) Shri Marutaye Balaji Steels Limited (SMBSL)
---	---



**Notes to Consolidated Financial Statements (Contd.)**

**b. Related Party Transactions:**

Relationship	Party	Sales	Purchases	Rent paid	Interest Received	Managerial remuneration	Interest Paid	Director free	Loan Taken	Allotment of Shares	Allotment of Equity Shares warrants	Alignment of Convertible Debentures (Unsecured)	Money Received against share warrants	Balance Receivable	Balance Payable	Guarantees Obtained	Corporate Guarantee Given
<b>Key Management Personnel</b>	Aditya Jajodia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	289,862.00	-
	Sanjiv Jajodia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(243,531.35)	-
	Aashish Jajodia	-	-	-	-	42.00	-	-	-	-	-	-	-	-	-	10,033.00	-
<b>Relatives of Key Management Personnel</b>	Rajiv Jajodia	-	-	-	-	(31.50)	-	0.45	-	-	-	-	-	-	-	289,862.00	-
	Gaurav Jajodia	-	-	-	-	-	-	(0.20)	-	-	-	-	-	-	-	(235,910.85)	-
<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>	CSIL	1,072.51	234.98	-	271.85	-	-	-	-	-	-	-	-	2,536.01	-	-	-
	JBSL	(2,235.02)	(81.92)	-	(294.61)	-	-	-	-	-	-	-	-	(3,023.57)	-	-	-
	JBPL	-	2,974.96	-	1,015.82	-	-	-	-	-	-	-	-	7,951.30	-	-	-
	JBPL	-	(2,253.03)	-	(862.83)	-	-	-	-	-	-	-	-	(9,240.22)	-	-	-
	JBPL	2,015.29	2,409.78	-	-	-	-	-	-	-	-	525.00	-	837.42	-	-	-
	SMBSL	(2,856.66)	(1,669.21)	-	-	-	-	-	(0.15)	-	-	-	-	-	-	(2,26,150.21)	-
<b>Enterprises</b>	JPL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	279,829.00	-
	JPL	-	-	0.69	-	-	-	-	-	-	-	-	-	-	-	(2,26,150.21)	-
	ESL	-	-	(0.52)	-	-	36.56	-	497.25	190.00	-	-	-	-	533.81	-	-
<b>Enterprises</b>	HML	-	-	-	-	-	-	-	3,520.00	159.50	3,252.50	-	(950.00)	-	-	-	-
	HML	-	-	-	-	-	17.53	-	-	-	-	-	(1,559.25)	-	3,537.53	-	-
<b>Total</b>		3,087.80	5,619.72	0.69	1,287.67	42.00	54.09	0.80	4,017.25	349.50	3,252.50	525.00	-	11,324.73	4,071.34	1,449,310.00	-
		(5,091.68)	(4,004.16)	(0.52)	(1,157.44)	(31.50)	-	(0.35)	-	-	-	-	(2,309.25)	(12,263.79)	-	(1,182,894.47)	-



**Notes to Consolidated Financial Statements (Contd.)**

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

(₹ in lacs)

Payment to Auditor	Current year ended March 31, 2014	9 months period ended March 31, 2013
<b>Holding Company</b>		
As auditor :		
Audit fee	3.50	9.50
Limited Review	6.50	5.00
Tax Audit	0.75	1.50
Out-of-pocket expenses	—	0.54
In other manner for Certification	0.22	—
<b>Total*</b>	<b>10.97</b>	<b>16.54</b>
<b>Subsidiary Company</b>		
As auditor :		
Audit fee	1.62	2.61
Tax Audit	0.50	0.75
Out-of-pocket expenses	—	0.12
In other manner for Certification	0.05	—
<b>Total</b>	<b>2.17</b>	<b>3.48</b>

\*Out of above amount, paid to previous auditor amounts to ₹ 3.25 lacs (₹ Nil)

39. The Proportinate share of Assets, Liabilities and Equity for the year ended March 31, 2014 and Income and Expenditure for the year ended March 31, 2014 of Joint Venture Companies viz M/s. Rohne Coal Company Private Limited are included in these financial statements in respective items.

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
<b>Assets</b>		
<b>Non Current Assets</b>		
Fixed Assets : Tangible Assets	87.32	87.97
Capital Work in Progress and Pre-operative Expenditure Pending Allocation	201.57	723.25
Long Term Loans & Advances	10.58	9.52
<b>Current Assets</b>		
Current Investments	—	0.32
Cash and Bank Balances	1.38	5.55
Short-Term Loans & Advances	0.01	43.21
<b>Non Current Liabilities</b>		
Long Term Provisions	—	1.45
<b>Current Liabilities</b>		
Trade Payables	—	0.26
Other Current Liabilities	0.03	97.43
Short-Term Provisions	0.08	0.15
<b>Equity</b>		
Reserves and Surplus	(2.40)	99.65
Share Application Money	89.05	240.16
<b>Capital Commitment and Contingencies</b>		
Capital Commitment and Contingencies	0.64	9.98
	<b>Current year ended March 31, 2014</b>	<b>9 months period ended March 31, 2013</b>
<b>Income</b>		
Other Income	0.18	0.14
<b>Expenditure</b>		
Other Expenses	0.13	2.15



### Notes to Consolidated Financial Statements (Contd.)

40. A) Current period's figures are not comparable with previous period's figures as :-
- i) The current financial year of the Company is for the year of twelve months from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014 as compared to previous financial year of nine months from 1<sup>st</sup> July, 2012 to 31<sup>st</sup> March, 2013.
  - ii) 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. as compared to the previous period's figures which also includes figures of the said Joint Venture Company
- B) 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 **S. K. Agrawal & Co.**  
*Chartered Accountants*  
Firm Regn. No. 306033E

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

Place : Kolkata  
Date : 29<sup>th</sup> May, 2014

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*





## Directors' Report

To the Members of M/s. Nilachal Iron & Power Limited

Your Directors have pleasure in presenting the Twelfth Annual Report together with the Audited Balance Sheet and Statement of Profit and Loss Account of your Company for the year ended 31<sup>st</sup> March, 2014.

### Financial Performance

Particulars	2013-14 (₹)	2012-13 (₹)
Revenue from Operations (Net of Excise Duty)	3,65,73,180.00	23,36,96,931.00
Other Income	28,65,872.00	63,32,165.00
<b>Total Income</b>	<b>3,94,39,052.00</b>	<b>24,00,29,096.00</b>
Less: Expenditure	8,37,98,754.00	31,01,85,280.00
<b>Profit/(Loss) before Interest, Depreciation and tax (PBIDT)</b>	<b>(4,43,59,702.00)</b>	<b>(7,01,56,184.00)</b>
Less: Finance Charges	8,87,23,459.00	10,55,29,022.00
Depreciation	7,62,03,876.00	7,10,15,680.00
<b>Profit/(Loss) before Tax</b>	<b>(20,92,87,037.00)</b>	<b>(24,67,00,886.00)</b>
Less : Tax	6,69,84,905.00	7,89,29,000.00
<b>Profit/(Loss) for the year</b>	<b>(14,23,02,132.00)</b>	<b>(16,77,71,886.00)</b>
<b>Earnings per share (Nominal value per share Rs. 10/-)</b>		
Basic and Diluted	(4.07)	(4.81)

### Operational Performance

During the year under review, your Company has achieved the total revenues of ₹ 365.73 lacs against ₹ 2,336.96 lacs in the previous year. The loss before interest, depreciation and tax is ₹ 443.59 lacs as compared to loss of ₹ 701.56 lacs in the previous year. The Loss for the year 2013-14 stood ₹ 1,423.02 lacs as compared to loss of ₹ 1,677.72 lacs in the last year.

### Dividend

In view of financial position of the Company during the financial year, your directors have deemed it prudent not to recommend any dividend on the Equity Shares of the Company for the year ended 31<sup>st</sup> March, 2014.

### Future Outlook

According to World Steel Association forecasts the global apparent steel use will increase by 3.1% to 1,527 (Mt) in 2014 following growth of 3.6% in 2013. In 2014, a further pickup in global steel demand is expected with the developed economies increasingly contributing to growth. The Company shall take steps to further strengthen its operations and make use of most of the accelerated demand.

### Holding Company

The company continued to be a wholly owned subsidiary of M/s. Jai Balaji Industries Limited throughout the year under review.

### Directors

In accordance with the provisions of Section 152 of the Companies

Act, 2013 (corresponding to Sections 255 & 256 of the Companies Act, 1956) and the Company's Articles of Association, Shri Sanjiv Jajodia (holding DIN - 00036339) director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Pursuant to the provisions of Sections 149, 152 and any all other applicable provisions of the Companies Act, 2013 and the rules made therein read with Schedule IV to the Companies Act, 2013, Shri Dinesh Kumar Agarwal (holding DIN - 03093004) and Shri Santosh Kumar Shah (holding DIN - 02963319), whose period of office was liable to determination of retirement of Directors by rotation and in respect of whom the Company has received a notice in writing in terms of Section 160 of the Companies Act, 2013 (corresponding to section 257 of the Companies Act, 1956), shall be appointed as Independent Directors of the Company not liable to retire by rotation, to hold office from the date of this Annual General Meeting till 31<sup>st</sup> March, 2019.

Your Company has received a declaration from Shri Dinesh Kumar Agarwal and Shri Santosh Kumar Shah, that they meet the criteria of independence as provided under Section 149(7) of the Companies Act, 2013.

Shri Prashant Akhauri and Shri Ashim Kumar Mukherjee, have resigned from the directorship of your Company with effect from 1<sup>st</sup> December, 2013 and 13<sup>th</sup> December, 2013, respectively. The Board wishes to place on record their appreciation for the valuable guidance and services rendered by Shri Ashim Kumar Mukherjee and Shri Prashant Akhauri.

All the Directors have filed form MBP-1 with your Company as required under the Companies (Meetings of Board and its Powers) Rules, 2014.

### Share Capital

During the year under review, your Company's paid up equity share capital has remained unchanged at ₹ 34,94,87,270 (Rupees Thirty four crore ninety lacs eighty seven thousand two hundred and seventy) comprising 3,49,48,727 Equity Shares of ₹ 10/- each.

### Deposits

Your Company has not accepted any deposits from the public, or its employees within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under, during the year under review.

### Board Sub Committees

#### i. Audit committee:

In accordance with Section 177(1) of the Companies Act, 2013, the Board of Directors of the Company at their meeting have approved new terms of reference for the Audit Committee ('the committee').

The committee consists of three directors, namely Shri Sanjiv Jajodia, Shri Dinesh Kumar Agarwal and Shri Santosh Kumar Shah.



### Directors' Report (Contd.)

#### ii. Nomination & Remuneration committee (formerly Remuneration Committee):

In accordance with Section 178(1) of the Companies Act, 2013, the Board of Directors of the Company at their meeting has changed the nomenclature of the 'Remuneration Committee' to 'Nomination & Remuneration Committee' ('the committee') and its terms of reference.

The committee of the Company consists of three directors, namely Shri Sanjiv Jajodia, Shri Dinesh Kumar Agarwal and Shri Santosh Kumar Shah.

#### Directors' Responsibility Statement

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, your Directors state that:

- i) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) they have opted such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2014 and of the loss of the Company for the year ended on that date;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the annual accounts have been prepared on a going concern basis.

#### Auditors Report

The Auditors report to the shareholders does not contain any qualifications. The observations of Auditors in their Report read with relevant notes to accounts in Note 25 are self explanatory and do not require further explanation.

#### Cost Auditors

The Board of Directors of your Company has appointed M/s. Mondal & Associates, Proprietor Mr. Amiya Mondal as the Cost Auditor of your Company in accordance with the provisions of Sections 139, 141 and 148 of the Companies Act, 2013 (corresponding to Sections 224 (1B) and 233B of the Companies Act, 1956) read with the Companies (Cost Records and Audit) Rules, 2014 and any other relevant provisions, rules, circulars issued by the Ministry of Corporate Affairs, to carry out audit of cost records of the Company for the financial year 2014-15.

#### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

In accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 as amended from time to time, particulars regarding Conservation of Energy, Technology Absorption Foreign Exchange Earnings and Outgo are given in the Annexure forming part of this Report.

#### Personnel

The Company has no employee getting remuneration in the category specified under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 during the year under review, as amended from time to time.

#### Appreciation

Your Directors wish to place on record their appreciation and gratitude for the continued assistance and co-operation by the Financial Institutions, Banks, Regulatory and Government authorities, dealers, suppliers, business associates and the Company's valued customers.

Your Directors also place on record their appreciation for the dedicated and valuable services rendered and the commitment by the employees and workers of the Company.

For and on behalf of the Board

**Aashish Jajodia**  
Whole-time Director  
(DIN: 00060765)

**Aditya Jajodia**      **Sanjiv Jajodia**  
Director                      Director  
(DIN: 00045114)      (DIN: 00036339)

Place : Kolkata

Dated: 8<sup>th</sup> August, 2014

### Annexure To Directors' Report

Information under Section 217(1)(e) read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2014:

#### A. Conservation of energy:

- a) Energy conservation measures taken:  
Continuous efforts are being made to identify & implement energy conservation measures at all stages of production process.
- b) Additional Investments and Proposals, if any, being implemented for reduction of consumption of energy: Nil
- c) Impact of the measures at (a) and (b) above for reduction of energy conservation and consequent impact on the cost of production of goods:
  - The above measures have resulted in energy saving cost and thus have led to reduce cost of production.
  - As a result of above measures efficient utilization of power and other energy sources has been achieved.
- d) Total energy consumption and energy consumption per unit of production as per **Form A** of the Annexure is annexed.

#### B. Technology absorption:

The details of efforts made towards absorption of technology are given in the Report in **Form B**.

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

- a) Activities relating to exports, initiatives taken to exports, development of new export markets for products and services and export plans: Nil
- b) Total Foreign Exchange used and earned: Nil



### Directors' Report (Contd.)

#### FORM - A

##### Form for Disclosure of Particulars with respect to Conservation of Energy

###### A. Power and Fuel consumption:

Electricity	2013-14	2012-13
Purchased Units (KVAH)	16,12,152	17,16,984
Total Amount (₹ in lacs)	112.26	146.25
Rate per Unit (₹)	6.96	8.52
<b>B. Electricity Consumption per unit (M.T) of production:</b>		
Sponge iron	189.78	247.00

#### FORM - B

##### Form for Disclosure of Particulars with respect to Technology Absorption Research and Development (R & D)

###### 1. Specific areas in which R & D carried out by the Company:

No R&D was carried out within the meaning of applicable accounting standard.

###### 2. Benefits derived as results of the above R & D:

Not Applicable.

###### 3. Future Plan of action:

The Company strives towards energy conservation measures, use of alternative raw materials, improvement in quality and productivity.

#### 4. Expenditure on R & D:

Nil

##### Technology absorption, adaptation and innovation:

###### a) Efforts, in brief, made towards technology absorption, adaptation and innovation.

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

###### b) Benefits derived as a result of the above efforts.

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

###### c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), the following information may be furnished :

- (i) Technology imported : Nil
- (ii) Year of import : Not Applicable
- (iii) Has technology been fully absorbed? : Not Applicable
- (iv) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action : Not Applicable



### Auditors' Report

To the Members of  
M/s. Nilachal Iron & Power Limited

#### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of M/s. NILACHAL IRON & POWER LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss of the Company, Cash Flow Statement of the Company and a summary of significant accounting policies and other explanatory information.

#### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

#### OPINION

In our opinion and to the best of our information and according

to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the statement of Profit and Loss of the loss for the year ended on that date, and;
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet and 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 Balance Sheet and Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **B. Chhawchharia & Co.**  
Chartered Accountants  
Firm Reg. No : 305123E

**Aashish Jaiswal**  
Partner

Place: Kolkata

Date: 15<sup>th</sup> May, 2014

Membership No. 66471





### Annexure to the Auditors' Report

Referred to in paragraph 1 of our Report of even date

- (i) a) Proper records showing full particulars including quantitative details and situation of fixed assets are being compiled by the company.
- b) According to the information and explanation given to us, all the fixed assets including capital work in progress have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. As explained, no material discrepancies were noticed on such verification.
- c) The company has not disposed substantial part of its fixed assets during the year.
- (ii) a) According to information and explanation given to us, physical verification of inventory has been conducted by the management at reasonable intervals.
- b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- c) According to the information and explanation given to us and relied upon by us, the company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification of inventory.
- (iii) The company has not granted or taken any loan, secured or unsecured, to/from companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weakness, if any, in internal control system.
- (v) a) According to the information and explanations given to us, the particulars of contracts or arrangement referred to in section 301 of the Companies Act, 1956 are being updated in the register required to be maintained under that section.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of each contracts or arrangement that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to ₹ 5,00,000/- or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion, the company has not accepted any deposits from the public during the year.
- (vii) In our opinion, the company has a formal internal audit system commensurate with the size of the company and nature of its business.
- (viii) As informed to us the company is maintaining cost records as prescribed under section 209(1)(d) of the Companies Act, 1956 read with Companies (Cost Accounting records) Rules, 2011, to the extent applicable to the company. We have, however, not made a detailed examination of such records.
- (ix) In our opinion and according to the information and explanations given to us :
  - a) The company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues, as applicable, with the appropriate authorities.
  - b) There are no dues of Sales Tax, Income Tax, Customs Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of any dispute *except as detailed below:*





### Annexure to the Auditors' Report (Contd.)

Name of the Statute	Nature of Dues	Amount (₹ in Lacs)	Relating to the year	Forum where dispute pending
Central Excise Act, 1944	Disallowance of Cenvat Credit of Excise Duty	68.97	2005 - 2006	CESTAT - Appeal Hearing pending
Central Excise Act, 1944	Duty demand on scrap on Fabrication of Kiln & Cooler	69.38	2006 - 2007	Commissioner of Central Excise
Central Excise Act, 1944	Passage of Illegal Benefit to TISCO	62.21	2005 - 2006	CESTAT - Appeal Hearing pending
Central Excise Act, 1944	Irregular Availment of Service Tax	2.63	2005 - 2006	Remand from CESTAT
Central Excise Act, 1944	Irregular Availment of Cenvat Credit on inputs/equipments	83.15	2006 - 2007	CESTAT
Central Excise Act, 1944	Availment of Cenvat Credit relating to low grade Sponge Iron	39.09	2005 - 2006	Commissioner of Central Excise (Appeal) - Remand from CESTAT
Central Excise Act, 1944	Availment of Cenvat Credit in respect of bought out Low Grade Sponge Iron	30.75	2005 - 2006	Commissioner of Central Excise (Appeal) - Remand from CESTAT
Central Excise Act, 1944	Duty demand in respect of scrap arose from fabrication of Kiln & Cooler	6.94	2005 - 2006	CESTAT
Central Excise Act, 1944	Availment of Cenvat Credit in respect of bought out Iron Ore Pallet	78.64	2010 - 2011	CESTAT
Central Excise Act, 1944	Service Tax on Mutual Fund Distribution (Sub-Brokerage)	50.22	2005 - 2006 and 2006 - 2007	CESTAT - Appeal Hearing pending

- (x) There are no accumulated losses in the company. The company has incurred cash loss during the financial year covered by our audit and also in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanation given to us, the company has generally not defaulted in repayment of dues to banks.
- (xii) According to the information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or a nidhi mutual benefit fund/society.
- (xiv) The company is not dealing in or trading in shares, securities, debentures and other investments. The shares and other investments are held by the company in its own name.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have generally been applied for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company for the year under review, we report that apparently funds raised on short term basis have not been used for long term investments.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year under review.
- (xix) The Company has issued Unsecured Debentures, but no securities or charge has been created in respect of Debentures issued by the Company.
- (xx) The company has not raised any money by public issue during the year under review.
- (xxi) According to the information and explanations given to us and to the best of our knowledge and belief, no fraud on or by the company has been noticed or reported during the year.

For **B. Chhawchharia & Co.**  
Chartered Accountants  
Firm Reg. No : 305123E

**Aashish Jaiswal**  
Partner

Place: Kolkata  
Date: 15<sup>th</sup> May, 2014

Membership No. 66471



### Balance Sheet as at 31<sup>st</sup> March, 2014

	Notes	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
		₹	₹	₹	₹
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	349,487,270		349,487,270	
Reserves and Surplus	2	498,309,826	847,797,096	643,486,779	992,974,049
<b>Non-current Liabilities</b>					
Long-term Borrowings	3	726,136,562		303,762,987	
Long-term Provisions	4	(1,141,673)	724,994,889	1,760,000	305,522,987
<b>Current Liabilities</b>					
Short-term Borrowings	5	141,743,058		362,963,417	
Trade Payables	6	156,028,107		160,444,973	
Other Current Liabilities	7	57,307,736	355,078,901	145,829,715	669,238,105
<b>Total</b>			<b>1,927,870,886</b>		<b>1,967,735,141</b>
<b>ASSETS</b>					
<b>Non-current Assets</b>					
<b>Fixed Assets</b>					
Tangible Assets	8	1,195,129,105		1,273,997,531	
Capital Work-in-Progress		146,030,414		140,387,534	
		1,341,159,519		1,414,385,065	
Non-current Investments	9	2,686,239		2,686,239	
Deferred Tax Assets (Net)	10	84,799,800		15,669,600	
Long-term Loans and Advances	11	16,864,057	1,445,509,615	16,864,057	1,449,604,961
<b>Current Assets</b>					
Inventories	12	301,804,958		301,883,202	
Trade Receivables	13	70,270,018		98,346,110	
Cash and Bank Balances	14	22,127,032		25,080,782	
Short-term Loans and Advances	15	88,159,263	482,361,271	92,820,086	518,130,180
<b>Total</b>			<b>1,927,870,886</b>		<b>1,967,735,141</b>
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO ACCOUNTS	25				

The Notes referred above form an integral part of the accounts.

In terms of our report of even date attached herewith.

**For B. Chhawchharia & Co.**

Chartered Accountants

Firm Registration No. 305123E

For and on behalf of the Board of Directors

**Aashish Jaiswal**

Partner

Membership No. 66471

**Aashish Jajodia**

Wholetime Director

(DIN : 00060765)

**Aditya Jajodia**

Director

(DIN : 00045114)

**Sanjiv Jajodia**

Director

(DIN : 00036339)

Place : Kolkata

Date : 15<sup>th</sup> May, 2014

**Ekta Agarwal**  
Company Secretary

**Statement of Profit and Loss** for the year ended 31<sup>st</sup> March, 2014

	Notes	2013-14 ₹		2012-13 ₹	
<b>INCOME</b>					
Revenue from Operations	16		36,573,180		260,377,524
Less : Excise Duty			—		26,680,593
			<u>36,573,180</u>		233,696,931
Other Income	17		2,865,872		6,332,165
			<u>39,439,052</u>		<u>240,029,096</u>
<b>EXPENSE</b>					
Cost of Materials Consumed	18		—		163,495,663
Manufacturing Expenses	19		31,485,732		32,580,468
Excise Duty on Finished Stock			329		(8,681,781)
Changes in Inventory	20		(2,994)		59,153,596
Employee Benefits Expense	21		34,961,004		44,168,307
Finance Costs	22		88,723,459		105,529,022
Depreciation		79,078,697		73,991,416	
Less : Transfer from State Capital Subsidy		<u>2,874,821</u>	76,203,876	<u>2,975,736</u>	71,015,680
Prior Period Expenses			390,272		2,682,989
Other Expenses	23		16,964,411		16,786,038
			<u>248,726,089</u>		<u>486,729,982</u>
Loss before tax			209,287,037		246,700,886
Tax expense :					
Current Tax	24		2,145,295		—
Deferred Tax			<u>(69,130,200)</u>		<u>78,929,000</u>
Loss for the year			<u>142,302,132</u>		<u>167,771,886</u>
Earning per equity share					
Basic & Diluted			(4.07)		(4.81)

The Notes referred above form an integral part of the accounts.

In terms of our report of even date attached herewith.

**For B. Chhawchharia & Co.**

Chartered Accountants

Firm Registration No. 305123E

For and on behalf of the Board of Directors

**Aashish Jaiswal**

Partner

Membership No. 66471

**Aashish Jajodia**

Wholetime Director

(DIN : 00060765)

**Aditya Jajodia**

Director

(DIN : 00045114)

**Sanjiv Jajodia**

Director

(DIN : 00036339)

Place : Kolkata

Date : 15<sup>th</sup> May, 2014

**Ekta Agarwal**

Company Secretary



### Cash Flow Statement for the year ended 31<sup>st</sup> March, 2014

	2013-2014 ₹	2012-2013 ₹
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit/(Loss) before tax and extraordinary items	(209,287,037)	(246,700,886)
Adjusted for :		
Depreciation	76,203,876	71,015,680
Interest Income	(1,952,312)	(3,486,252)
Irrecoverable Debts and Advances Written Off	879,848	921,850
Liabilities no longer required Written Back	(202,788)	(296,489)
Interest on Term Loan and Others	86,221,157	103,235,681
Prior Period Expenditure (Net)	390,272	2,682,989
<b>Operating Profit Before Working Capital Changes</b>	<b>(47,746,984)</b>	<b>(72,627,427)</b>
Movement in Working Capital:		
Sundry Debtors	27,196,245	65,543,150
Loans and Advances and other Current Assets	3,427,050	71,210,780
Inventories	78,244	107,736,066
Trade Payables and other payables	5,750,750	(50,974,302)
<b>Cash Generated From Operating Activities</b>	<b>(11,294,695)</b>	<b>120,888,267</b>
Direct Taxes paid/adjusted	(2,145,295)	-
<b>Net cash from Operating activities (A)</b>	<b>(13,439,990)</b>	<b>120,888,267</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(5,853,152)	(24,774,680)
Interest Income	1,952,312	3,486,252
<b>Net Cash from investing activities (B)</b>	<b>(3,900,840)</b>	<b>(21,288,428)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from long term and other borrowings	100,608,237	(21,468,305)
Interest Paid	(86,221,157)	(103,235,681)
<b>Net Cash used in Financing Activities (C)</b>	<b>14,387,080</b>	<b>(124,703,986)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(2,953,750)</b>	<b>(25,104,147)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>25,080,782</b>	<b>50,184,929</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>22,127,032</b>	<b>25,080,782</b>

01. Proceeds from long term and other borrowings are shown net of repayment.
02. Cash and Cash equivalents represent cash and bank balances only including Fixed Deposits.

In terms of our report of even date attached herewith

**For B. Chhawchharia & Co.**

Chartered Accountants

Firm Registration No. 305123E

For and on behalf of the Board of Directors

**Aashish Jaiswal**

Partner

Membership No. 66471

**Aashish Jajodia**

Wholetime Director

(DIN : 00060765)

**Aditya Jajodia**

Director

(DIN : 00045114)

**Sanjiv Jajodia**

Director

(DIN : 00036339)

Place : Kolkata

Date : 15<sup>th</sup> May, 2014

**Ekta Agarwal**  
Company Secretary



### Notes to the Financial Statements

	As at 31 <sup>st</sup> March, 2014 ₹	As at 31 <sup>st</sup> March, 2013 ₹
<b>1. SHARE CAPITAL</b>		
<u>Authorised :</u>		
35,000,000 Equity Shares of ₹ 10 /- each	350,000,000	350,000,000
500,000 Preference Shares of ₹ 10/- each	5,000,000	5,000,000
	<u>355,000,000</u>	<u>355,000,000</u>
<u>Issued, Subscribed &amp; Paid up:</u>		
34,948,727 Equity Shares of ₹ 10/- each fully paid up [Held by M/s. Jai Balaji Industries Limited, the Holding Company]	<u>349,487,270</u>	<u>349,487,270</u>

#### Notes:

1. The details of Shareholders holding more than 5% Equity Shares

Name of Shareholder	As at 31.03.2014		As at 31.03.2013	
	No. of shares	%Holding	No. of shares	% Holding
Jai Balaji Industries Ltd.	34,948,727	100	34,948,727	100

2. Terms/rights attached to Equity Shares :

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

The distribution will be in proportion to the number of equity shares held by the shareholders.

	As at 31 <sup>st</sup> March, 2014 ₹	As at 31 <sup>st</sup> March, 2013 ₹
<b>2 RESERVES AND SURPLUS</b>		
<u>Capital Reserve</u>		
<u>State Capital Subsidy</u>		
As per last Account	35,522,063	38,497,799
Less : Allocated to Depreciation	<u>2,874,821</u>	<u>2,975,736</u>
	32,647,242	35,522,063
<u>General Reserve</u>		
As per Last Account	273,731,000	373,731,000
Transfer to Statement of Profit and Loss	<u>(138,731,000)</u>	<u>(100,000,000)</u>
	135,000,000	273,731,000
<u>Securities Premium Reserve</u>	328,712,548	328,712,548
<u>Surplus/(Deficit) in the Statement of Profit and Loss :</u>		
Balance as per last Account	5,521,168	73,293,054
Transfer from General Reserve	138,731,000	100,000,000
Loss for the year	<u>142,302,132</u>	<u>167,771,886</u>
Net Surplus in the statement of Profit and Loss	1,950,036	5,521,168
	<u>498,309,826</u>	<u>643,486,779</u>

	As at 31 <sup>st</sup> March, 2014 ₹	As at 31 <sup>st</sup> March, 2013 ₹
--	--	--

### 3. LONG-TERM BORROWINGS

#### Secured

a) Term Loans From Banks	<u>673,587,903</u>	<u>399,086,368</u>
--------------------------	--------------------	--------------------





### Notes to the Financial Statements (Contd.)

Name of Bank	Primary Security	Collateral Security	Other Securities	Terms of repayment
State Bank of India	First charge on existing and future fixed assets of the company on pari passu basis with other term lenders by way of - i) Equitable Mortgage on company's land and building at Ratanpur, Jharkhand ii) Hypothecation of plant & machinery iii) Hypothecation of machinery installed at Coal Mining Block created/to be created out of bank finance, iv) Negative lien to be created on the Coal Block at North Karanpura Block (Dumri Block) allocated to the company by Government of India.	Second charge on current assets (both present and future) of the company on pari passu basis with other term lenders.	Personal Guarantee : Sri Aditya Jajodia Sri Aashish Jajodia Sri Sanjiv Jajodia Corporate Guarantee : M/s Chand 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 Aashish 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 Aashish Jajodia Sri Sanjiv Jajodia Corporate Guarantee : M/s Jai Balaji Industries Limited	32 quarterly installments commencing from 30.06.2015.
UCO Bank	First charge on the immovable fixed assets & first hypothecation charge on entire movable fixed assets (both existing and future) of the company's factory at Ratanpur, Jharkhand ranking pari passu with all the term lenders.	Second charge on current assets (both present and future) of the company on pari passu basis with other term lenders.	Personal Guarantee : Sri Aditya Jajodia Sri Aashish Jajodia Sri Sanjiv Jajodia	32 quarterly installments commencing from 01.04.2015.

	As at 31 <sup>st</sup> March, 2014 ₹	As at 31 <sup>st</sup> March, 2013 ₹
<b>b. Vehicles Loan - From HDFC Bank</b> Hypothecated against the Vehicle financed by them Terms of Repayment - Under 36 EMI Scheme	601,620	1,101,327
Less : Current Maturity (Refer Note 7)	<u>674,189,523</u> 552,961 <u>673,636,562</u>	<u>400,187,695</u> 96,424,708 <u>303,762,987</u>
<b>Unsecured - Debentures</b> 525000 Zero Interest Unsecured Optional 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 - From a Related Party	<u>52,500,000</u> <u>726,136,562</u>	<u>-</u> <u>303,762,987</u>
<b>4. LONG TERM PROVISIONS</b> Provision for Gratuity	<u>(1,141,673)</u>	<u>1,760,000</u>
<b>5. SHORT-TERM BORROWINGS</b> <b>Secured</b> Loans Repayable on Demand From Banks - Cash Credit	<u>141,743,058</u>	<u>362,963,417</u>



### Notes to the Financial Statements (Contd.)

#### Terms of Security:

- i) Secured by way of hypothecation of all current assets, both present and future, ranking pari passu with other banks, second charge on all fixed assets, present and future, ranking pari passu with other banks and Corporate guarantee of related Companies.
- ii) The above Loans from banks are guaranteed by three Directors of the Company.

	As at 31 <sup>st</sup> March, 2014 ₹	As at 31 <sup>st</sup> March, 2013 ₹
<b>6. TRADE PAYABLES</b>		
Sundry Creditors		
- For Raw Materials	58,305,023	59,799,338
- For Capital Goods	45,361,538	46,665,197
- For others	52,361,546	53,980,438
	156,028,107	160,444,973
<b>7. OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term borrowings	552,961	96,424,708
Interest accrued and due on long-term borrowings	-	4,673,232
Advance from customers	1,922,368	1,971,460
Due to Holding Company (Interest Free)	11,886,536	25,816,063
Other Liabilities	42,945,871	16,944,252
	57,307,736	145,829,715

### 8 FIXED ASSETS

Particulars	Gross Block			Depreciation			Net Block	
	As at 1 <sup>st</sup> April, 2013 ₹	Additions/ (Deductions) ₹	As at 31 <sup>st</sup> March, 2014 ₹	Up to 31 <sup>st</sup> March, 2013 ₹	For the Year ₹	Up to 31 <sup>st</sup> March, 2014 ₹	As at 31 <sup>st</sup> March, 2014 ₹	As at 31 <sup>st</sup> March, 2013 ₹
<b>I. Tangible Assets</b>								
Freehold Land	19,410,124	-	19,410,124	-	-	-	19,410,124	19,410,124
Building	210,012,676	-	210,012,676	24,624,590	7,014,424	31,639,014	178,373,662	185,388,086
Plant & Machinery	1,213,146,347	188,271	1,213,334,618	268,391,001	63,997,188	332,388,189	880,946,429	944,755,346
Electrical Installations	125,011,738	-	125,011,738	19,943,031	5,908,159	25,851,190	99,160,548	105,068,707
Air Conditioners	917,249	22,000	939,249	297,701	44,334	342,035	597,214	619,548
Generators	19,239,047	-	19,239,047	5,864,594	913,855	6,778,449	12,460,598	13,374,453
Furniture & Fixtures	2,208,385	-	2,208,385	1,431,661	84,826	1,516,487	691,898	776,724
Vehicles	10,733,891	-	10,733,891	7,422,077	988,890	8,410,967	2,322,924	3,311,814
Office Equipments	1,910,683	-	1,910,683	764,419	82,082	846,501	1,064,182	1,146,264
Computers	1,160,661	-	1,160,661	1,014,196	44,939	1,059,135	101,526	146,465
<b>Total (I)</b>	1,603,750,801	210,271	1,603,961,072	329,753,270	79,078,697	408,831,967	1,195,129,105	1,273,997,531
<b>II. Capital Work-in-Progress</b>								
Mining Land	114,678,556	5,042,625	119,721,181	-	-	-	119,721,181	114,678,556
Railway Sidings	3,636,082	-	3,636,082	-	-	-	3,636,082	3,636,082
Pre-operative Expenses	22,072,896	600,256	22,673,151	-	-	-	22,673,151	22,072,896
<b>Total (II)</b>	140,387,534	5,642,881	146,030,414	-	-	-	146,030,414	140,387,534
<b>Grand Total (I+II)</b>	1,744,138,335	5,853,152	1,749,991,486	329,753,270	79,078,697	408,831,967	1,341,159,519	-
Previous Year Figures	1,719,175,205	856,544,402 (831,581,272)	1,744,138,335	255,761,854	73,991,416	329,753,270	-	1,414,385,065



### Notes to the Financial Statements (Contd.)

#### 9. NON-CURRENT INVESTMENTS

(Amount in ₹)

	Face Value ₹	No. of shares	As at 31.03.2014 ₹	No. of shares	As at 31.03.2013 ₹
<b>Others</b>					
<b>In fully paid up Equity Shares of Companies Quoted</b>					
Shyama Infosys Ltd.	10/-	366200	2,590,974	366200	2,590,974
Shri Nidhi Trading Co. Ltd.	10/-	10500	95,265	10500	95,265
			<u>2,686,239</u>		<u>2,686,239</u>
Market Value of quoted Investments			<u>2,756,647</u>		<u>2,756,628</u>

(Amount in ₹)

	As at 31 <sup>st</sup> March, 2014 ₹	As at 31 <sup>st</sup> March, 2013 ₹
<b>10. DEFERRED TAX ASSETS (NET)</b>		
Deferred Tax Assets on		
Unabsorbed losses and provisions	248,455,500	165,641,500
Employee Benefits	1,034,100	571,000
Less : Deferred Tax Liability on Fiscal allowance of fixed assets	<u>164,689,800</u>	<u>150,542,900</u>
	<u>84,799,800</u>	<u>15,669,600</u>
<b>11. LONG TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Capital Advances	6,295,697	6,295,697
Deposits	<u>10,568,360</u>	<u>10,568,360</u>
	<u>16,864,057</u>	<u>16,864,057</u>
<b>12. INVENTORIES</b>		
(As taken, valued and certified by the management)		
Raw Materials [Includes stock in transit (*) ₹ 3,21,17,606/- P.Y. ₹ 3,21,17,606/-]	246,772,596	245,247,486
Finished Goods	586,901	583,907
By Products	34,853,518	34,853,518
Stores & Consumables	<u>19,591,943</u>	<u>21,198,291</u>
*Awaiting Custom Clearance	<u>301,804,958</u>	<u>301,883,202</u>
<b>13. TRADE RECEIVABLES</b>		
(Unsecured, considered good)		
Due for more than six months	2,221,250	--
Other	<u>68,048,768</u>	<u>98,346,110</u>
	<u>70,270,018</u>	<u>98,346,110</u>



**Notes to the Financial Statements (Contd.)**

(Amount in ₹)

	As at 31 <sup>st</sup> March, 2014 ₹	As at 31 <sup>st</sup> March, 2013 ₹
<b>14. CASH AND BANK BALANCES</b>		
(i) Cash & Cash Equivalents		
Cash-in-hand	1,795,929	4,170,075
Balances with Scheduled Banks in Current Account	296,009	1,660,707
	2,091,938	5,830,782
(ii) Other Bank Balances		
In Fixed Deposits (Pledged)	20,035,094	19,250,000
(Maturity after 12 months ₹ 30,00,000/- P. Y. ₹ 30,00,000/-)	22,127,032	25,080,782
	88,159,263	92,820,086
<b>15. SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	45,062,761	49,293,910
Balances with Government Authorities	11,025,377	10,221,278
Taxation Advances and Refundable (Net of Provision)	1,610,473	2,844,246
MAT Credit Entitlement	30,460,652	30,460,652
	88,159,263	92,820,086

(Amount in ₹)

	For the year ended 31 <sup>st</sup> March, 2014 ₹	For the year ended 31 <sup>st</sup> March, 2013 ₹
<b>16. REVENUE FROM OPERATIONS</b>		
Sale of Products		
- Sponge Iron	-	222,503,593
- Raw Materials	-	28,946,893
- By-Products	-	8,927,038
Sale of Services	36,573,180	-
	36,573,180	260,377,524
<b>16.1 SALE OF RAW MATERIAL</b>		
- Coal	-	28,946,893
<b>16.2 SALE OF BY PRODUCTS</b>		
- Coal fines	-	8,927,038
<b>16.3 SALE OF SERVICES</b>		
- Job Works Charges	36,573,180	-
<b>17. OTHER INCOME</b>		
Interest on Fixed Deposit	1,952,312	3,486,252
Liabilities written back	202,788	296,489
Miscellaneous Income	710,772	2,549,424
	2,865,872	6,332,165



### Notes to the Financial Statements (Contd.)

	For the year ended 31 <sup>st</sup> March, 2014 ₹	For the year ended 31 <sup>st</sup> March, 2013 ₹
<b>18. COST OF MATERIALS CONSUMED</b>		
Raw Material Consumed - Indigeneous		
- Coal	-	80,325,790
- Iron Ore	-	83,024,351
- Dolomite	-	145,522
	<u>-</u>	<u>163,495,663</u>
<b>19. MANUFACTURING EXPENSES</b>		
Consumption of Stores and Spare parts (Indigeneous)	4,298,180	2,419,825
Power and Fuel	23,133,366	16,813,198
Repairs & Maintenance :		
- For Plant & Machinery	240,537	3,043,197
- For Others	77,268	577,007
Machinery Hire Charges	3,053,301	4,758,249
Processing Charges	683,080	4,968,992
	<u>31,485,732</u>	<u>32,580,468</u>
<b>20. CHANGES IN INVENTORIES</b>		
Opening Stock :		
- Finished Goods	583,907	79,506,636
- By products	34,853,518	15,084,385
	<u>35,437,425</u>	<u>94,591,021</u>
Less : Closing Stock :		
- Finished Goods	586,901	583,907
- By products	34,853,518	34,853,518
	<u>(2,994)</u>	<u>59,153,596</u>
<b>21. EMPLOYEE BENEFITS EXPENSE</b>		
Director's Remuneration	4,640,000	3,500,000
Salary, Wages, bonus and allowances	26,195,392	37,724,311
Contribution to Provident & Other Funds	3,260,872	1,798,429
Staff & Labour welfare expenses	864,740	1,145,567
	<u>34,961,004</u>	<u>44,168,307</u>
<b>22. FINANCE COSTS</b>		
Interest :		
On Term Loans	59,397,735	48,448,490
On Others	26,823,422	54,787,191
Loan Processing & other financial charges	2,502,302	2,293,341
	<u>88,723,459</u>	<u>105,529,022</u>





### Notes to the Financial Statements (Contd.)

	For the year ended 31 <sup>st</sup> March, 2014 ₹	For the year ended 31 <sup>st</sup> March, 2013 ₹
<b>23. OTHER EXPENSES</b>		
Rent	2,158,773	2,146,200
Rates and Taxes	334,609	383,614
Insurance	1,010,451	860,154
Travelling and Conveyance	2,439,289	1,375,665
Legal and Professional expenses	694,784	1,574,470
Advertisement and Business Promotion	30,872	9,390
Hire Charges	3,057,695	3,936,424
Security Guard Charges	2,869,341	2,730,464
Telephone, Telex & Fax	345,814	472,490
Printing & Stationery	75,490	106,114
Auditors' Remuneration :		
For Statutory Audit	150,000	250,000
For Internal Audit	24,000	24,000
For Tax Audit	50,000	75,000
For Other Services	5,000	111,500
Miscellaneous expenses	2,838,445	1,808,703
Irrecoverable debts and advances written off	879,848	921,850
	<b>16,964,411</b>	<b>16,786,038</b>
<b>24. CURRENT TAX</b>		
Tax Adjustments	<b>2,145,295</b>	<b>-</b>

### 25. SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE ACCOUNTS

#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### a) BASIS OF ACCOUNTING:

The Financial Statements are prepared under historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India, the Accounting Standards prescribed in the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956 and the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current, wherever applicable, as per the normal operating cycle of the company as set out in the Schedule VI to the Companies Act, 1956.

##### b) USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates/assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known/ materialised.

##### c) FIXED ASSETS AND DEPRECIATION :

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes purchase price and all other attributable cost of bringing the assets to working condition for intended use.

Depreciation is provided on "Straight Line Method" in accordance with the provisions of Schedule XIV of the Companies Act, 1956.

##### d) CAPITAL WORK IN PROGRESS :

a) Capital work in progress is stated at cost.

b) Construction and other materials purchased for capital addition are treated as consumed.



### Notes to the Financial Statements (Contd.)

- c) Bills of Contractors are adjusted to the extent bills received and settled.
- d) Direct expenses on expansion are capitalized and indirect expenses thereof are shown under "Preoperative Expenditure" which will be allocated to various items of fixed assets on completion of expansion.

**e) INVESTMENTS :**

Non Current investments are carried at acquisition cost and investments intended to be held for less than one year are classified as current investments and are carried at lower of cost and market value. Non Current Investments which have attained the stage of permanent diminution in their value are revalued at their current value.

**f) GOVERNMENT GRANTS :**

- a) State Capital Subsidy received on account of fixed assets is credited to Capital Reserve Account out of which Subsidies in relation to depreciable assets are allocated to income over the useful life of the respective assets by deduction from depreciation for the year.
- b) Grants related to revenue is recognized in the profit & loss account by deduction from the respective expense or shown separately as income.

**g) INVENTORIES :**

Inventories are Valued as follows:

a)	Raw Material, Stores & Consumables	Lower of Cost and Net Realisable Value, however, materials and other items held for use in 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 'Weighted Average Basis'.
b)	Finished Goods	Lower of Cost or Net Realisable Value. Cost includes direct materials, labour and Cost of finished goods manufacturing overheads. Cost of Finished Goods include Excise Duty.
c)	By Products	At Net Realisable Value.

**h) SALES :**

- i) Sales include Excise duty but excludes Sales tax/VAT.
- ii) Revenue from sale of goods is recognized on passing of the title which generally coincides with the delivery of goods.

**i) OTHER INCOME :**

Other Income is accounted on accrual basis except where the receipt of income is uncertain.

**j) EMPLOYEES BENEFITS :**

- i) Short Term employee benefits are charged off at the undiscounted amount in the year in which related service is rendered.
- ii) Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation technique. Actuarial gain and losses in respect of post employment and other long term benefits are charged to the "Profit and Loss Account."

**k) FOREIGN CURRENCY TRANSACTIONS :**

Foreign Currency loans are restated at the year end exchange rates or at the rate of forward cover and the resultant difference are charged to "Profit and Loss Account."

**l) TAXES ON INCOME :**

- i) Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- ii) Deferred Tax is recognised, subject to consideration of prudence, in respect of Deferred Tax assets/liabilities arising on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent period.

**m) IMPAIRMENT OF ASSETS :**

Impairment loss in the value of assets, as specified in Accounting Standard - 28 is recognized whenever carrying value of such assets exceeds the market value or value in use, whichever is higher.



### Notes to the Financial Statements (Contd.)

2. Estimated amount of the contracts remaining to be executed on capital account and not provided for amounts to ₹ 387.54 Lacs (₹ 387.54 Lacs); advance thereagainst ₹ 62.95 Lacs (₹ 62.95 Lacs).

3. **PROVISIONS AND CONTINGENT LIABILITIES :**

A provision is recognised when the company has a present obligation as a result of past results and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

Contingent Liability, not provided for, in respect of :	As at 31.03.2014 ₹	As at 31.03.2013 ₹
Contested demand of :		
a) Excise Duty	439.13 lakhs	439.13 lakhs
b) Service tax	52.85 lakhs	52.85 lakhs

4. Certain balance appearing under Sundry Creditors, Advance from Customers, Capital Advances, Trade Receivables and Advance recoverable in cash or in kind or for value to be received, are subject to confirmation.

5. a) As per the information available to the management, no amount is due to SSI and ancillary units.  
b) Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

	2014	2013
a. Principal amount remaining unpaid as on 31 <sup>st</sup> March	NIL	NIL
b. Interest due thereon as on 31 <sup>st</sup> March	NIL	NIL
c. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of payment made to the suppliers beyond the appointed day during the period	NIL	NIL
d. Interest due and payable for the period of delay in making payments (which have been paid but beyond the appointed day during the period) but without adding to the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	NIL	NIL
e. Interest accrued and remaining unpaid as on 31 <sup>st</sup> March	NIL	NIL
f. Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises (As certified by the management)	NIL	NIL

6. Company's plant was non-operational during the year except for the period 12.05.2013 to 15.07.2013 due to ongoing major alignment works in the factory and unfavourable market conditions which affected the production substantially.

7. On the basis of physical verification of assets, as specified in Accounting Standard - 28 and cash generation capacity of those assets, in the management perception there is no impairment of such assets as appearing in the balance sheet as on 31.03.2014.

8. The Earning Per Share (EPS) has been calculated as specified in Accounting Standard - 20 prescribed under Companies (Accounting Standards) Rules, 2006 and related disclosures in this regard are:

	2013-2014	2012-2013
a) Amount used as numerator in calculating basic and diluted EPS: Profit/(Loss) after tax (₹)	(142,302,132)	(167,771,886)
b) Weighted average no.of shares used as the denominator in calculating EPS (Nos.) For Basic and Diluted EPS Equity Shares- Opening	34,948,727	34,948,727

9. In accordance with Accounting Standard 17 "Segment Reporting" as prescribed under Companies (Accounting Standards) Rules,2006, the Company has determined its business segment as Manufacturing of Sponge Iron. Since there are no other business segments in which the company operates, there are no other primary reportable segments. Therefore, the segment revenue, segment results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charges are all as is reflected in the financial statements.

10. Related parties and transactions with them as specified in Accounting Standard 18 on "Related Parties Disclosure" prescribed under Companies (Accounting Standards) Rules, 2006 has been identified and given below on the basis of the information available with the company.



### Notes to the Financial Statements (Contd.)

Related Parties & Relationship	Transactions	
a) Enterprises that directly or indirectly through one or more intermediaries, control or controlled by or are under common control with the company (including holding company) :		
	2013-2014 (₹)	2012-2013 (₹)
(l) Holding Company :		
Jai Balaji Industries Limited		
Sales during the year	—	263,322,911
Year end payable (Net)	11,886,536	25,816,063
(b) Jai Salasar Balaji Industries Private Limited		
Unsecured Debentures	5,25,00,000	—
(c) Individuals owing directly or indirectly, an interest in the voting power of the company that gives control or significant influence over the company and relatives of any such individual.	NIL	
(d) Key Management personnel and their relatives :		
Shri Aashish Jajodia	Whole time Director Remuneration	4,200,000
		4,200,000
(e) Enterprises over which any person described in (c) or (d) is able to exercise significant influence:	NIL	
(f) Amount written off in respect of above parties :	NIL	
11. Expenditure in Foreign Currency		
Travelling Expenses	₹ 775,386/- (P.Y. ₹ 297,158)	

12. The disclosure required under Accounting Standard -15, Employees Benefit, notified in the Companies (Accounting Standard) Rules, 2006 are given below :

I. Expenses recognized in the Statement of Profit & Loss Account for the year ended 31<sup>st</sup> March, 2014.

Particulars	Gratuity (₹ in lacs)	
	2013-14	2012-13
Current service cost	8.40	7.68
Interest cost on benefit obligation	3.91	2.97
Expected return on plan assets	(2.76)	(2.39)
Net actuarial loss/(gain) recognised in the year	(37.41)	0.64
Past Service cost	—	—
Total Expenses/(Income)	(27.86)	8.90

II. Net Liability/(Assets) recognized in the Balance Sheet as at 31<sup>st</sup> March, 2014

Particulars	Gratuity (₹ in lacs)	
	As at 31 <sup>st</sup> March, 2014	As a 31 <sup>st</sup> March, 2013
Present value of Defined Benefits Obligation	22.50	47.76
Fair value of plan assets	33.91	30.16
	(11.41)	17.60
Less : Unrecognised past service cost	—	—
Net liability	(11.41)	17.60

III. Change in the present value of the defined benefit obligation during the year ended 31<sup>st</sup> March, 2014

Particulars	Gratuity (₹ in lacs)	
	2013-14	2012-13
Present value of Defined Benefits Obligation at the beginning of the year	47.76	35.69
Current service cost	8.40	7.68
Interest cost on benefit obligation	3.91	2.97
Benefits Paid	(0.12)	(0.44)
Net actuarial loss/(gain) recognised in the year	(37.45)	1.86
Current service cost	—	—
Present value of Defined Benefits Obligation at the end of the year	22.50	47.76



### Notes to the Financial Statements (Contd.)

IV. Change in the Fair Value of Plan Assets during the year ended 31<sup>st</sup> March, 2014 :

Particulars	Gratuity (₹ in lacs)	
	2013-14	2012-13
Fair value of Defined Benefits Obligation at the beginning of the year	30.16	26.99
Expected return	2.76	2.39
Interest cost on benefit obligation	—	—
Contribution by Employer	1.16	—
Benefits paid	(0.12)	(0.44)
Actuarial Gains/(Losses)	(0.04)	1.22
Present value of Defined Benefits Obligation at the end of the year	33.92	30.16

V. The major categories of plan assets as a percentage of the fair value of the total plan assets

Particulars	Gratuity (₹ in lacs)	
	2013-14	2012-13
Investment with the insurer	100%	100%

VI. The principal assumptions used in determining gratuity and leave obligations for the Company's plans are shown below.

Particulars	Gratuity (₹ in lacs)	
	2013-14	2012-13
Discount Rate (per annum) compounded	9.25%	8.20%
Expected Return on Assets	9.00%	9.00%
Rate of escalation in salary (per annum)	7.50%	7.50%
Mortality Table	LIC (1994-96) ultimate	

VII. Amounts for the current and previous year are as follows :

Particulars	Gratuity (₹ in lacs)	
	2013-14	2012-13
Defined Benefits Obligation	(22.50)	(47.76)
Plan Assets	33.92	30.16
Surplus/(Deficit)	11.42	(17.60)
Experience Gain/(Loss) Adjustments on plan liabilities	37.45	(1.86)
Experience Gain/(Loss) Adjustments on plan assets	—	—

Particulars	(₹ in lacs)	
	2013-14	2012-13
Contribution to Provident Fund	32.14	16.44

13. a) Previous year figures above are indicated in brackets.

b) Previous year figures have been regrouped/rearranged wherever found necessary.

Signature to notes 1 to 25

**For B. Chhawchharia & Co.**

Chartered Accountants

Firm Registration No. 305123E

For and on behalf of the Board of Directors

**Aashish Jaiswal**

Partner

Membership No. 66471

Place : Kolkata

Date : 15<sup>th</sup> May, 2014

**Aashish Jajodia**

Wholtime Director

(DIN : 00060765)

**Aditya Jajodia**

Director

(DIN : 00045114)

**Sanjiv Jajodia**

Director

(DIN : 00036339)

**Ekta Agarwal**  
Company Secretary





## Directors' Report

To the Members of

M/s. Jai Balaji Steels (Purulia) Limited

Your Directors are pleased to present the fourth Annual Report of the Company, alongwith Audited Accounts for the financial year ended 31<sup>st</sup> March, 2014.

### REVIEW OF OPERATION

The Company was incorporated on the 1<sup>st</sup> day of November, 2010. It did not commence its commercial production till 31<sup>st</sup> March, 2014 and hence the Statement of Profit & Loss was not prepared for the said period ending 31<sup>st</sup> March, 2014.

### HOLDING COMPANY

The company is a wholly owned subsidiary of M/s. Jai Balaji Industries Limited since its inception, i.e. 1<sup>st</sup> November, 2010.

### DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013, (corresponding to Sections 255 & 256 of the Companies Act, 1956) and the Company's Articles of Association, Shri Aditya Jajodia, (holding DIN: 00045114), director of the Company retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

### AUDITORS

M/s. Rashmi & Co., Chartered Accountants, who are Statutory Auditors of the Company, hold office upto the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company for the financial year 2014-15. They have furnished to the Company a Certificate giving confirmation that their re-appointment, if made, will be within the criteria provided in Section 141 and 139 of the Companies Act, 2013.

The observations of Auditors in their Report read with relevant Accounting Policies and notes to accounts are self explanatory and do not require further explanation.

### DEPOSITS

Your Company has not accepted any deposits from the public, or its employees within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under, during the year under review.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- i) in the preparation of annual accounts, the applicable accounting standards have been followed along

with proper explanation relating to material departures;

- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the annual accounts have been prepared on a going concern basis.

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

Particulars in respect of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo in accordance with the provisions of Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, as amended from time to time, are at present not applicable to the Company.

### PARTICULARS OF EMPLOYEES

The Company has no employee getting remuneration as prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 during the year under review, as amended from time to time.

### ACKNOWLEDGEMENT

Your Directors places on record its appreciation for the support and co-operation received by all stakeholders and deep appreciation to employees at all levels for their hard work, dedication and commitment.

For and on behalf of the Board

Place : Kolkata

Date : 7<sup>th</sup> August, 2014

**Sanjiv Jajodia**  
Director  
(DIN: 00036339)

**Rajiv Jajodia**  
Director  
(DIN: 00045192)



## Independent Auditor's Report

To the Members of Jai Balaji Steels (Purulia) Limited

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **Jai Balaji Steels (Purulia) Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2014**, and no Profit and Loss has been prepared since the company has not commenced commercial production, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Act 1956, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the order.
2. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c. The Balance Sheet dealt with by this Report is in agreement with the books of account.
  - d. In our opinion, the Balance Sheet comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act' 2013; and
  - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Rashmi & Co.**  
Chartered Accountants  
FRN: 309122E

**CA Ravindra Kumar Agarwala**  
(Partner)

Place : Kolkata  
Date : 29<sup>th</sup> April, 2014

Membership No. 016652



### ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Jai Balaji Steels (Purulia) Limited

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report for period ended 31<sup>st</sup> March, 2014)

- 1) The Company does not have any fixed assets. Hence clause (1) of the order is not applicable.
- 2) Since the Company has no inventory hence the provision of the clause 4(ii) of the order relating to inventory is not applicable.
- 3) The Company has neither granted nor taken any loans, secured or unsecured to and from companies, firms or other parties as covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly the provisions of clause 4 (iii) (b) to (d), (f) & (g) of the Order are not applicable.
- 4) In our opinion and according to the information and explanations given to us there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets etc. During the year we have not observed any continuing failure to correct major weakness in internal control system of the Company.
- 5) No contracts need to be entered into the register maintained under section 301 of the Act. Hence our comments are not applicable.
- 6) The Company has not accepted any deposits from the public to which the provisions of section 58A & 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under, hence provisions of clause 4(iv) of the Order is not applicable.
- 7) Since the Company has not started the commercial production and profit and loss account has not been prepared, the provisions of clause 4(x) of the Order is not applicable.
- 8) According to the information and explanations given to us, the company does not have any dues payable to the financial institution, banks and debentures holders. Accordingly provision of the clause 4(xi) of the order is not applicable.
- 9) According to the information and explanation given to us, the Company has not granted any loan and advances on the basis of the security by way of pledge of shares, debentures and other securities.
- 10) The Company is not a chit fund or a nidhi/mutual benefit fund/society, therefore the provisions of clause 4(xiii) of the said order are not applicable to the Company.
- 11) The Company does not deal or trade in shares, securities, debentures and other investments, hence, the provision of clause 4(xiv) is not applicable.
- 12) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- 13) On the basis of information and explanations given to us, no term loans were raised during the year by the Company.
- 14) According to the information and explanation given to us and on overall examination of the Balance Sheet of the Company we report that no funds raised on short term basis have been used for long term investment.
- 15) According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year to any parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 16) On the basis of information and explanations given to us, the Company has not issued debentures during the year.
- 17) The Company has not raised money through a public issue during the year.
- 18) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.
- 19) No matters specified in the Order are applicable to the Company.

For **Rashmi & Co.**  
Chartered Accountants  
FRN: 309122E

**CA Ravindra Kumar Agarwala**  
(Partner)

Place : Kolkata  
Date : 29<sup>th</sup> April, 2014

Membership No. 016652



**Balance Sheet** as at 31<sup>st</sup> March, 2014

(in ₹)

	Note No.	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	500,000.00	500,000.00
		<u>500,000.00</u>	<u>500,000.00</u>
<b>Current Liabilities</b>			
Other Current Liabilities	3	5,618.00	12,736.00
		<u>5,618.00</u>	<u>12,736.00</u>
<b>TOTAL</b>		<u><u>505,618.00</u></u>	<u><u>512,736.00</u></u>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Capital Work In Progress	4	70,736.00	58,516.00
Other Non - Current Assets	5	220,149.00	220,149.00
		<u>290,885.00</u>	<u>278,665.00</u>
<b>Current Assets</b>			
Cash and Bank Balance	6	214,733.00	234,071.00
		<u>214,733.00</u>	<u>234,071.00</u>
<b>TOTAL</b>		<u><u>505,618.00</u></u>	<u><u>512,736.00</u></u>
<b>Significant Accounting Policies &amp; Notes to the Accounts</b>	1		

The notes referred above form an integral part of the Accounts.

Audit Report as on even date attached

For **Rashmi & Co.**  
Chartered Accountants  
FRN : 309122E

**CA Ravindra Kumar Agarwala**  
(Partner)  
Membership No. 016652

Place : Kolkata  
Date : 29<sup>th</sup> April, 2014

For and on behalf of the Board of Directors

**Sanjiv Jajodia**  
Director  
(DIN: 00036339)

**Rajiv Jajodia**  
Director  
(DIN: 00045192)



**Notes to Financial Statements** for the year ended 31<sup>st</sup> March, 2014

**Note No. 2: Share Capital**

(in ₹)

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Authorised :</b> 2,000,000 (2,000,000) Equity shares of ₹ 10/- each	20,000,000.00	20,000,000.00
<b>Issued :</b> 50,000 (50,000) Equity shares of ₹ 10/- each	500,000.00	500,000.00
<b>Subscribed and paid-up :</b> 50,000 (50,000) Equity shares of ₹ 10/- each	500,000.00	500,000.00
<b>Paid up Share Capital</b>	<u>500,000.00</u>	<u>500,000.00</u>

**Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period**

**Equity Shares**

(in ₹)

Particulars	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	No. of Shares	Amount	No. of Shares	Amount
Number of Shares outstanding at the beginning of the period	50,000	500,000.00	50,000	500,000.00
Number of Shares outstanding at the end of year	50,000	500,000.00	50,000	500,000.00

**Terms/rights attached to equity shares**

The Company has only one class of ordinary shares (equity shares) having at par value of Rs. 10/- each. Each shareholders of ordinary shares (equity shareholders) is entitled to one vote per share. The company declared 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 preferential amounts in the proportions to their share holdings.

**Equity shareholders holding 5% or more shares by Holding/Ultimate holding company and/or their subsidiaries/ associates**

Name	Relation	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
		No. of Shares	%	No. of Shares	%
Jai Balaji Industries Limited	Holding Company	50,000	100	50,000	100
<b>Aggregate No. of Shares :</b>		50,000	100	50,000	100





**Notes to Financial Statements (Contd.)**

**Note No. 3: Other Current Liabilities**

(in ₹)

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Professional Tax	-	-
Audit Fees Payable	5,618.00	5,618.00
Other Liabilities	-	7,118.00
<b>Total</b>	<b>5,618.00</b>	<b>12,736.00</b>

**Note No. 4: Capital Work In Progress**

(in ₹)

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Opening Balance</b>	<b>58,516.00</b>	37,458.00
<b>Addition</b>		
Audit Fees	5,618.00	11,236.00
Bank Charges	102.00	204.00
Filing Fees	1,000.00	500.00
Professional Charges	3,000.00	6,618.00
Professional Tax	2,500.00	2,500.00
<b>Total</b>	<b>70,736.00</b>	<b>58,516.00</b>

**Note No. 5: Other Non Current Assets**

(in ₹)

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Unamortized Expenses	220,149.00	220,149.00
<b>Total</b>	<b>220,149.00</b>	<b>220,149.00</b>

**Note No. 6: Cash and Bank Balance**

(in ₹)

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Cash and Cash equivalents</b>		
Cash in hand	2,006.00	2,006.00
<b>Balance with Banks</b>		
On Current Account	212,727.00	232,065.00
<b>Total</b>	<b>214,733.00</b>	<b>234,071.00</b>



### Note "1" : Accounting Policies & Notes on Accounts

#### A. Significant Accounting Policies

##### (a) Basis of preparation

The Financial Statements have been prepared under historical cost convention in accordance with the generally accepted accounting principles in accordance with the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act'1956 are consistently adopted by the Company.

The Company follows mercantile system of accounting.

##### (b) Other Current Assets

All Current Assets are valued at prices not more than its realizable value.

##### (c) Preliminary Expenses

Preliminary Expenses will be written off in the year of start of Commercial operations

##### (d) Pre-operative Expenses

Pre-operative expenditure is carried forward as expenditure during construction period pending allocation and will be allocated to fixed assets on commencement of commercial production.

##### (e) Contingent Liabilities

Contingent Liabilities are not provided for and are disclosed by way of a note.

##### (f) As the operations have not yet commenced, the accounting policies which are specific in nature have not been disclosed.

#### B. Notes on Accounts

1. In opinion of the Board, Current Assets, Loans & Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and provision for all known liabilities has been made.
2. As the Company not commenced commercial operations, no Profit & Loss Account for the current period has been prepared.
3. Company has become 100% subsidiary to Jai Balaji Industries Ltd. with effect from 01.11.2010 by acquiring the entire equity.

#### Note No. 7 : Payment to Auditors

(in ₹)

Auditors Remuneration	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
Audit Fees	5,618.00	11,236.00

#### Note No. 8 :

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

As per our report of even date

For **Rashmi & Co.**  
Chartered Accountants  
FRN : 309122E

**CA Ravindra Kumar Agarwala**  
(Partner)  
Membership No. 016652

Place : Kolkata  
Date : 29<sup>th</sup> April, 2014

For and on behalf of the Board of Directors

**Sanjiv Jajodia**  
Director  
(DIN: 00036339)

**Rajiv Jajodia**  
Director  
(DIN: 00045192)



## Directors' Report

To the Members of

M/s. Jai Balaji Energy (Purulia) Limited

Your Directors are pleased to present the fourth Annual Report of the Company, alongwith Audited Accounts for the financial year ended 31<sup>st</sup> March, 2014.

### REVIEW OF OPERATION

The Company was incorporated on the 1st day of November, 2010. It did not commence its commercial production till 31<sup>st</sup> March, 2014 and hence the Statement of Profit & Loss was not prepared for the said period ending 31<sup>st</sup> March, 2014.

### HOLDING COMPANY

The company is a wholly owned subsidiary of M/s. Jai Balaji Industries Limited since its inception, i.e. 1<sup>st</sup> November, 2010.

### DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013, (corresponding to Sections 255 & 256 of the Companies Act, 1956) and the Company's Articles of Association, Shri Aditya Jajodia, (holding DIN: 00045114) director of the Company retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

### AUDITORS

M/s. Rashmi & Co., Chartered Accountants, who are Statutory Auditors of the Company, hold office upto the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company for the financial year 2014-15. They have furnished to the Company a Certificate giving confirmation that their re-appointment, if made, will be within the criteria provided in Section 141 and 139 of the Companies Act, 2013.

The observations of Auditors in their Report read with relevant Accounting Policies and notes to accounts are self explanatory and do not require further explanation.

### DEPOSITS

Your Company has not accepted any deposits from the public, or its employees within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under, during the year under review.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- i) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the annual accounts have been prepared on a going concern basis.

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

Particulars in respect of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo in accordance with the provisions of Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 as amended from time to time, are at present not applicable to the Company.

### PARTICULARS OF EMPLOYEES

The Company has no employee getting remuneration as prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 during the year under review, as amended from time to time.

### ACKNOWLEDGEMENT

Your Directors places on record its appreciation for the support and co-operation received by all stakeholders and deep appreciation to employees at all levels for their hard work, dedication and commitment.

For and on behalf of the Board

Place : Kolkata

Date : 7<sup>th</sup> August, 2014

Sanjiv Jajodia  
Director  
(DIN: 00036339)

Rajiv Jajodia  
Director  
(DIN: 00045192)



## Independent Auditor's Report

To the Members of Jai Balaji Energy (Purulia) Limited

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **Jai Balaji Energy (Purulia) Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2014**, and no Profit and Loss has been prepared since the company has not commenced commercial production, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September' 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act' 2013. This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Act 1956, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the order.
2. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet dealt with by this Report is in agreement with the books of account;
  - d. In our opinion, the Balance Sheet comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
  - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Rashmi & Co.**  
Chartered Accountants  
FRN: 309122E

**CA Ravindra Kumar Agarwala**  
(Partner)

Place : Kolkata  
Date : 29<sup>th</sup> April, 2014

Membership No. 016652



### ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

#### Jai Balaji Energy (Purulia) Limited

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report for period ended 31<sup>st</sup> March, 2014)

- 1) The Company does not have any fixed assets. Hence clause (1) of the order is not applicable.
- 2) Since the Company has no inventory hence the provision of the clause 4(ii) of the order relating to inventory is not applicable.
- 3) The Company has neither granted nor taken any loans, secured or unsecured to and from companies, firms or other parties as covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly the provisions of clause 4 (iii) (b) to (d), (f) & (g) of the Order are not applicable.
- 4) In our opinion and according to the information and explanations given to us there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets etc. During the year we have not observed any continuing failure to correct major weakness in internal control system of the Company.
- 5) No contracts need to be entered into the register maintained under section 301 of the Act. Hence our comments are not applicable.
- 6) The Company has not accepted any deposits from the public to which the provisions of section 58A & 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under, hence provisions of clause 4(iv) of the Order is not applicable.
- 7) Since the Company has not started the commercial production and profit and loss account has not been prepared, the provisions of clause 4(x) of the Order is not applicable.
- 8) According to the information and explanations given to us, the company does not have any dues payable to the financial institution, banks and debentures holders. Accordingly provision of the clause 4(xi) of the order is not applicable.
- 9) According to the information and explanation given to us, the Company has not granted any loan and advances on the basis of the security by way of pledge of shares, debentures and other securities.
- 10) The Company is not a chit fund or a nidhi/mutual benefit fund/society, therefore the provisions of clause 4(xiii) of the said order are not applicable to the Company.
- 11) The Company does not deal or trade in shares, securities, debentures and other investments, hence, the provision of clause 4(xiv) is not applicable.
- 12) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- 13) On the basis of information and explanations given to us, no term loans were raised during the year by the Company.
- 14) According to the information and explanation given to us and on overall examination of the Balance Sheet of the Company we report that no funds raised on short term basis have been used for long term investment.
- 15) According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year to any parties or companies covered in the register maintained under section 301 of the Companies Act' 1956.
- 16) On the basis of information and explanations given to us, the Company has not issued debentures during the year.
- 17) The Company has not raised money through a public issue during the year.
- 18) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.
- 19) No matters specified in the Order are applicable to the Company.

For **Rashmi & Co.**  
Chartered Accountants  
FRN: 309122E

**CA Ravindra Kumar Agarwala**  
(Partner)

Place : Kolkata  
Date : 29<sup>th</sup> April, 2014

Membership No. 016652





**Balance Sheet** as at 31<sup>st</sup> March, 2014

(in ₹)

	Note No.	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	500,000.00	500,000.00
		<u>500,000.00</u>	<u>500,000.00</u>
<b>Current Liabilities</b>			
Other Current Liabilities	3	5,618.00	11,736.00
		<u>5,618.00</u>	<u>11,736.00</u>
<b>TOTAL</b>		<u>505,618.00</u>	<u>511,736.00</u>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Capital Work In Progress	4	70,586.00	58,366.00
Other Non - Current Assets	5	220,149.00	220,149.00
		<u>290,735.00</u>	<u>278,515.00</u>
<b>Current Assets</b>			
Cash and Bank Balance	6	214,883.00	233,221.00
		<u>214,883.00</u>	<u>233,221.00</u>
<b>TOTAL</b>		<u>505,618.00</u>	<u>511,736.00</u>
<b>Significant Accounting Policies &amp; Notes to the Accounts</b>	1		

The notes referred above form an integral part of the Accounts.

Audit Report as on even date attached

For **Rashmi & Co.**  
Chartered Accountants  
FRN : 309122E

**CA Ravindra Kumar Agarwala**  
(Partner)  
Membership No. 016652

Place : Kolkata

Date : 29<sup>th</sup> April, 2014

For and on behalf of the Board of Directors

**Sanjiv Jajodia**  
Director  
(DIN : 00036339)

**Rajiv Jajodia**  
Director  
(DIN : 00045192)



**Notes to Financial Statements** for the year ended 31<sup>st</sup> March, 2014

**Note No. 2: Share Capital**

(in ₹)

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Authorised :</b>		
2,000,000 (2,000,000) Equity shares of ₹ 10/- each	20,000,000.00	20,000,000.00
<b>Issued :</b>		
50,000 (50,000) Equity shares of ₹ 10/- each	500,000.00	500,000.00
<b>Subscribed and paid-up :</b>		
50,000 (50,000) Equity shares of ₹ 10/- each	500,000.00	500,000.00
<b>Paid up Share Capital</b>	<u>500,000.00</u>	<u>500,000.00</u>

**Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period**

**Equity Shares**

(in ₹)

Particulars	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	No. of Shares	Amount	No. of Shares	Amount
Number of Shares outstanding at the beginning of the period	50,000.00	500,000.00	50,000.00	500,000.00
Number of Shares outstanding at the end of year	50,000.00	500,000.00	50,000.00	500,000.00

**Terms/rights attached to equity shares**

The Company has only one class of ordinary shares (equity shares) having at par value of Rs. 10/- each. Each shareholders of ordinary shares (equity shareholders) is entitled to one vote per share. The company declared 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 preferential amounts in the proportions to their share holdings.

**Equity shareholders holding 5% or more shares by Holding/Ultimate holding company and/or their subsidiaries/associates**

Name	Relation	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
		No. of Shares	%	No. of Shares	%
Jai Balaji Industries Limited	Holding Company	50,000	100	50,000	100
<b>Aggregate No. of Shares :</b>		50,000	100	50,000	100



## Notes to Financial Statements (Contd.)

### Note No. 3: Other Current Liabilities

(in ₹)

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Professional Tax	-	-
Audit Fees Payable	5,618.00	5,618.00
Other Liabilities	-	6,118.00
<b>Total</b>	<b>5,618.00</b>	<b>11,736.00</b>

### Note No. 4: Capital Work In Progress

(in ₹)

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Opening Balance</b>	<b>58,366.00</b>	<b>37,308.00</b>
<b>Addition</b>		
Audit Fees	5,618.00	11,236.00
Bank Charges	102.00	204.00
Filing Fees	1,000.00	500.00
Professional Charges	3,000.00	6,618.00
Professional Tax	2,500.00	2,500.00
<b>Total</b>	<b>70,586.00</b>	<b>58,366.00</b>

### Note No. 5: Other Non Current Assets

(in ₹)

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Unamortized Expenses	220,149.00	220,149.00
<b>Total</b>	<b>220,149.00</b>	<b>220,149.00</b>

### Note No. 6: Cash and Bank Balance

(in ₹)

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Cash and Cash equivalents</b>		
Cash in hand	2,006.00	2,006.00
<b>Balance with Banks</b>		
On Current Account	212,877.00	231,215.00
<b>Total</b>	<b>214,883.00</b>	<b>233,221.00</b>



### Note "1" : Accounting Policies & Notes on Accounts

#### A. Significant Accounting Policies

##### (a) Basis of preparation

The Financial Statements have been prepared under historical cost convention in accordance with the generally accepted accounting principles in accordance with the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act'1956 are consistently adopted by the Company.

The Company follows mercantile system of accounting.

##### (b) Other Current Assets

All Current Assets are valued at prices not more than its realizable value.

##### (c) Preliminary Expenses

Preliminary Expenses will be written off in the year of start of Commercial operations

##### (d) Pre-operative Expenses

Pre-operative expenditure is carried forward as expenditure during construction period pending allocation and will be allocated to fixed assets on commencement of commercial production.

##### (e) Contingent Liabilities

Contingent Liabilities are not provided for and are disclosed by way of a note.

##### (f) As the operations have not yet commenced, the accounting policies which are specific in nature have not been disclosed.

#### B. Notes on Accounts

1. In opinion of the Board, Current Assets, Loans & Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and provision for all known liabilities has been made.
2. As the Company not commenced commercial operations, no Profit & Loss Account for the current period has been prepared.
3. Company has become 100% subsidiary to Jai Balaji Industries Ltd. with effect from 01.11.2010 by acquiring the entire equity.

#### Note No. 7 : Payment to Auditors

(in ₹)

Auditors Remuneration	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
Audit Fees	5,618.00	11,236.00

#### Note No. 8 :

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

As per our report of even date

For **Rashmi & Co.**  
Chartered Accountants  
FRN : 309122E

**CA Ravindra Kumar Agarwala**  
(Partner)  
Membership No. 016652

Place : Kolkata

Date : 29<sup>th</sup> April, 2014

For and on behalf of the Board of Directors

**Sanjiv Jajodia**  
Director  
(DIN : 00036339)

**Rajiv Jajodia**  
Director  
(DIN : 00045192)





## 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 Shyam Bahadur Singh**

**Shri Amit Kumar Majumdar**

**Shri Shailendra Kumar Tamotia**

**Shri Chandra Kant Bhartia**

**Shri Manas Kumar Nag**

*Nominee Director*

### Company Secretary & Compliance Officer

**Shri Ajay Kumar Tantia**

### Statutory Auditors

**M/s. S. K. Agrawal & Co.**

*Chartered Accountants*  
4A, Council House Street  
Kolkata – 700 001

### Internal Auditor

**M/s. Esskay Professionals Private  
Limited**

*Chartered Accountants*  
1, R. N. Mukherjee Road  
Kolkata – 700 001

### Cost Auditor

**M/s. Mondal & Associates**

*Mr. Amiya Mondal, Proprietor*  
*Cost Accountants*  
45, Akhil Mistry Lane  
Kolkata - 700 009

### Registered Office

5, Bentinck Street  
Kolkata – 700 001  
West Bengal, India  
Phone: 91-33-2248 9808/8173  
Fax: 91-33-2243 0021  
E-mail: info@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 – 491 009  
Chhattisgarh, 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](http://www.jaibalajigroup.com)

### INVESTORS' E-MAIL ID

[cs@jaibalajigroup.com](mailto:cs@jaibalajigroup.com)



## **Jai Balaji Industries Limited**

5, Bentinck Street, Kolkata 700 001, West Bengal, India  
Phone: 91-33-2248 8173/9808, Fax: 91-33-2243 0021