



# JAI BALAJI INDUSTRIES LIMITED

Ref : JBIL/SE/2021-22  
Date: 2<sup>nd</sup> September, 2021

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

To  
The Manager,  
**Dept. of Corporate Services**  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai – 400 001  
(Company's Scrip Code: 532976)

Dear Sir,

Sub: **Submission of the Notice for the 22<sup>nd</sup> Annual General Meeting & Annual Report for the Financial Year 2020-21**

Pursuant to Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly find enclosed herewith the Annual Report of the Company for the Financial Year 2020-2021 along with the Notice convening the 22<sup>nd</sup> Annual General Meeting of the Company to be held on Tuesday, 28<sup>th</sup> September, 2021 at 11:00 a.m. through Video Conferencing ("VC") or other audio visual means ("OAVM"), to transact the business as mentioned in the Notice of the AGM.

The same is for your kind information and record.

Thanking you.  
Yours faithfully,  
For **JAI BALAJI INDUSTRIES LIMITED**

**AJAY KUMAR TANTIA**  
Company Secretary

Encl.: as above

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

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

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

CIN - L27102WB1999PLC089755



# Jai Balaji Industries Limited



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**22<sup>nd</sup> Annual Report**  
**2020-2021**

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

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### Notice to the Shareholders

#### Notice to the Shareholders

NOTICE IS HEREBY GIVEN THAT the Twenty Second Annual General Meeting of the Members of Jai Balaji Industries Limited will be held through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), on Tuesday, 28th September, 2021 at 11.00 a.m. to transact the following businesses:

#### ORDINARY BUSINESS

##### Item No. 1

To receive, consider and adopt the:-

- (a) Audited Standalone Financial Statement of the Company for the financial year ended 31st March, 2021 together with the Report of the Board of Directors and the Auditors thereon.
- (b) Audited Consolidated Financial Statement of the Company for the financial year ended 31st March, 2021 together with the Report of the Auditors thereon.

##### Item No. 2

To appoint a Director in place of Shri Sanjiv Jajodia (DIN- 00036339), who retires by rotation and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS

##### Item No. 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 148 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment (s) thereof for the time being in force), the consolidated remuneration amounting to Rs. 1,20,000 (excluding applicable taxes and reimbursement of out-of-pocket expenses, if any) as recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 14th August, 2021 payable to M/s Mondal & Associates, Proprietor Mr. Amiya Mondal, being the Cost Auditor of the Company, having office at 45, Akhil Mistry Lane, Kolkata - 700 009 for conducting the audit of the cost records of the Company and providing Cost Audit Report and all such reports, annexures, records, documents etc., for the financial year 2021-22, that may be required to be prepared and submitted by the Cost Auditors under applicable statute, be and is hereby ratified and confirmed."

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

Place : Kolkata  
Date : 14th August, 2021

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

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

#### Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning the item of Special Business under item no. 3 of the Notice to be transacted at the Twenty Second Annual General Meeting ('the meeting') is annexed hereto and forms part of the Notice. The relevant details, pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") in respect of the Director seeking re-appointment / appointment at this AGM are also annexed to this Notice.
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing being a pre-requisite, the Ministry of Corporate Affairs ("MCA"), vide its General Circular No. 14/2020, 17/2020 and 20/2020 dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 respectively and further by General Circular No. 02/2021 dated 13th January, 2021 (collectively referred to as "MCA Circulars"), and Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 and Circular No. SEBI/HO/CFD/ CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively referred to as "SEBI Circulars") have allowed the Companies to conduct the Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue.

In accordance with these aforementioned Circulars, provisions of the Act and the SEBI Circulars the 22nd AGM of the Company is being conducted through VC/OAVM facility on 28th September, 2021.

The deemed venue for the 22nd AGM shall be the Registered Office of the Company i.e 5, Bentinck Street, Kolkata - 700001.

3. Pursuant to Section 105 of the Companies Act, 2013 and rules made thereunder, any member of a company entitled to attend and vote at a meeting of the company shall be entitled to appoint another person as a proxy to attend and vote at the meeting on his behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars read with SEBI Circulars physical attendance of Members has been dispensed with. Accordingly, **THE FACILITY TO APPOINT A PROXY TO ATTEND AND CAST VOTE ON BEHALF OF THE SHAREHOLDER WILL NOT BE AVAILABLE FOR THIS AGM** and hence the Proxy Form, Attendance Slip and Route map of AGM are not annexed to this Notice.

However, in terms of the provisions of Section 112 and 113 of the Act read with the said Circulars, Institutional/





### Notice to the Shareholders (Contd.)

Corporate Members are requested to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail to the Scrutinizer by e-mail at [cssureshpal2010@yahoo.com](mailto:cssureshpal2010@yahoo.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) on or before 27th September, 2021 till 5.00 P.M. without which the vote shall not be treated as valid.

4. Attendance of the Members participating in the 22nd AGM through VC/OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. In case of joint holders, the Members whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote at the meeting.
6. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 22nd September, 2021 to Tuesday, 28th September, 2021 (both days inclusive).
7. Members may join the Twenty Second AGM in VC/OAVM mode from 10.30 am i.e. 30 minutes before the time scheduled to start the AGM and the Company may close the window for joining the VC/OAVM 15 minutes after the scheduled time to start the AGM by following the procedure enclosed with the Notice.
8. Members may note that the VC/OAVM provided by CDSL, allows participation of at least 1000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the 22nd AGM without any restriction on account of first-come-first-served principle.
9. Members holding shares in physical mode are requested to intimate any change in their address by writing to the Registrar and Share Transfer Agent (RTA), Maheshwari Datamatics Private Limited (MDPL) at their Corporate Office 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700001, email id: [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com) and members holding shares in demat mode are requested to intimate any change in their address or bank mandates to their respective Depository Participants. Any such changes effected by the Depository Participants will automatically reflect in the Company's subsequent records.
10. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any

change or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

11. 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, MDPL, at their Corporate Office 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700001, email id: [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com) enclosing their share certificates to enable the Company to consolidate their holdings into single folio.
12. Pursuant to Section 88 of the Companies Act, 2013 the Register of Members is required to be maintained in form MGT-1. In this respect, members holding shares in physical form are requested to inform/update the following additional details to the RTA, Maheshwari Datamatics Private Limited, Corporate Office: 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700001, email id: [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com), who have not yet so updated:
  - a. E-mail id (of the first holder)
  - b. PAN
  - c. Unique Identification Number (AADHAR NO.)
  - d. Father's /Mother's/Spouse's Name
  - e. Occupation
  - f. In case the member is a minor, Name of the Guardian and date of birth of the Member
  - g. CIN (In case the member is a body corporate)
13. Members are requested to quote the Folio/Client ID & DP ID Nos. in all correspondences.
14. In view of the continuing COVID-19 pandemic, resultant difficulties involved in dispatching of physical copies of the Annual Report still persists and in line with the said Circulars issued by the MCA and said SEBI Circulars, the Annual Report including Notice of the 22nd AGM of the Company inter alia indicating the process and manner of e-voting is being sent only by email, to all the Shareholders whose Email IDs are registered with the Company/Depository Participant(s) for communication purposes to the Shareholders and to all other persons so entitled.

Further, in terms of the applicable provisions of the Act, SEBI Listing Regulations read with the said MCA Circular No. 17/2020 dated April 13, 2020 the Notice calling the AGM will be uploaded at the Company's website, at [www.jaibalajigroup.com](http://www.jaibalajigroup.com). The same can also be accessed from the websites of the Stock Exchanges i.e BSE Limited



### Notice to the Shareholders (Contd.)

at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com).

15. Copies of the Annual Report for the financial year 2020-21 and Notice of AGM is being sent only by e-mail to the Members and to all other persons so entitled and who have registered their email addresses with the Depository Participant (DP)/Company's Registrar and Transfer Agent (RTA) or the Company for this purpose.
16. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Company's Registrars and Transfer Agents, MDPL, in case the shares are held by them in physical.
17. All the documents referred to in the accompanying Notice will be made available for electronic inspection without any fee by the Members of the Company from the date of circulation of this Notice upto the conclusion of this Annual General Meeting. Members seeking to inspect such documents can send an email to [jaibalaji@jaibalajigroup.com](mailto:jaibalaji@jaibalajigroup.com).
18. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and The Register of Contracts and Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 will also be made available for electronic inspection during the Annual General Meeting. Members seeking to inspect such documents can send an e-mail to "[jaibalaji@jaibalajigroup.com](mailto:jaibalaji@jaibalajigroup.com)".
19. The Shareholders, seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company atleast 7(seven) days before the meeting through Email on [jaibalaji@jaibalajigroup.com](mailto:jaibalaji@jaibalajigroup.com). The same will be replied by/on behalf of the Company suitably.
20. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in demat mode are, therefore requested to submit PAN details to their Depository Participant.

Members holding shares in physical mode are also requested to submit their PAN and bank account details to the Company's Registrar and Share Transfer agent, Maheshwari Datamatics Private Limited, Corporate Office: 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700001, email id: [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com).

21. Securities and Exchange Board of India (SEBI) has mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN Card to the Company for registration of transfer of securities. Also, as per SEBI notification number SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 for amendment to SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, requests for effecting transfer of securities of listed companies shall not be processed unless the securities are held in the demat form with a depository, except in case of transmission or transposition of securities.
22. Members are requested to note that dividends not encashed or claimed within 7 (Seven) years from the date of transfer to the Company's Unpaid Dividend Account, has been transferred to the fund established by the Central 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 remained unclaimed by the members for the past year which have been transferred to IEPF are readily available for view by the members on the Company's Website.  
  
Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, including the statutory modification(s) or re-enactment(s) thereof, for the time being in force ("IEPF Rules, 2016"), equity shares of the Company in respect of which dividend amounts have not been claimed/encashed for the last seven consecutive years or more are required to be transferred by the Company to the Demat Account of the Investor Education and Protection Fund Authority ("IEPFA"). Accordingly, equity shares which were due to be so transferred, have been transferred by the Company to the Demat Account of IEPFA. The voting rights on such shares shall remain frozen till the rightful owner claims the shares. Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholder from IEPFA by following the procedure prescribed under the aforesaid rules. Details of shares transferred to the Demat Account of IEPFA have been uploaded by the Company on its website at [www.jaibalajigroup.com](http://www.jaibalajigroup.com).
23. Section 72 of Companies Act, 2013 extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders holding share certificate in physical form and willing to avail this facility may make nomination in Form SH-13 as per Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 which may be sent on request. In case of demat holding, the shareholders should approach their respective



### Notice to the Shareholders (Contd.)

Depository Participant for their nomination. Blank forms will be made available on request. The same can also be downloaded from the Company's website [www.jaibalajigroup.com](http://www.jaibalajigroup.com) under the head 'Investor Relations'.

24. Subject to casting of requisite number of votes in favour of the resolution(s), the resolution(s) shall be deemed to be passed on the date of Annual General Meeting of the Company.

25. a) In terms of the provisions of Section 108 of the Companies Act 2013, read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 (as amended from time to time), and Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-voting facilities provided by the Listed Companies, the Company is pleased to provide the facility of "remote e-voting" to its Shareholders, to enable them to cast their votes on the resolutions proposed to be passed at the AGM, by electronic means. **The instructions for e-voting are enclosed with the notice.** The Company has engaged the services of Central Depository Services (India) Limited ("CDSL"), who will provide the e-voting facility of casting votes to a Shareholder using remote e-voting system (e-voting from a place other than venue of the AGM) ("remote e-voting") as well as e-voting during the proceeding of the AGM ("e-voting at the AGM").

**Members are requested to carefully read the instructions of e-voting before exercising their vote.**

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

Commencement of remote e-voting: From 10:00 a.m. on Saturday, 25th September, 2021.

End of remote e-voting: Up to 5:00 p.m. on Monday, 27th September, 2021.

**During this period, members holding shares either in physical or dematerialized mode as on the cut-off date viz., Tuesday, 21st September, 2021 may exercise their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.**

c) Any person, who acquires shares of the Company and becomes Member of the Company after the dispatch of the Notice but on or before the cut-off date for e-voting i.e. **Tuesday, 21st September, 2021**, he/she may write to the Registrar requesting for user id and password or email at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com). However, if a member is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

- d) The Members who have cast their vote by remote e-Voting prior to the AGM may attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote on such resolution again.
- e) The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut- off date being 21st September, 2021.
- f) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.
- g) A person who is not a member as on cut-off date should treat this notice for the information purpose only.
- h) The Board of Directors has appointed Mr. Suresh Chandra Pal (Membership No: 9724, C.P. No.: 11952), Partner, M/s S C Pal & Associates, Practicing Company Secretaries (Address : 39, Surya Sen Street, 3rd Floor, Kolkata - 700 009), as the Scrutinizer to scrutinize the entire e-voting process in a fair and transparent manner.
- i) The Scrutinizer shall after the conclusion of e-Voting at the 22nd AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within two working days from the conclusion of the 22nd AGM, who shall then countersign and declare the result of the voting forthwith.
- j) The results of e-voting will be communicated to the Stock Exchange where equity shares of the Company are listed viz. the BSE Limited and National Stock Exchange Limited. Further, the results so declared along with the Scrutinizer's Report shall also be placed on the website of the Company as well as on the website of CDSL immediately after declaration of results by the Chairman or any person authorized by him in writing.

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

Place : Kolkata  
Date : 14th August, 2021

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

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



### Annexure to the Notice

#### Annexure to the Notice

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

##### Item No. 3

On the basis of the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on 14th August, 2021 has approved the re-appointment of the Cost Auditors of the Company, M/s Mondal & Associates, Proprietor Mr. Amiya Mondal, to conduct audit of the cost records of the Company and providing Cost Audit Report and all such reports, annexures, records, documents etc., for the financial year 2021-22, that may be required to be prepared and submitted by the Cost Auditors under applicable statute at a consolidated remuneration of Rs 1,20,000 (excluding applicable taxes and reimbursement of out-of pocket expenses, if any).

In terms of Section 148 and all other applicable provisions,

if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditors has to be approved by the Board and subsequently to be ratified by the members of the Company.

Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditors of the Company for the Financial Year 2021-22.

The Board of Directors, therefore, recommend the Resolution under item no. 3 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.

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

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

<b>Name of Director</b>	<b>Shri Sanjiv Jajodia</b>
<b>DIN</b>	00036339
<b>Date of Birth</b>	06.09.1963
<b>Date of Appointment as Director</b>	31.05.2002
<b>Qualification</b>	B. Com. (Hons.)
<b>Expertise in Specific functional areas</b>	Corporate Finance, Accounts, Taxation, Corporate Governance, Statutory Compliance, Planning, Systems & Procedures.
<b>Member of the Committees of the Board of Directors of the Company</b>	Management (Finance) Committee - <b>Member</b>
<b>Directorship held in any other listed entity</b>	NIL
<b>Membership in the Committees of the Board of Directors of other Listed Entity in which he is a Director</b>	NIL
<b>No. of Equity Shares held in the Company</b>	27,79,433
<b>Inter-se Relation-ships between Director</b>	Shri Sanjiv Jajodia is the brother of Shri Rajiv Jajodia; Shri Aditya Jajodia and Shri Gaurav Jajodia are his brother's Son.





### Annexure to the Notice (Contd.)

#### THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating

seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (i) In terms of SEBI circular no. SEBI/HO/CFD/ CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>



### Annexure to the Notice (Contd.)

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	<p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a> Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p> <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30



### Annexure to the Notice (Contd.)

(ii) Login method for e-Voting and joining virtual meetings for **PHYSICAL SHAREHOLDERS AND SHAREHOLDERS OTHER THAN INDIVIDUAL HOLDING IN DEMAT FORM.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) 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 e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>● Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>● If both 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>

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

(iv) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

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

(vi) Click on the EVSN for the relevant <Jai Balaji Industries Limited> on which you choose to vote.

(vii) 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.

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

(ix) 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.

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

(xi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.



### Annexure to the Notice (Contd.)

#### (xiii) ADDITIONAL FACILITY FOR NON - INDIVIDUAL SHAREHOLDERS AND CUSTODIANS - FOR REMOTE VOTING ONLY.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [jaibalaji@jaibalajigroup.com](mailto:jaibalaji@jaibalajigroup.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

#### INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.

4. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance between 11th September, 2021 to 17th September, 2021 mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance between 11th September, 2021 to 17th September, 2021 mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

#### PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy





### Annexure to the Notice (Contd.)

of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding

attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.



## Directors' Report

*Dear Members*

The Board of Directors (Board) are pleased to present the Twenty Second Annual Report of your Company together with the Standalone and Consolidated Audited Financial Statements for the year ended 31st March, 2021.

### FINANCIAL RESULTS

(₹ in lacs)

Particulars	Standalone		Consolidated	
	Financial Year ended 31 <sup>st</sup> March, 2021	Financial Year ended 31 <sup>st</sup> March, 2020	Financial Year ended 31 <sup>st</sup> March, 2021	Financial Year ended 31 <sup>st</sup> March, 2020
Revenue from Operations	2,78,518.18	2,91,230.22	2,78,518.18	2,91,230.22
Other Income	1,082.68	5,534.93	1,082.68	5,534.93
<b>Total Revenue</b>	<b>2,79,600.86</b>	<b>2,96,765.15</b>	<b>2,79,600.86</b>	<b>2,96,765.15</b>
Profit/Loss before Finance Cost, Depreciation and Amortization expenses and tax	10,621.38	9,100.28	10,621.06	9,099.93
Less: Finance Costs	8,803.77	10,278.45	8,803.77	10,278.45
Less: Depreciation and Amortization Expenses	9,399.49	9,678.63	9,399.49	9,678.63
<b>Profit/(Loss) before exceptional items and Tax</b>	<b>(7,581.88)</b>	<b>(10,856.80)</b>	<b>(7,582.20)</b>	<b>(10,857.15)</b>
Exceptional items	–	(576.79)	–	(576.79)
<b>Profit/(Loss) before Tax</b>	<b>(7,581.88)</b>	<b>(11,433.59)</b>	<b>(7,582.20)</b>	<b>(11,433.94)</b>
Less : Tax expense				
Current Tax	–	–	–	–
Deferred Tax	–	–	–	–
<b>Profit/Loss after tax</b>	<b>(7,581.88)</b>	<b>(11,433.59)</b>	<b>(7,582.20)</b>	<b>(11,433.94)</b>
Other Comprehensive Income	55.00	32.30	55.00	32.30
<b>Total Comprehensive Income</b>	<b>(7,526.88)</b>	<b>(11,401.29)</b>	<b>(7,527.20)</b>	<b>(11,401.64)</b>
Earnings per share (Nominal value per share Rs. 10/-) Basic and Diluted	(6.86)	(11.07)	(6.86)	(11.07)

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

The Standalone & Consolidated Revenue of the Company (comprising of sales and other income) for the financial year under review was **Rs. 2,79,600.86** lacs as compared to Rs. 2,96,765.15 lacs during the previous financial year.

2020 was a highly volatile and challenging year.

Covid-19 changed almost every aspect of human lives in ways never imagined. The economic toll from the pandemic was unprecedented. Operational challenges mounted due to restricted movement and disrupted supply lines. As the Covid-19 cases continued to rise exponentially, the economy declined sharply.

Following the COVID-19 outbreak in India, the government announced the first phase of the nationwide lockdown for 21 days from March 25, 2020 to contain the spread of the

infection. The nationwide lockdown, imposed to curb the spread of the pandemic, impacted employment, manufacturing, and business activities across industries. These, in combination with derailed consumer demand and supply chain issues, significantly slowed down the economy in the first half of the year.

As a result, the company had to temporarily suspend operations at its manufacturing facilities towards the end of March, 2020. However, pursuant to the guidelines and directives issued by various statutory authorities and necessary permission received, the Company resumed operations at its manufacturing facilities with very limited manpower in May, 2020.

The Government's prompt and consistent interventions and stimulus, however, acted as breathers for businesses and the vulnerable communities. Businesses were inching back to normalcy with gradual unlock mode from May 2020 onwards.



### Directors' Report (Contd.)

As a result, the Indian economy started showing green shoots of recovery at a rate faster than earlier forecast. Moreover, improved macroeconomic indicators and commencement of the vaccination drive have brought back positive sentiments in the market.

Amid the pandemic upheavals, your company remained determined to deliver on your expectations. We placed highest priority on the health and well-being of our people, their families, and other stakeholders through awareness sessions, training and communication. We gradually resumed phased production, adhering to the Government guidelines. The reopening of plants post lockdown was done in a manner that provides a safe working environment for the workforce. All Safety protocols mandated by local authorities were followed, the focus was on renewing and continuing operations in a safe and sustainable manner thus Qtr 3 and Qtr 4 of F.Y. 20-2021 have seen recovery in operation.

We ensured regular sanitization, safe distance work practices and use of protective gears for our employees. We safeguarded our market position through our prudent strategies such as rationalising expenditures and achieving cost efficiencies. Our operations continued to pave the way for business continuity as we optimised cash flows to conserve liquidity.

Stringent lockdown, manpower underutilisation, supply chain and logistics issues and health concerns impacted our business operations. We, however, made concerted efforts to not just successfully mitigate risks and protect business but to also support our employees, customers and communities adapt the new normal in a sustainable manner.

Comprehending the importance of the role played by vaccines in our fight against the virus, we have conducted the immunization drive to vaccinate its employees and their family members and also public at large.

The Covid-19 pandemic is far from over. The trajectory of the pandemic still remains unpredictable to a very large extent, with country already witnessing a second wave of Covid-19. Our overriding priority remains, therefore, to protect lives and livelihoods. As the second wave of the pandemic unfolds with predictions of a third wave in the offing, our focus continues to be on our people's health & safety, the relentless commitment and dedication of every member of the Jai Balaji family helped the business overcome many challenges in the past year. We have already demonstrated our ability to navigate through such a volatile and uncertain external environment and being well.

Though, the demand is expected to remain subdued in the near term. Your company is committed to its vision to emerge as an efficient producer of iron and steel products. Your company is focused on increasing capacity utilisation of all units, reducing cost and improving operational efficiency.

#### JBG HEXA

During the year under review, your company launched a

product named 'JBG HEXA'. The first of its kind indestructible TMT bar, HEXA is not just analogous to the shape of a honeycomb but it also emblemizes what it stands for. Connecting the six qualities of- fire resistance, earthquake resistance, strong grip, corrosion resistance, higher elongation and better weldability- it is the epitome of strength and durability.

#### OPERATIONS

Your Company has an integrated steel plant and manufactures different products in Steel sector.

Your Company's cumulative product wise actual production details are given hereunder:

The actual production of Sponge Iron was 208,621 MT during the year 2020-21 as compared to 242,489 MT during the year 2019-20. For Pig Iron, the actual production was 362,551 MT and 447,329 MT during the year 2020-21 and 2019-20 respectively. The actual production of Steel Bars/Rods was 111,216 MT during the year 2020-21 as compared to 147,593 MT during the year 2019-20. For Billet/MS Ingot, the actual production was 103,708 MT and 149,815 MT during the year 2020-21 and 2019-20 respectively. The actual production of Ferro Alloys was 75,177 MT during the year 2020-21 as compared to 90,756 MT during the year 2019-20 (Ferro Alloy Included third party Conversion production of 18550 MT (31400 MT) HC Ferro Chrome). In case of Ductile Iron Pipe, the actual production was 124,968 MT and 141,242 MT during the year 2020-21 and 2019-20 respectively. For Sinter, the actual production was 513,120 MT and 525,721 MT during the year 2020-21 and 2019-20 respectively. The actual production of Coke was 296,523 MT during the year 2020-21 as compared to 327,969 MT during the year 2019-20.

#### SUBSIDIARIES AND JOINT VENTURE COMPANIES

##### Subsidiaries

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

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

A Wholly Owned Subsidiary of your Company since 1st November, 2010. It did not commence commercial production as on the date of reporting but has incurred miscellaneous expenditure of Rs.16,455.25/- during the year under review. The net loss for the year 2020-21 is Rs. 16,455.25/-.

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

A Wholly Owned Subsidiary of your Company since 1st November, 2010. It did not commence commercial production as on the date of reporting but has incurred miscellaneous expenditure of Rs. 16,447.25/- during the year under review. The net loss for the year 2020-21 is Rs. 16,447.25/-.



## Directors' Report (Contd.)

### Joint Ventures

Your Company continues to have two joint venture (JV) companies namely, Andal East Coal Company Private Limited and Rohne Coal Company Private Limited as on 31st March, 2021.

#### ■ Andal East Coal Company Private Limited

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

#### ■ Rohne Coal Company Private Limited

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

The Hon'ble Supreme Court vide its Order dated 24th September, 2014 has cancelled number of coal blocks allotted to various companies. These include two coal blocks under development viz. Andal East in West Bengal and Rohne in Jharkhand allocated to the Company jointly with other parties.

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

### DIVIDEND

In view of losses incurred by your company, your directors have not recommended any dividend for the financial year ended 31st March, 2021.

### TRANSFER TO RESERVES

In view of losses incurred by your Company during the year, no amount has been proposed to be carried to any reserves for the year ended 31st March, 2021.

### MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments have occurred after the close of the year till the date of this report which may affect the financial position of the Company.

### SHARE CAPITAL

The Authorized Share Capital of the Company as at 31st March, 2021 stands Rs. 1,25,00,00,000. The Company's paid up share capital as at 31st March, 2021 stands at Rs. 1,10,45,02,860.

### CHANGE IN NATURE OF BUSINESS, IF ANY

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

### DEPOSITS

During the year under review, your Company has not accepted any deposits from the public. Further, no amount of deposit remained unpaid or unclaimed at the end of the year i.e. as on 31st March, 2021. Subsequently, no default has been made in repayment of deposits or payment of interest thereon during the year.

### CONSOLIDATED FINANCIAL STATEMENTS

While consolidating the accounts of the Company, the financials of its joint venture companies namely Andal East Coal Company Pvt. Ltd. (AECCLPL) and Rohne Coal Company Ltd. (RCCPL) are not consolidated. The Hon'ble Supreme Court vide its Order dated 24th September, 2014 has cancelled number of coal blocks allotted to various companies. These include two coal blocks under development viz. AECCLPL in West Bengal and RCCPL in Jharkhand allocated to the company jointly with other parties.

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

As per the provisions of Section 136 of the Act, the standalone financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company viz., "www.jaibalajigroup.com". These documents are also available for inspection at the Registered Office of the Company during business hours.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### a. Changes in Directors and KMP

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Shri Sanjiv Jajodia (DIN: 00036339) is liable to retire by rotation at the 22nd Annual General Meeting and being eligible offers himself for re-appointment. Based on the recommendations of the Nomination and Remuneration Committee, the Board recommends the re-appointment of Shri Sanjiv Jajodia as director liable to retire by rotation.

The brief resume and other details as required under the Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the





### Directors' Report (Contd.)

Director(s) seeking approval of the members for the appointment/re-appointment of Shri Sanjiv Jajodia at the ensuing Annual General Meeting have been incorporated in the notice of the Twenty Second Annual General Meeting of the Company along with brief details about them.

At the 21st Annual General Meeting of the Company held on 29th October, 2020, the shareholders have:

- Re-appointed Shri Ashim Kumar Mukherjee (DIN: 00047844), who is more than 75 years of age, as an Independent Director of the Company for a period of 5 (five) years with effect from 2nd December, 2020.
- Appointed Shri Bimal Kumar Choudhary (DIN:08879262) as Director of the Company with effect from 15th September, 2020.
- Appointed Shri Bimal Kumar Choudhary (DIN: 08879262) as Executive Director of the Company for a period of three years with effect from 15th September, 2020.

Shri Amit Kumar Majumdar was appointed as an Executive Director of the Company with effect from 14th August, 2018 for a period of 2 years. His tenure as an Executive Director ended on 13th August, 2020. Further, he resigned from the Directorship of the Company w.e.f 26th August, 2020 due to medical reasons. The Board expresses its gratitude towards Shri Amit Kumar Majumdar for his contributions to the Company. The Board deeply appreciates his valuable dedication and support throughout his tenure in the Company.

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

In terms of the Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all independent directors of the Company have enrolled themselves on the independent directors databank and have undergone / will undergo the online proficiency self-assessment test within the specified timeline unless exempted under the aforesaid rules.

During the year, there has been no other change in the Key Managerial Personnel of the Company. Details pertaining to their remuneration have been provided in the copy of Annual Return available on the website of the Company under the weblink: <https://www.jaibalajigroup.com/annual-return>

None of the directors including the Whole Time Director and the CFO received any remuneration or commission from any of the Company's subsidiaries during the previous year.

- b. Statement of declaration given by Independent directors**  
Pursuant to the provisions of Section 149 of the Act, all

the independent directors have furnished the requisite declarations under Section 149(7) that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

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

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

**d. Familiarization programme for Independent Directors**

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

The details of such familiarisation programmes are available at the website of the Company at: "<https://www.jaibalajigroup.com/wp-content/uploads/2021/08/familiarization-programmes-20-2021.pdf>".

#### COMMITTEES OF THE BOARD

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

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Management (Finance) Committee
- Corporate Social Responsibility Committee
- Internal Complaints Committee

All the recommendations made by the Committees of the Board including the Audit Committee were accepted by the Board.

The Board meets at regular intervals to discuss and decide on business policy and strategy apart from other Board Business. During the year under review, 4(Four) meetings were convened and held on 31st July, 2020, 15th September, 2020; 28th November, 2020; and 12th February, 2021, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 as well as Listing Regulations.

A detailed report on the Board, its Committees, its composition, detailed charter including terms of reference, number of Board and Committee meetings held and



## Directors' Report (Contd.)

attendance of the directors at each meeting is provided in the report on the Corporate Governance, which forms part of this report.

### BOARD EVALUATION

The Board carried out an annual performance evaluation of its own performance, the performance of the Independent Directors individually as well as the evaluation of the working of the committees of the Board. The performance evaluation of all the directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. Details of the same are given in the Report on Corporate Governance annexed hereto.

### SECRETARIAL STANDARD

The Company has complied with the applicable Secretarial Standards, i.e. SS-1 and SS-2, issued by the Institute of Company Secretaries of India.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3) (c) and (5) of the Act, the Board of Directors, to the best of their knowledge and ability, state and confirm that:

1. In the preparation of annual accounts for the financial year ended 31st March, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2021 and of the loss of the Company for the year ended on that date;
3. We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The annual accounts for the financial year ended 31st March, 2021, have been prepared on a going concern basis;
5. Internal financial controls to be followed by the Company were laid down and that such internal financial controls were adequate and were operating effectively;
6. Proper systems were devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### NOMINATION AND REMUNERATION POLICY

The Board of Directors have adopted and approved a Nomination and Remuneration policy which includes the terms and conditions for appointment and payment of

remuneration to the Directors and Key Managerial Personnel (KMP) and other senior management personnel including criteria for determining qualifications, positive attributes, independence of a director as per Schedule IV of the Companies Act, 2013. The said policy has been made available on the website of the Company "[www.jaibalajigroup.com](http://www.jaibalajigroup.com)" under the weblink "<https://www.jaibalajigroup.com/wp-content/uploads/2021/02/nomination-remuneration-policy.pdf>". The same is attached as "Annexure - B" and forms integral part of this Report.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the requirements of Section 135 of Companies Act, 2013 and rules made there under, your Company has a Corporate Social Responsibility Committee. The terms of reference of the Corporate Social Responsibility Committee is provided in the Corporate Governance Report. The Corporate Social Responsibility Policy (CSR Policy) formulated under recommendation of Corporate Social Responsibility Committee is available under the web link "<https://www.jaibalajigroup.com/wp-content/uploads/2021/02/corporate-social-responsibility-policy.pdf>".

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

Your Company has incurred losses during the immediately preceding three financial years; hence, the said requirement of spending at least two percent of the average net profits made during the three immediately preceding financial years towards CSR activities was not applicable to your Company for the financial year 2020-2021.

During the year under review, the Company have conducted the immunization drive to vaccinate its employees and their family members and also public at large, comprehending the importance of the role played by vaccines in our fight against the deadly corona virus.

### VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

The details of the Whistle Blower Policy is available on your Company's website viz. "[www.jaibalajigroup.com](http://www.jaibalajigroup.com)" under the weblink "<http://www.jaibalajigroup.com/wp-content/uploads/2021/02/whistle-blower-policy.pdf>".



## Directors' Report (Contd.)

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts, arrangements and transaction entered into by the Company with related parties during the financial year 2020-2021 were in the ordinary course of business and on an arm's length basis. During the year, the company did not enter into any transaction, contract or arrangement with related parties that could be considered material in accordance with the Company's policy on dealing with related party transactions. Accordingly, the disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not applicable. There have been no materially significant Related Party Transactions entered into by the Company during the year under review. All related party transactions are mentioned in Note No.44 of the Notes to Financial Statements. There are no other transactions of the Company apart from those mentioned above in Note no. 44 with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company.

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

The Company has formulated a policy on related party transactions for purpose of identification and monitoring of such transactions. The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties. The said policy is available on the Company's website at the link "[https://www.jaibalajigroup.com/wp-content/uploads/2021/02/related-party-policy\\_jbg.pdf](https://www.jaibalajigroup.com/wp-content/uploads/2021/02/related-party-policy_jbg.pdf)."

### RISK MANAGEMENT

The Company has formulated a Risk Management Policy. The said policy is reviewed by the Audit Committee and the Board of Directors on regular basis. The policy contains a detailed framework of risk assessment by evaluating the probable threats taking into consideration the business line of the Company, monitoring the risks so assessed and managing them well within time so as to avoid hindrance in its growth objectives that might in any way threaten the existence of your Company. The details of the same are covered in the Corporate Governance Report forming part of this report.

### INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

As per Section 134(5)(e) of the Companies Act, 2013, the Directors have an overall responsibility for ensuring that the Company has implemented a robust system and framework of internal financial controls.

JBIL has laid down an adequate system of internal controls, policies and procedures for ensuring orderly and efficient

conduct of the business, including adherence to the company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. The internal financial controls are adequate and operating effectively. Effectiveness of internal financial controls is ensured through management reviews, controlled self-assessment and independent testing by the internal Audit Team.

The members of the Audit Committee of your Company are well versed with the financial management. Pursuant to the provisions of Section 138 of the Act read with Rule 13 of 'The Companies (Accounts) Rules, 2014', your Company has appointed M/s Agrawal Tondon & Co., Chartered Accountants, of Room No - 7, 1st Floor, 59, Bentinck Street, Kolkata - 700 069, as the Internal Auditor of the Company who also evaluates the functioning and quality of internal controls and reports its adequacy and effectiveness through periodic reporting.

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

### BUSINESS RESPONSIBILITY/SUSTAINABILITY REPORT

Regulation 34(2) of the Listing Regulations, inter alia, provides that the annual reports of the top 1000 listed entities based on market capitalisation (calculated as on March 31st of every financial year), shall include a Business Responsibility Report (BRR). As on 31st March, 2021, the Company is amongst the top 1000 listed entities based on market capitalization at NSE.

Accordingly, the company has presented its Business Responsibility Report for the financial year 2020-21 as **Annexure C**.

The Company is committed to pursuing its business objectives ethically, transparently and with accountability to all its stakeholders. The Company believes in demonstrating responsible behaviour while adding value to the society and the community, as well as ensuring environmental well-being with a long-term perspective.

### AUDITORS AND AUDITORS' REPORT

#### STATUTORY AUDITORS

M/s. S. K. Agrawal & Co. Chartered Accountants LLP (formerly known as M/s. S. K. Agrawal & Co. ), Chartered Accountants have been appointed as the Statutory Auditors of the Company at the 21st AGM held on 29th October, 2020





### Directors' Report (Contd.)

to hold office from the conclusion of that AGM till the conclusion of the 24th AGM.

The reports given by the Auditors, M/s. S. K. Agrawal & Co. Chartered Accountants LLP, Chartered Accountants on the standalone and consolidated financial statements of the Company for the year ended 31st March, 2021 form part of this Annual Report and contains a qualification that the Company has not provided for interest amounting to Rs. 131,040.76 Lacs of which Rs. 28,020.96 Lacs pertains to the current financial year on various loans and credit facilities availed from banks and financial institution on the ground that same is being treated as Non-Performing Assets by the lenders. Due to this reason, loss for the current financial year has been understated by Rs. 28,020.96 Lacs and accordingly loss for the year ended 31st March, 2021 would've been Rs. 35,602.84 Lacs instead of Rs. 7,581.88 Lacs.

The Board is of the view that some of the lenders of the Company have stopped charging interest on debts, since the dues from the Company have been categorized as Non Performing Assets. The Company is in active discussion/ negotiation with the lenders to restructure its debts. In view of the above, pending finalization of the restructuring plan, the Company has stopped providing interest accrued and unpaid effective from 1st April, 2016 in their books. The statement on impact of Audit Qualification is annexed to this report as **Annexure-"D"**.

The Auditors in their report have stated four points in the para relating to "Emphasis of matter" of the Independent Auditors Report. The response of your director on them is as follows:

With respect to point 1 of the para Emphasis of Matter, the clarification/details of the same is provided in Note - 35 of the financial statement. With respect to point 2, the clarification/details of the same is provided in Note - 20 of the financial statement. With respect to point 3, the clarification/details of the same is provided in Note - 57 of the financial statement. With respect to point 4, the clarification/details of the same is provided in Note- 59 of the financial statement.

The Auditors in their Report in point vii & viii of Annexure-B of Independent Auditors Report states about the delay in payment of statutory dues and others which according to the management was due to financial constraints being faced by the Company on account of continued cash losses incurred.

Other observations made by the Statutory Auditors in their report for the Financial year ended 31st March, 2021 read with the explanatory notes to accounts are self-explanatory and therefore, do not call for any further elucidation.

The Auditors of the Company have not reported any fraud in terms of the second proviso to Section 143(12) of the Act.

#### **COST AUDITORS**

Pursuant to Section 148(2) of the Companies Act, 2013 read

with the Companies (Cost Records and Audit) Rules, 2014, as amended, the cost audit record maintained by the Company is required to be audited. M/s. Mondal & Associates, Cost Accountants, has been the Cost Auditor of the Company for the F.Y. 2020-21. The Board of Directors, on the recommendation of the Audit Committee, re-appointed M/s. Mondal & Associates, Cost Accountants, Kolkata for conducting the cost audit of the Company for Financial Year 2021-2022.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditors for the financial year 2021-22 is required to be ratified by the members of the Company. Accordingly, resolution seeking members ratification for remuneration to be paid to Cost Auditors is included in the Notice convening Annual General Meeting.

Your Company has filed the Cost Audit Report for the financial year 2019-20 with the Registrar of Companies, Ministry of Corporate Affairs in the XBRL mode during the year under review.

#### **SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company appointed M/s MKB & Associates, Practising Company Secretary, to undertake the Secretarial Audit of the Company for the financial year 2020-2021. The Secretarial Audit Report for the financial year ending 31st March, 2021 forms part of the Board's Report as **Annexure -"E"**.

The Secretarial Auditors' Report to the shareholders for the year under review does not contain any qualification, reservation, adverse remark or disclaimer except a remark that the Unaudited Financial Results for the quarter ended 30th September, 2020 were not submitted to the Stock Exchanges within 45 days from the end of the quarter. The Board hereby submits that Company was not able to place the Unaudited Financial Results of the Company for the quarter ended 30th September, 2020 before the Board and consequently was not able to submit the said results to the Stock Exchanges within the prescribed time due to some reasons beyond the control of the management. During the accounts finalization, some of the key staff of the Company tested positive for Corona virus including the Company Secretary & Compliance Officer of the Company who was also hospitalized later. Subsequently, a meeting of the Board of Directors of the Company was duly held on 28th November, 2020 to consider, approve and take on record amongst other items of Agenda, the Unaudited Financial Results of the Company for the quarter ended 30th September, 2020 and the said Results was duly submitted to the respective Stock Exchanges. The Company has applied for waiver of fines imposed by the Stock Exchanges for delay in submission of Financial Statements. The said application of waiver is under consideration with Stock Exchanges. The observations, if any, made in the Secretarial Auditors' Report are self-explanatory and therefore, do not call for any further elucidation.





### Directors' Report (Contd.)

The Company has also undertaken an audit for the FY 2020-21 pursuant to SEBI Circular No. CIR/CFD/CMO/1/27/2019 dated February 08, 2019 for all applicable compliances as per the Securities and Exchange Board of India Regulations and Circular/ Guidelines issued thereunder. The Report (Annual Secretarial Compliance Report) has been duly submitted to the Stock Exchanges for the financial year ended March 31, 2021.

#### COPY OF ANNUAL RETURN

A copy of the Annual Return of the Company pursuant to Section 92(3) and 134(3)(a) of the Companies Act, 2013 has been placed on the website of the Company under the weblink: <https://www.jaibalajigroup.com/annual-return>

#### PARTICULARS OF LOANS GUARANTEES AND INVESTMENTS

Particulars of Loans, Guarantees and Investments as on the financial year ended 31st March, 2021 as covered under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in Note No. 5,6,14, 38 and 44 of the notes to Financial Statements provided in the Annual Report.

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

No significant or material orders have been passed by any regulators or Courts or Tribunals impacting the going concern of the Company and its future operations.

#### TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

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

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

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

along with shares, if any, has been transferred by the Company to IEPF Authority may claim their refunds from the IEPF Authority by accessing the following link: <http://www.iepf.gov.in/IEPF/refund.html>.

#### CORPORATE GOVERNANCE

Maintaining high standards of Corporate Governance has been fundamental to the business of your Company since its inception. The Company constantly endeavors to follow the corporate governance guidelines and best practices sincerely and disclose the same transparently. The Board is conscious of its inherent responsibility to disclose timely and accurate information on the Company's operations, performance, material corporate events as well as on the leadership and governance matters relating to the Company. The Company has complied with the requirements of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 regarding corporate governance. A report on the Corporate Governance practices and the Auditors' Certificate on compliance of mandatory requirements thereof are given as an annexure to this report.

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed report on the Management Discussion & Analysis is provided as a separate section in the Annual Report.

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

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

#### PARTICULARS OF EMPLOYEES AND OTHER RELATED DISCLOSURES

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

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



### Directors' Report (Contd.)

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

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

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

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

The role of ICC is not restricted to mere redressal of complaints but also encompasses prevention and prohibition of sexual harassment.

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

#### POLICY ON PREVENTION OF INSIDER TRADING

Your Company has adopted a Code for Prevention of Insider Trading with a view to regulate trading in equity shares of the Company by the Directors and designated employees of the Company. The said Code of Conduct is available on the website of the Company at "www.jaibalajigroup.com". The

Code requires preclearance for dealing in Company's shares and prohibit the purchase or sale of shares in your company by the Directors and designated employees, while they are in possession of unpublished price sensitive information and also during the period when the Trading Window remains closed.

#### LISTING

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

Both NSE and BSE have nationwide trading terminals which enable the shareholders /investors to trade in the shares of your Company from any part of the country without any difficulty.

#### ACKNOWLEDGEMENT

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

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

On behalf of the Board of Directors

Sd/-

**Aditya Jajodia**

*Chairman & Managing Director*

DIN : 00045114

Place: Kolkata

Date: 14<sup>th</sup> August, 2021



**ANNEXURE - "A"**

**Form AOC - I**

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

**Statement containing salient features of the financial statement of subsidiaries/  
associate companies/ joint ventures as at 31.03.2021**

**Part "A": Subsidiaries**

(₹ in Lakhs except share data)

Particulars	01	02
1. Name of the subsidiary	Jai Balaji Energy (Purulia) Limited	Jai Balaji Steels (Purulia) Limited
2. The date since when subsidiary was acquired	1 <sup>st</sup> November 2010	1 <sup>st</sup> November 2010
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	—	—
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Indian Rupees	Indian Rupees
5. Share Capital	5.00	5.00
6. Reserves & Surplus	(4.06)	(4.09)
7. Total Assets	0.99	0.96
8. Total Liabilities (excluding Share Capital and Reserves and Surplus)	0.06	0.06
9. Investments	—	—
10. Turnover	—	—
11. Profit/Loss before taxation	(0.16)	(0.16)
12. Provision for taxation	—	—
13. Profit/Loss after taxation	(0.16)	(0.16)
14. Proposed Dividend	Nil	Nil
15. % of shareholding	100	100

**Note:**

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

(Contd.)



### Part "B": Associates and Joint Ventures

1.	Name of the Associate/Joint Ventures	Rohne Coal Company Private Limited	Andal East Coal Company Private Limited
2.	Latest audited Balance Sheet Date	N.A.	N.A.
3.	Shares of Associate/Joint Ventures held by the company on the year end		
	Number of shares		
	Equity	69,000	3,19,290
	Preference	2,363,914	-
	Amount of Investment (Refer Note 4)	24.33	3.19
	Extend of Holding %	6.9%	32.79%
4.	Description of how there is significant influence	Joint Venture Agreement	Joint Venture Agreement
5.	Reason why the Associate/Joint Venture Company is not consolidated	Refer Note 3	Refer Note 3
6.	Networth attributable to Shareholding as per latest audited Balance Sheet	N.A.	N.A.
7.	Profit /(Loss) for the year		
	i. Considered in Consolidation	N.A.	N.A.
	ii. Not Considered in Consolidation	N.A.	N.A.

#### Notes:

- Commercial production has not been commenced by the Joint Venture Company.
- The Company does not have any associate company.
- While consolidating the accounts of the Company, the financials of its joint venture company Andal East Coal Company Pvt. Ltd. (AECCPL) are not consolidated as in view of the management it is inappropriate to follow the principle of consolidation in case the joint venture is under severe long term restriction to transfer funds to the venture. Further, financials of its another joint venture company Rohne Coal Company Pvt. Ltd. (RCCPL) are not consolidated as the Financial Statement of RCCPL were not received by the Company.
- The Hon'ble Supreme Court vide its Order dated 24th September, 2014 has cancelled number of coal blocks allotted to various companies. These include two coal blocks under development viz. AECCPL in West Bengal and RCCPL in Jharkhand allocated to the company jointly with other parties. The Company has prudently brought down the value of investment in joint venture companies to nominal value of Rs. 1 per share. However the Company had submitted claims w.r.t the cancellation of coal blocks which are still pending.

#### For and on behalf of the Board

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

Sd/-  
**Sanjiv Jajodia**  
 Wholetime Director & CFO  
 DIN : 00036339

Sd/-  
**Rajiv Jajodia**  
 Director  
 DIN : 00045192

Place : Kolkata  
 Date : 30<sup>th</sup> June, 2021

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





## Nomination and Remuneration Policy

### PREFACE

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

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

### VISION

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

### OBJECTIVE

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

### MONITORING OF THE POLICY

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

### PURPOSE OF THE COMMITTEE

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

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

### ROLES AND RESPONSIBILITIES OF THE COMMITTEE

#### Nomination

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

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

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

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

Further, in addition to the above criteria, the appointment of Independent Directors of the Company shall also be guided by the following Terms and Conditions in compliance with schedule IV to the Companies Act, 2013 which is enclosed as Annexure 'A' to this Policy.



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

### Remuneration

The committee shall:

- meet at least once in a year.
- ensure that the quorum of either two members or one third of the members of the committee, whichever is greater, including at least one independent director is present.
- ensure that the compensation to the Board, KMP and other senior management employees is reasonable and sufficient to attract, retain and motivate quality directors and KMPs;
- approve any significant changes in the executive director's contract;
- determine payment of sitting fees for directors for attending meetings of the Board;
- ensure that there is balance between fixed pay and incentive based pay (if any) in the remuneration to be paid to the Directors, KMPs and other senior management employees.

### Director Remuneration

The Company may pay remuneration by way of salary, perquisites and allowances (fixed component) and commission

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

### Non-executive Director Remuneration

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

### Senior Management Remuneration

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

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

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

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

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

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

The above list is illustrative.

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

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

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



### Business Responsibility Report

### ANNEXURE - "C"

The Company believes that sustainable business is founded on good Corporate Governance ('business principles'), with a triple bottom line focus i.e. economic, environmental and social performance creating value for all stakeholders, driven by robust business processes and continued growth. The Company focusses on efficient deployment of resources, including people, processes and materials for the production of safe products, with a view to create value for all its stakeholders. This ensures that the Company embeds balance in its engagement with all stakeholders, keeping the community at the core of whatever the Company does.

The Business Responsibility Report (BRR) is one of the avenues to communicate the Company's obligations and performance

to all its stakeholders. The Directors present the Business Responsibility Report of the Company for the financial year ended on 31st March, 2021, pursuant to SEBI Circular dated November 4, 2015 and Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011, which contains 9(Nine) Principles and Core Elements for each of those 9 Principles. Detailed Business Responsibility Report for 2020-21 (available at: [www.jaibalajigroup.com](http://www.jaibalajigroup.com)) is also based on the 9 Principles enshrined in the NVGs.

#### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company :	L27102WB1999PLC089755
2. Name of the Company :	Jai Balaji Industries Limited
3. Registered address :	5, Bentinck Street, Kolkata-700001
4. Website :	<a href="http://www.jaibalajigroup.com">www.jaibalajigroup.com</a>
5. E-mail id :	<a href="mailto:jaibalaji@jaibalajigroup.com">jaibalaji@jaibalajigroup.com</a>
6. Financial Year reported:	2020-21
7. Sector(s) that the Company is engaged in (industrial activity code-wise):	Manufacture of basic metals, NIC Code 241
8. List three key products/services that the Company manufactures/provides (as in balance sheet):	Pig Iron, Steel Bars/Rods, Ductile Iron Pipe
9. Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) : (b) Number of National Locations :	<p>None</p> <p><b>Registered Office</b> 5, Bentinck Street, Kolkata-700001</p> <p><b>Plant Locations</b></p> <ul style="list-style-type: none"> <li>● <b>Ranigunj</b> G/1, Mangalpur Industrial Complex, Post-Baktarnagar, Dist.: Burdwan West Bengal- 713321</li> <li>● <b>Durgapur</b> Lenin Sarani, Dist.: Burdwan West Bengal- 713210</li> <li>● <b>Durgapur</b> Vill: Banskopa, P.O.: Rajbandh Dist.: Burdwan West Bengal- 713212</li> <li>● <b>Durg</b> Industrial Growth Centre, Borai Village &amp; P.O.: Rasmada, Dist.: Durg, Chattisgarh- 491009</li> </ul>
10. Markets served by the Company – Local/State/National/International	National



### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR) : 110.45 Crore
2. Total Turnover (INR) : 2785.18 Crore
3. Total PAT (INR) : (75.82) Crore
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : Your Company has incurred losses during the immediately preceding three financial years; hence, the said requirement of spending at least two percent of the average net profits made during the three immediately preceding financial years towards CSR activities was not applicable to your Company for the financial year 2020-2021.
5. List of activities in which expenditure in 4 above has been incurred: Not applicable

### SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies? Yes
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s): No
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]: No

The Company does not mandate its suppliers / distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such practices and follow the concept of being a responsible business

### SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR
  - a) Details of the Director/Director responsible for implementation of the BR policy/policies:  
The BR initiatives are normally led by Shri Sanjiv Jajodia, Whole-time Director in conjunction with CSR Committee.

### b) Details of the BR head:

SL.NO.	PARTICULARS	DETAILS
1.	DIN Number (if applicable)	00036339
2.	Name	Sanjiv Jajodia
3.	Designation	Whole-time Director
4.	Telephone Number	033-2248 9808
5.	E-mail id	jaibalaji@jaibalajigroup.com

### 2. Principle-wise (as per NVGs) BR Policy/ policies

The NVGs on social, environmental and economic responsibilities of business prescribed by the Ministry of Corporate Affairs advocates the nine principles (detailed below) as P1-P9 to be followed:

- P1** Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
- P2** Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle
- P3** Businesses should promote the well-being of all employees
- P4** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
- P5** Businesses should respect and promote human rights
- P6** Businesses should respect, protect, and make efforts to restore the environment
- P7** Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8** Businesses should support inclusive growth and equitable development
- P9** Businesses should engage with and provide value to their customers and consumers in a responsible manner

### a) Details of Compliance (Reply in Y/N)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for BR	Yes, the Company has policies for Business Responsibility as mentioned below. Besides, the Company has formulated policies and standard operating procedure (SOP) to provide clarity to its stakeholders /personnels at various operating level.								
2.	Has the policy being formulated in consultation with the relevant stakeholders?	The Company has formulated the policies, SOPs and adopted practices by considering inputs, feedback and sensitivities of the Stakeholders, wherever practicable.								
3.	Does the policy conform to any national / international standards? If yes, specify	Yes, the policies/practices broadly conform to the National Voluntary Guidelines (NVGs) issued by the Ministry of Corporate Affairs, Government of India, in July 2011								





Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Policies are designed to ensure employee feedback, industry norms and legal norms are met in true spirit. The policies have been developed as per the need and have been approved by the Board, wherever it is mandatorily required, and signed by the Managing Director.								
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The BR initiatives are normally led by the Whole-time Director in conjunction with the CSR Committee and overall supervision of the Board of Directors.								
6.	Indicate the link for the policy to be viewed online?	During the year under review, the BR initiatives governed by various Policies (such as Code of conduct, Whistle blower policy, Corporate Social Responsibility Policy, Policy on Prevention of Sexual Harassment of Women at the Workplace, Code of Practices and Procedures for Fair Disclosure etc.). These policies can be viewed at: <a href="http://www.jaibalajigroup.com">www.jaibalajigroup.com</a> on the Company's website.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The internal stakeholders have been made aware of the policies. SOPs are distributed to all HODs for wide circulation. External Stakeholders are communicated to the extent applicable and relevant. The mandatory policies are also updated on the website of the Company.								
8.	Does the company have in-house structure to implement the policy/ policies.	Yes, the CSR Committee of the Board of Directors looks after the implementation of the policies.								
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes, any grievance or feedback related to the policies can be sent to <a href="mailto:jaibalaji@jaibalajigroup.com">jaibalaji@jaibalajigroup.com</a> . The CSR Committee of the Board of Directors is responsible for addressing stakeholder concerns related to BR policies.								
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The BR policy is evaluated internally. The policies and practices at the Company are subject to internal audit and/or review from time to time, wherever necessary.								

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	NOT APPLICABLE								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 Months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									



### 3. Governance related to BR

- a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

The CSR Committee of the board generally meets at such intervals as may be required on need-basis.

- b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Company publishes Business Responsibility Report as a part of the Annual Report and is available on the Company's website: [www.jaibalajigroup.com](http://www.jaibalajigroup.com).

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1- Ethics, Transparency and Accountability

The Company structure specifies the distribution of rights and responsibilities at various levels such as the board, managers, shareholders and other stakeholders, and spells out the systems, procedures and practices which ensure that the company is managed in the best interest of all corporate stakeholders and in a manner that is accountable and responsible to the shareholders. In a wider interpretation, corporate governance includes company's accountability to shareholders and other stakeholders such as employees, suppliers, customers and local community. Our corporate philosophy seeks to ensure truth, transparency, accountability and responsibility and is committed to meet the aspirations of all our stake holders. Corporate governance is not merely compliance but also a philosophy to be professed and its objective is to create and adhere to a corporate culture of transparency and openness and to develop capabilities and identified opportunities that best serves the goal of value creation, thereby creating an outperforming organization.

We are committed to adopting the best corporate governance practices as manifested in the company's functioning to achieve business excellence by enhancing the long term shareholder's value. Efficient conduct of the business of the company through commitment to transparency and business ethics in discharging its corporate responsibilities are hallmarks of the best practices being followed at Jai Balaji.

Ethics and integrity is at the very heart of the work culture at JBIL. Our philosophy is to conduct the business with high ethical standards in our dealings with all the stakeholders that include employees, customers, suppliers, government and the community.

To ensure accountability and monitoring, the Board has constituted various committees such as: Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee and Stakeholders' Relationship Committee. The committees meet periodically during the year to supervise, review performance and advice on the necessary direction to be taken.

**Code of Conduct:** Jai Balaji has its Code of Conduct which

extends to all its directors and senior employees and aims at maintaining highest standards of business conduct in line with the Ethics of the Company, provides guidance in difficult situations involving conflict of interest & moral dilemma and ensures compliance with all applicable laws. All senior employees have to read and understand this code and agree to abide by it. A well-defined policy showcases the tenets on ethical business conduct and the framework for reporting concerns. The Code applies to all Directors, officers and employees of the Company and its subsidiaries. The policy code of conduct is available on the company's website.

We follow a "Code of Conduct" with the underlying philosophy of conducting our business in an ethical manner as enshrined by our values and beliefs. This helps in creating a work environment that is conducive to our employees and our associates. The Code sets out the guidelines to be followed by each member of the group.

Our Company also has a Whistle Blower Policy which allows employees to bring to the attention of the Management, promptly and directly, any unethical behaviour, suspected fraud or irregularity in the Company practices. This policy provides a platform to the stakeholders for reporting suspected unethical behaviour, malpractices, wrongful conduct, fraud, violation of the Company's Policies including Code of Conduct, violation of law or questionable Accounting or Auditing matters by any employee/director in the company, leak of any unpublished price sensitive information (UPSI) or any suspected leak of UPSI without fear of reprisal and help in eliminating any kind of wrongful conduct in the system. The policy also includes wrongful conduct with respect to discrimination or sexual harassment.

The JBIL's Code of Conduct as well as the Vigil Mechanism and Whistle Blower Policy ensure that highest standards of personal and professional integrity are maintained within the organisation.

The Company has set the highest standards in transparency to not just maintain but also grow the confidence of all its stakeholders.

The Company has a well-defined mechanism for receiving, dealing and expeditious redressal of the complaints received from Stakeholders like Customers, Employees, Suppliers, etc. With respect to employees, the Company has a mechanism as provided under the Whistle Blower Policy whereby employees can raise their concerns. The status of these cases including the manner in which they are dealt with, is periodically reported to the Audit Committee.

There were no stakeholder complaints received in the reporting period with regard to ethics, bribery and corruption.

### Principle 2- Products Lifecycle Sustainability

Jai Balaji's brand and position in the society, brings with it, both responsibilities and opportunities to make the world a better place. It gives us an encumbrance to create sustainable business models that are environment friendly and in compliance with the national laws and standards.



Creating sustainable products is a part of the Company's endeavour towards responsible product stewardship. The Company ensures to design its products in a manner which caters to social responsibility of creating safe and environment friendly products. It is the Company's diligent exertion to design or manufacture products taking cognizance of the environmental risks and concerns. The Company's motto is to establish a long term relationship with its external stakeholders including the customers, vendors, etc. and work towards building an inclusive growth environment.

The Company places high premium on techno-commercial aspects and the Company's procedures about finalizing vendors, emphasis on safe working practices, technical certifications, prevention of child labour and general housekeeping, etc. The selection procedure of the Company's transport vendors involves scrutiny at various levels like age of vehicle, validity of papers / well laid out systems of mandatory inspections, safe driving procedures. It is also ensured that to the extent possible, the transporter dwells into the integrities of minimizing environmental pollution caused by its vehicles. During the present Covid pandemic, the regular temperature check, proper sanitization and social distancing norms are also being followed to ensure further safety.

Raw materials, components, stores and packing materials are generally procured from vendors close to the manufacturing units, wherever feasible. The Company has a zero tolerance policy on safety compromise.

The Company ensures that majority of the scrap materials generated during the process of manufacturing are recycled. Presently, the Company recycles more than 90% of its scrap materials. Adequate practices are adopted in order to mitigate the impact of other waste generations and these wastes are disposed off in due compliance with the local rules and regulations. All facilities are equipped with pollution control equipment.

We make all efforts to ensure that we produce, in a safe and environmental friendly responsible manner. Over the years, we have constantly improved our recoveries, reduced hazardous waste generation, recycling and reuse of waste, improved specific water and energy consumption and reduced our tailings to optimally use available natural resources.

While there is a limitation in being able to incorporate environmental and social design concerns in the composition of our products, we ensure that best-in-class practices are followed while designing and operating our processing facilities and transportation infrastructure.

The Company has crafted extensive strategies towards ensuring sustainable consumption of energy, water and other resources in its businesses. Further, there is intensive need for resources – water, energy and raw materials, in our operations. We therefore recognise the impact of our operations on the environment and adopt strategies to minimise our resource use in all our processes. To further channelise our endeavours, we consciously track usage of

these resources – water, energy and raw materials, throughout our operations.

We are also in continuous need for fuel and electricity, which places us amongst the energy intensive industries. Conforming to the global challenge of combating Climate Change and Global Warming, we strengthen our Carbon Management processes and adopt efficient technologies.

In addition, using electricity in Office / factory buildings with more power saving equipment's resulted in power saving.

The Company strives to reduce environmental impact by employing sustainable procurement practices and limiting business travel, wherever possible. In the process of selecting suppliers for products/ services required, suppliers are first evaluated through a set of pre-qualification criteria that includes business responsibility related aspects such as adherence to norms of compliance, ethics and Business Conduct.

Besides the environmental impacts during sourcing, transportation activities have also been assessed and adequate measures are taken to prevent dust emission during transit.

However, it would not be possible to ascertain the percentage of inputs that are sourced sustainably.

Our Company actively engages with local & small producers/ suppliers for procuring inputs for its supply as well as global suppliers. This has also resulted in weeding out middlemen, thereby ensuring higher monetary benefits for the communities. Purchases are driven by open and transparent non-discriminatory procurement policy.

The Company ensures that majority of the scrap materials generated during the process of manufacturing are recycled. Presently, the Company recycles more than 90% of its scrap materials. Adequate practices are adopted in order to mitigate the impact of other waste generations and these wastes are disposed off in due compliance with the local rules and regulations.

### **Principle 3- Employees' Well-being**

The Company is motivated towards creating a healthy work environment powered by work ethics and professionalism. Moreover, major emphasis is laid on up keeping the standards of Safety, Health and Environment.

It is significant to develop and follow corporate processes which are control driven and adequate steps have been taken in this regard. The Company is committed to creating a thriving, safe and inclusive workplace for all its employees. The Company continuously strives to enhance the Quality of Life of its employees.

With the aim of promoting and creating awareness about physical fitness and it's benefits, not only among the people but also especially for our employees, the first ever urban trail run- JBG Kolkata Trail Run by Sportiz- was flagged off 6 years ago on 12th January 2015, which has since become an annual tradition of health awareness as well as recreation



among our employees. This year, taking in account the prevailing circumstances, JBG Kolkata Trail Run was organised virtually, allowing the participants to run anytime and anywhere according to their preference and convenience between 10th January 2021 to 16th January 2021 to keep up with their fitness during these difficult covid times and not make covid an excuse. It helps in focusing on promoting health and physical fitness of its employees among others by allowing free participation for the employees and also works as a source of recreation for them.

JBIL has adequately insured all their employees under mediclaim and accidental insurance policy.

Our people are our biggest asset and protecting their lives and livelihoods is paramount to us during Covid-19. As the infection started spreading, we implemented strict safety protocols based on global best practices, WHO guidelines, and Government requirements.

To ensure, safety and wellbeing of our employees, we acted quickly and took relevant actions such as working from home for office based staff, restrictions on travel, provision of protective equipment for factory workers and changes in working practices to facilitate social distancing. The safety of those who continue to operate in our workplaces as well as the mental and physical wellbeing of employees facing an extended period of working from home continues to be of paramount importance. We also have stringent return to office criteria and revised hygiene protocols to ensure a safe return to the office when possible.

Comprehending the importance of the role played by vaccines in our fight against the virus, the Company had organized the immunization drive for its employees and their family members and for the public at large. Employees who have contracted Covid-19 are allowed 21 days of additional paid leave to recuperate. Employee wellbeing checks are conducted frequently.

The details with respect to the employees of the Company as on 31st March 2021 have been mentioned hereunder:

Total number of employees	3071
Total number of employees hired on temporary / contractual / casual basis	4807
Number of permanent women employees	18
Number of permanent employees with disabilities	4

JBIL employees are not part of any employee association. No complaint related to child labour, forced labour, or involuntary labour was received in the reporting year.

The Company is committed to provide a work environment which ensures that every woman employee is treated with dignity, respect and equality. We have a mechanism in place to foster a positive work place environment free from

harassment of any nature. We have Internal Complaints Committee constituted under the Prevention of Sexual Harassment at Workplace Act, through which we address complaints of sexual harassment at the work place. The Company has been able to create an environment which promotes the concept of respecting every employee, at all levels and henceforth, the Company has not received any complaints with regard to sexual harassment till date.

Safety being one of the core values for which the Company is committed to. Company's management believes that providing safe work place is their key responsibility. We make sure that our premises, operations and systems are safe. The Company's safety policies cover all the manufacturing locations.

Company provided safety & skill up-gradation training to concerned employees on need basis including casual employees.

#### Principle 4 - Stakeholder Engagement

The Company is responsive to the requirements of all its Stakeholders and this is enshrined in our Corporate Values & Beliefs of Integrity, Passion, Quality, Respect and Responsibility. These values require that the Company acts as a responsible corporate citizen and change lives for the better and this is to be done in a manner that reflects humility. These values require us to provide everyone equal opportunities to progress and grow. The Company fulfils its responsibility towards the stakeholders by giving greater emphasis on building long-term relationships with them. The stakeholders are one of the key drivers of business viability and long-term profitability. The Company engages with its stakeholders through formal and informal channels on various platforms. The Company's major stakeholders are as below:

- i) Government and regulatory authorities
- ii) Employees
- iii) Customers
- iv) Local community
- v) Investors and Shareholders
- vi) Suppliers
- vii) And Society at large

As equal opportunity employers, JBIL ensures that there is no discrimination of any type against any socially disadvantaged sections in the workplace. All employees have the same opportunities for growth and development.

Straightforward, honest communication with adequate feedback and transparent accountability are responsibly maintained between the Company and its Stakeholders.

The Company identifies communities around our manufacturing facilities (with a focus on women and children from these communities) as disadvantaged, vulnerable & marginalized stakeholders.

We are committed towards proactively engaging with all our employees, communities, business associates and customers who may be disadvantaged, vulnerable or marginalized and take various initiatives for them.





The Company's website, [www.jaibalajigroup.com](http://www.jaibalajigroup.com) contains comprehensive information about the Company. The Company also has designated an exclusive email-id for investor services [jaibalaji@jaibalajigroup.com](mailto:jaibalaji@jaibalajigroup.com). The Company also promptly intimates the Stock Exchanges about all price-sensitive information or such other matters which in its opinion are material and of relevance to the stakeholders of the Company.

### Principle 5 - Promoting Human Rights

The Company respects the rights and dignity of all individuals and upholds the principles of human rights. The Company believes that a sustainable organisation rests on a foundation of ethics and respect for human rights.

While the Company does not have stated policy on human rights, it has been practicing to respect human rights as a responsible corporate citizen, without any gender discrimination and exploitation. It believes in providing equal opportunity and to remunerate them in a fair manner commensurate with skills and competence. JBIL is dedicated to upholding the human rights of all its internal and external stakeholders.

The essence of the Company's governance practices rests upon the key factors viz. environmental management, employee welfare, employee and community relations, standardized working conditions, social equity, gender balance, human rights, good governance, and anti-corruption measures.

There were no complaints reported during the Financial Year 2020-21 from any stakeholder pertaining to the human rights.

### Principle 6 - Protecting the Environment

We have a Safety, Health and Environment mechanism in place and initiative actions to protect environment in all our manufacturing facilities. This mechanism is applicable to all its manufacturing facilities. As responsible corporate entity, the Company on periodic basis assess legal and environmental issues for its manufacturing facilities. The Company takes conscious efforts to reduce, reuse, recycle and reclaim vital resources.

The Company recognizes its moral and social responsibility to ensure safety, health and well-being of all staffs, clients and visitors at our workplaces. Your Company recognizes that environmental conservation is one of the important issues of our community. Hence, the importance of maintaining a high standard of environmental care in conducting our activities is well-observed. To achieve our environmental commitments, your Company is involved in:

- Setting objectives and targets that define the reduction of impacts on the environment through conducting risk assessment and hazard analysis;
- Managing the operations in compliance with all applicable laws, legislations, regulations, standards and code of practices that minimize any adverse impact on the environment;

- Conserving resources, minimizing waste and seeking continual improvement of processes to protect the environment;
- Monitoring and evaluation, to ensure the environmental compliance and obligations are achieved;
- Providing appropriate training for awareness and education for the employees on environmental issues and specifically to individuals with environmental responsibilities.

The Company continues to undertake initiatives on clean technology, energy efficiency and renewable energy. LED lights are being installed in place of conventional lights. The Company is not directly associated with any project related to clean development mechanism.

The emissions and waste generated by the Company are monitored at regular intervals and are within the permissible limits.

There were no pending or unresolved show cause/ legal notices from CPCB / SPCB, as at 31st March 2021.

### Principle 7 - Policy Advocacy

Your Company's collaborations with industrial / commercial associations and academia demonstrates its approach towards addressing sustainability challenges faced by the society. Your Company aims to create an environment that encourages supportive deliberations made in a responsible way. The Company has its representation in several business and industrial associations such as Indian Chamber of Commerce, Merchant's Chamber of Commerce & Industry etc.

The Company is in touch with various trade organization / associations for improvement of various economic and social policies.

### Principle 8 - Inclusive Growth

The Company is committed towards social inclusion and equitable development of communities. The initiative encompasses environment, health, education, sustainable livelihood etc. An entity has to work closely with its ecosystem to create a sustainable & inclusive growth for all.

The endeavour continues towards improving the Quality of Life of the employees and motivating them to deliver their best. The process of empowerment of employees includes learning and development, sharing of common goals and vision with the Management and real commitment to achieve the goals. The Company's philosophy focuses on acquisition of skills relating to international qualities of economic, political, and social development. In order to curb down the negative impacts of diversity of Human Resources Management, your Company has adopted practices and policies enabling its employees to face the challenges of fast paced industrialization and globalization of business.

The company has incurred losses during the three immediately preceding financial years, therefore expending on CSR activities is not applicable on the Company at present.



However, Corporate Social Responsibility (CSR) and Sustainable Development has always been one of the leading priorities of the Company and the Company continues to undertake a wide range of CSR activities to contribute towards welfare and betterment of the society. Therefore, as a good corporate practice and for better governance, the Company shall continue to strive towards spending for CSR the way it has been doing in past year for inclusive growth and equitable development of the community at large.

Comprehending the importance of the role played by vaccines in our fight against the virus, the Company had organized the immunization drive for its employees and their family members and for the public at large.

### **Principle 9 - Customer Value**

Understanding the customer needs is a key step in the Company's endeavour towards developing an efficient product stewardship programme. The Company ensures that utmost care is taken towards customer safety throughout the life cycle of the product.

The Company adheres to all compliance of product information.

There was no case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and /or anti-competitive behaviour during the last five years and hence, there were no pending cases as at the end of the Financial Year 31st March, 2021.

Customer satisfaction is your Company's goal, driving it to ensure its products deliver performance that continually meets customer requirements. To understand customers better, the Company follows several modes of engagement such as customer surveys, direct feedback, visits by managers / plant personnel etc. These modes help your Company to understand customer requirements, satisfaction levels and expectations. The Company also conducts one-to-one meetings with customers on need basis in order to enable efficient communication and redressal of customers' grievances, if any.

On behalf of the Board of Directors

Sd/-

**Aditya Jajodia**

*Chairman & Managing Director*

DIN : 00045114

Place: Kolkata

Date: 14th August, 2021



### ANNEXURE - "D"

#### Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (₹ In Lacs)	Audited Figures (as reported after adjusting for qualifications) (₹ In Lacs)
	1.	Turnover / Total income	279,600.86	279,600.86
	2.	Total Expenditure	287,182.74	315,203.70
	3.	Net Profit/(Loss)	-7,581.88	-35,602.84
	4.	Earnings Per Share (in Rs.)	-6.86	-32.23
	5.	Total Assets	300,631.33	300,631.33
	6.	Total Liabilities	473,931.08	501,952.04
	7.	Net Worth	-173,299.75	-201,320.71
	8.	Any other financial item(s) (as felt appropriate by the management)		
<b>II.</b>	<b>Audit Qualification (each audit qualification separately):</b>			
	a.	Details of Audit Qualification: <b>As per Annexure - A</b>		
	b.	Type of Audit Qualification : <del>Qualified Opinion / Disclaimer of Opinion / Adverse Opinion</del>		
	c.	Frequency of qualification: <del>Whether appeared first time / repetitive / since how long continuing</del>		
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: <b>As per Annexure - A</b>		
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor: <b>N.A.</b>		
		(i) Management's estimation on the impact of audit qualification:		
		(ii) If management is unable to estimate the impact, reasons for the same:		
		(iii) Auditors' Comments on (i) or (ii) above:		
<b>III.</b>	<b>Signatories:</b>			
	<b>Managing Director</b>		Sd/-	
	<b>CFO</b>		Sd/-	
	<b>Audit Committee Chairman</b>		Sd/-	
	<b>Statutory Auditor</b>		Sd/-	
	<b>Place: Kolkata</b>			
	<b>Date: 30<sup>th</sup> June 2021</b>			

#### Annexure - A

##### Details of Audit Qualification

Attention is drawn to note 5 (Five) of the financial statement, with regard to non-recognition of interest expense on borrowings of the Company. During the quarter & for the period April 01, 2020 to March 31, 2021, the company has not provided for interest amounting to ₹7,373.70 lacs and ₹28,020.96 lacs respectively which is not in accordance with the requirement of Ind AS 23: 'Borrowing Cost' read with Ind AS 109: 'Financial Instruments'. Due to this, profit for the quarter has been overstated by ₹ 7,373.70 lacs & for the period April 01, 2020 to March 31, 2021 loss has been understated by ₹28,020.96 lacs. Therefore, the net loss after tax would have been ₹5,408.94 lacs for the quarter & ₹35,602.84 lacs for the period April 01, 2020 to March 31, 2021. The accumulated interest not provided till March 31, 2021 stands at ₹1,31,040.76 lacs.

##### Management's Views:

Some of lenders of the Company have stopped charging interest on debts, since the dues from the Company have been categorised as Non Performing Assets. The Company is in active discussion/negotiation with those lenders to restructure its debts. In view of the above, pending finalization of the restructuring plan, the Company has stopped providing interest accrued and unpaid effective from 1st April 2016 in their books. During the quarter ended March 2021, the company has not provided for interest amounting to ₹7,373.70 lacs and the year ended amounting to ₹28,020.96 lacs on various credit facilities/loans from Banks/FIIs, of the accounts which have been classified as Non Performing Assets. The accumulated interest not provided till 31st March 2021 is estimated at ₹1,31,040.76 lacs. The Statutory Auditors have qualified their Audit Report in respect of this matter.



#### Form No. MR - 3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

To  
The Members,  
**JAI BALAJI INDUSTRIES LIMITED**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **JAI BALAJI INDUSTRIES LIMITED** (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the secretarial audit and considering the relaxations granted by Ministry of Corporate Affairs and Securities and Exchange Board of India due to COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (as amended) (the Act) and the Rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of

Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;

- v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing companies, the following laws/acts are also, inter alia, applicable to the Company:
  - a) The Mines Act, 1952 and the rules, regulations made there-under.





- b) Mines and Minerals (Development & Regulation) Act, 1957 and the rules made there-under.

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

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above *except that as required under Regulation 33(3)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the unaudited financial results for the quarter ended 30th September, 2020 were not submitted to the stock exchanges within 45 days from the end of the quarter;*

We further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the audit period the company has passed special resolution for re-appointment of Mr. Ashim Kumar Mukherjee (DIN: 00047844) as Independent Director of the Company.

This report is to be read with our letter of even date which is annexed as **Annexure - I** which forms an integral part of this report.

**For MKB & Associates**  
Company Secretaries  
FRN No.: P2010WB042700

**Sd/-**  
**Raj Kumar Banthia**  
Partner

Place: Kolkata  
Date: 14<sup>th</sup> August, 2021  
UDIN: A017190C000784836

Membership No.: 17190  
COP No.: 18428



### ANNEXURE - I

To,  
The Members,

**JAI BALAJI INDUSTRIES LIMITED**

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

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. Our responsibility is to express an opinion on those records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and the Books of Accounts of the Company.

4. Wherever required, we have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

*Note: Due to continuing COVID-19 pandemic, for carrying on and completion of the Audit, documents/details have been provided by the Company through electronic mode and the same have been verified by us.*

**For MKB & Associates**  
Company Secretaries  
FRN No.: P2010WB042700

**Sd/-**  
**Raj Kumar Banthia**

Partner  
Membership No.: 17190  
COP No.: 18428

Place: Kolkata  
Date: 14<sup>th</sup> August, 2021  
UDIN:A017190C000784836



### Annexure to Directors' Report

### ANNEXURE "F"

INFORMATION PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF COMPANIES (ACCOUNTS) RULES, 2014, PERTAINING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

#### A. Conservation of energy:

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

1. Replaced defective capacitors Filter Bank to maintain power factor as 0.997 for 24MVA power.
2. Optimization of 24 MVA Contracted Demand DVC power by increasing load factor upto 85%.
3. Use of LED Lighting in place of Conventional Light.
4. Introduced drives in various area.
5. Implemented various measures as per energy audit report.

Impact of the steps taken for conservation of energy:

1. Load factor increased up to 85% on contract demand of 24 MVA
2. Defective Capacitors replacement to maintain 0.99 Power Factor.
3. Energy saving by using LED light is up to 50%.
4. Drives will save up to 25% power in the replacement units.

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

ii. Capital investment on energy conservation equipment:

No Capital Investment has been made for energy conservation equipment. Expenditure incurred for energy audit, purchase of capacitor banks, LED lights, timers for lighting, drives etc. are not capital in nature.

#### B. Technology absorption:

i. Efforts made towards technology absorption:

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

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

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

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

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

iv. Expenditure incurred on Research and Development : Nil

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

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

	(₹ in Lacs)	
Particulars	2020-21	2019-20
Inflows	4,941.47	6,708.12
Outgo	3,612.54	4,911.82



### Annexure to Directors' Report

### ANNEXURE "G"

DETAILS PURSUANT TO SECTION 197(12) READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

Name	Ratio of remuneration of each Director / KMP to median remuneration of employees
Shri Aditya Jajodia, Managing Director	Nil
Shri Sanjiv Jajodia, Whole Time Director	Nil
Shri Bimal Kumar Choudhury, Executive Director	Nil

Note : None of the Executive Director of the Company has drawn any remuneration during the year under review. The independent and non-executive directors of the Company are paid sitting fees. Thus the amount paid to them is not considered for the above purpose.

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

There has been no increase in the remuneration of any Director, Chief Financial Officer, Chairman & Managing Director and Company Secretary in the financial year 2020-21.

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

Median remuneration of employees in the financial year has been increased by 11.4%.

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

There were 3071 employees on the rolls of the Company as on 31st March, 2021.

- v) **Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and exceptional circumstances for increase in the managerial remuneration if any:**

Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year was 8.5% whereas there has been no increase in the managerial remuneration during the Financial Year 2020-21. The salary increase is based on compensation philosophy of the organisation which takes into account internal as well as external factors.

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

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





## Report of the Directors on Corporate Governance

Corporate Governance is basically an approach of managing efficiently and prudently all the activities of a Company, in order to make the business stable and secure, growth-oriented and highly reputed and reliable among all its clients. Corporate Governance essentially involves balancing the interests of various stakeholders of the Company such as shareholders, management, customers, suppliers, financiers, government and the community. It entails managing business in a manner that is accountable and responsible to the shareholders.

The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders.

The Company recognises that good corporate governance is a continuous exercise. The Company's philosophy is aimed at ethical corporate citizenship and transparency. It is believed that good corporate governance is not something which regulators have to impose on management, it should come from within.

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

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

Jai Balaji Industries Limited (the Company) believes in and adheres to good corporate governance practices, implements policies and guidelines, communicates and trains all its stakeholders to develop a culture of compliance at every level of the organization. The Company believes that the governance process must aim at managing the affairs without undue restraints for efficient conduct of its business, so as to meet the aspirations of shareholders, employees and society at large. It envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of

its operation, and all its interactions with the stakeholders including shareholders, employees, customers, government and suppliers. The Company believes that establishing good corporate governance practices in each and every function of the organization leads to increased operational efficiencies and sustained long term value creation for all stakeholders. The Company's philosophy is aimed at assisting the management of the Company in the efficient conduct of the business and in meeting its obligations to all its stakeholders.

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

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- Availability of information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- Timely disclosure of material operational and financial information to the stakeholders;
- Systems and processes in place for internal control; and
- Proper business conduct by the Board, Senior Management and Employees.
- Transparency in the functioning and practices of the Board.
- Equitable treatment and rights of the shareholders.
- Maintenance of ethical culture within and outside the organization

### 2. BOARD OF DIRECTORS

As on 31st March, 2021, the Board consists of 10 directors, comprising of:

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

The detailed composition of the Board as on 31st March, 2021 is tabled below:

Name of Directors	Category
Shri Aditya Jajodia	Promoter Executive Director (Chairman & Managing Director)
Shri Sanjiv Jajodia	Promoter Executive Director (Whole-time Director & Chief Financial Officer)
Shri Rajiv Jajodia	Promoter Non-Executive Director
Shri Gaurav Jajodia	Promoter Non-Executive Director
Shri Shri Bimal Kumar Choudhary	Executive Director
Shri Shailendra Kumar Tamotia	Non-Executive Independent Director
Shri Ashim Kumar Mukherjee	Non-Executive Independent Director
Smt. Seema Chowdhury	Non-Executive Independent Woman Director
Smt. Rakhi Bajoria	Non-Executive Independent Woman Director
Smt. Swati Bajaj	Non-Executive Independent Woman Director



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

During the year, Mr. Amit Kumar Majumdar (DIN: 00194123) has resigned from the directorship of the Company (Category: Executive Director) of the Company w.e.f 26th August, 2020 due to medical reasons. It has been confirmed by Mr. Majumdar that there is no other material reason for resignation other than that provided by him.

On recommendation of the Nomination & Remuneration Committee and pursuant to the approval of the shareholders at the Annual General Meeting held on 29th October, 2020, Shri Bimal Kumar Choudhary (DIN: 08879262), has been appointed as the Executive Director of the Company for a period of 3 years w.e.f 15th September, 2020.

Further pursuant to the approval of the shareholders at the Annual General Meeting held on 29th October, 2020, Shri Ashim Kumar Mukherjee (DIN: 00047844) has been re-appointed as the Independent Director for a period of 5 years commencing w.e.f 2nd December, 2020.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

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

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

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

Shri Aditya Jajodia and Shri Gaurav Jajodia are their brother's son.

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

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

During the financial year 2020-2021, 4 (Four) meetings of the Board were held viz., 31st July, 2020; 15th September, 2020; 28th November, 2020; and 12th February, 2021. In view of Covid-19 pandemic all these board meetings were held through video conferencing/other audio-visual means. The maximum time gap between two consecutive board meetings did not exceed one hundred and twenty days and the necessary quorum were present at all the meetings.

The attendance of each Director at the Board meetings held during the financial year 2020-2021 and at the last Annual General Meeting held on 29th October, 2020 are as follows:

Name of Directors	No. of Board Meeting Attended	Attendance at the last AGM
Shri Aditya Jajodia	4	Yes
Shri Sanjiv Jajodia	3	Yes
Shri Rajiv Jajodia	4	Yes
Shri Gaurav Jajodia	3	Yes
Shri Amit Kumar Majumdar*	0	No
Shri Shailendra Kumar Tamotia	4	Yes
Smt. Seema Chowdhury	4	Yes
Smt. Rakhi Bajoria	4	Yes
Shri Ashim Kumar Mukherjee	4	Yes
Smt. Swati Bajaj	4	Yes
Shri Bimal Kumar Choudhary#	2	Yes

\*Mr. Amit Kumar Majumdar could not attend the Board meeting held on 31.07.2020 due to some medical emergencies and thereafter he ceases to be a director w.e.f 26th August, 2020.

# Mr. Bimal Kumar Choudhary appointed as a director w.e.f 15th September, 2020.

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

During FY 2020-2021, information as mentioned in Part A of Schedule II of the Listing Regulations, has been placed before the Board for its consideration.



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

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

The Number of directorship and committee membership/ chairmanship held by each director in other companies as on 31st March, 2021 is tabled below:

Name of Directors	Number of directorship held in other companies		Number of committee position held in Public Limited Companies***		List of Directorship held in Other Listed Companies and Category of Directorship
	Public Limited Companies*	Others**	Committee Membership(s)	Committee Chairmanship(s)	
Shri Aditya Jajodia	6	4	–	–	–
Shri Sanjiv Jajodia	6	1	1	–	–
Shri Rajiv Jajodia	5	4	–	1	–
Shri Gaurav Jajodia	2	–	1	–	–
Shri Bimal Kumar Choudhary	–	–	–	–	–
Shri Shailendra Kumar Tamotia	–	–	–	–	–
Smt. Seema Chowdhury	–	–	–	–	–
Smt. Rakhi Bajoria	1	–	–	1	Chandi Steel Industries Limited - Independent Director
Shri Ashim Kumar Mukherjee	–	–	–	–	–
Smt. Swati Bajaj	–	3	–	–	–

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

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

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

Pursuant to Regulation 17A of the Listing Regulations, none of the directors serve as a director in more than seven listed entities. Further, none of the Independent Directors of the Company serves in more than seven listed entities and none of the whole-time directors of the Company serves as an independent director in more than three listed entities.

None of the directors serve as a member in more than ten committees or act as a Chairperson of more than five committees across all the listed entities in which they serve as a director pursuant to Regulation 26 of the Listing Regulations.

Directors informed the Company whenever there is change in directorship or committee membership in any other

company in which he is director or committee member. The Board duly took note of the declaration received from the Director in the Board Meetings. All members of the Board and senior management affirm compliance with the code of conduct of board of directors and senior management on annual basis. Further, senior management have made disclosures to the board of directors relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the listed entity at large, if any.

The facts and figures as stated above are based on the declarations received from the directors for the financial year ended 31st March, 2021.



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

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

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

Sl. No.	Attributes	Description
(1)	Industry	(a) Experience in and knowledge of the industry in which the Company operates. (b) Experience and knowledge of broader industry environment and business planning.
(2)	Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
(3)	Professional	Expertise in professional areas such as Technical, Accounting, Finance, Legal, Human Resources, Marketing, etc.
(4)	Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.
(5)	Behavioural	Knowledge and skills to function well as team members, effective decision making processes, integrity, effective communication, innovative thinking.

Director	Attributes				
	Industry	Strategy and Planning	Professional	Governance	Behavioural
Shri Aditya Jajodia	Yes	Yes	Yes	Yes	Yes
Shri Sanjiv Jajodia	Yes	Yes	Yes	Yes	Yes
Shri Rajiv Jajodia	Yes	Yes	Yes	Yes	Yes
Shri Gaurav Jajodia	Yes	Yes	Yes	Yes	Yes
Shri Bimal Kumar Choudhary	Yes	Yes	Yea	Yea	Yea
Shri Shailendra Kumar Tamotia	Yes	Yes	Yes	Yes	Yes
Shri Ashim Kumar Mukherjee	Yes	Yes	Yes	Yes	Yes
Smt. Seema Chowdhury	–	Yes	Yes	Yes	Yes
Smt. Rakhi Bajoria	–	Yes	Yes	Yes	Yes
Smt. Swati Bajaj	–	Yes	Yes	Yes	Yes

#### ■ Performance Evaluation of Board

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

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

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure,

effectiveness of board processes, information and functioning, etc.

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

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

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





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

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

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

The Directors expressed their satisfaction with the evaluation process.

#### ■ Separate Meeting of Independent Director

During the year 2020-21, as per requirement of Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations, a separate meeting of Independent Directors was held on 12th February, 2021 without the presence of non-independent directors and members of the management. The meeting was conducted by Independent Directors to:

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

#### ■ Familiarisation Programme for Independent Directors

In Compliance with Regulation 25(7) of the Listing Regulations, the Company has conducted familiarisation cum induction programme for the independent directors on 12th February, 2021.

The familiarisation programme for our Directors is customised to suit the individual interest and area of expertise of the Independent Directors. The induction programme included one-to-one interactive sessions with the Managing Director. The Independent Directors were made aware and updated on the various operations carried on by the Company during the year and about the recent amendments notified by MCA. The Independent Directors were informed and familiarized regarding the creation and maintenance of databank and the amended rules thereof notified by MCA on 22nd October, 2019 with the declaration of compliances required

for their registration as Independent Directors. Apart from the induction programme, the Company also update the Independent Directors at the Board/Committee meetings to familiarise the Directors with the Company's strategy, their rights and responsibilities, business performance, operations, finance, risk management framework, human resources and other related matters.

The details on the Company's Familiarisation Programme for Independent Directors can be accessed at "<https://www.jaibalajigroup.com/wp-content/uploads/2021/08/familiarization-programmes-20-2021.pdf>".

#### ■ Independent director databank registration

The IDs have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.

### 3. BOARD COMMITTEES

The Board Committees play a vital role in strengthening the Corporate Governance practices and focus effectively on the issues and ensure expedient resolution of the diverse matters. The idea behind the Committees of the Board is to tap the specific talents, skills and knowledge of individual directors to inform and educate the full board on particular areas of concern. The Committees also make specific recommendations to the Board on various matters when required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval.

As on 31st March, 2021, the Company had following committees - Audit Committee, Nomination & Remuneration Committee (formerly Remuneration Committee), Stakeholders' Relationship Committee (formerly Share Transfer Cum Investors' Grievance Committee), Corporate Social Responsibility Committee, Management (Finance) Committee and Internal Complaints Committee.

The Committees operate under the direct supervision of the Board, and Chairpersons of the respective Committees report to the Board about the deliberations and decisions taken by the Committees. The recommendations of the Committees are submitted to the Board for approval. During the year under review, all recommendations of the Committees were approved by the Board. The minutes of the meetings of all Committees of the Board are placed before the Board for noting. The Chairperson of the Audit Committees, Nomination and Remuneration Committee and Stakeholders Relationship Committee were present at the previous Annual General Meeting.



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

The role, composition and terms of reference of all committees including the number of meetings held during the financial year ended 31st March, 2021 and the related attendance are as follows:

#### ■ AUDIT COMMITTEE

The Company has constituted an Audit Committee in compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations which is entrusted with the primary objective to monitor and provide effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures with the highest levels of transparency, integrity and quality of financial reporting.

#### Terms of Reference:

The terms of reference of the Audit Committee include the role as stipulated and review of information as laid in Part C of Schedule II of Listing Regulations. The brief description of the terms of reference of the Audit Committee in line with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), 2015 are as follows:

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

financial statements before submission to the board for approval;

- \* Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in 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;
- \* Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- \* Approval or any subsequent modification of transactions of the company with related parties;
- \* Scrutiny of inter-corporate loans and investments;
- \* Valuation of undertakings or assets of the company, wherever it is necessary;
- \* Evaluation of internal financial controls and risk management systems;
- \* Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- \* Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- \* Discussion with internal auditors of any significant findings and follow up there on;
- \* Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- \* Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- \* To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- \* To review the functioning of the whistle blower mechanism;
- \* Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;



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

- ✦ Carrying out any other functions as mentioned in the terms of reference of the Audit Committee.
- ✦ Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- ✦ To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

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

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

The Audit Committee have authority to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary. The scope of activity of the Committee is also in consonance with the provisions of Section 177 of the Companies Act, 2013.

#### • Composition of the Committee

The Company had re-constituted Audit Committee in the Board meeting held on 12th February, 2021 in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the Securities and Exchange

Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Smt. Rakhi Bajoria (DIN: 07161473) has been inducted as the new member of the Committee.

As on 31st March, 2021, the committee consists of 4 Members, comprising:

Name of the members	Category
Shri Ashim Kumar Mukherjee (Chairman)	Non-Executive Independent Director
Shri Aditya Jajodia	Promoter Executive Director
Shri Shailendra Kumar Tamotia	Non-Executive Independent Director
Smt. Rakhi Bajoria*	Non-Executive Independent Director

Shri Ajay Kumar Tantia, Company Secretary acts as the Secretary to the committee. All the members of the Committee are financially literate and have knowledge on accounting or financial management.

The Composition of the Committee is hosted on the website of the Company under the weblink "<https://www.jaibalajigroup.com/wp-content/uploads/2021/04/composition-of-committee-2021.pdf>".

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

During the financial year 2020-21, the Committee met 4 (Four) times i.e. on 31st July, 2020; 15th September, 2020; 28th November, 2020 and 12th February, 2021 and not more than one hundred and twenty days elapsed between two meetings. The necessary quorum was present at all the meetings with at least two independent directors. In view of Covid-19 pandemic all these board meetings were held in video conferencing / other audio-visual mode.

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

Name of the members	No. of meetings attended
Shri Ashim Kumar Mukherjee	4
Shri Aditya Jajodia	4
Shri Shailendra Kumar Tamotia	4
Smt. Rakhi Bajoria*	—

\*appointed w.e.f. 12.02.2021



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

Shri Sanjiv Jajodia, Chief Financial Officer of the Company was invited at the meetings of the Committee and he attended three meetings during the year i.e on 31st July, 2020; 28th November, 2020 and 12th February, 2021. Further, the Audit Committee invites, as and when it considers appropriate, the statutory auditors and the internal auditors to be present at the meetings of the Committee. The representatives of the Cost Auditor attend the Audit Committee meeting when the Cost Audit Report is tabled for discussion.

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

Shri Ashim Kumar Mukherjee, the Chairman of the Audit Committee was present at the Twenty first Annual General Meeting of the Company held on 29th October, 2020.

#### ■ NOMINATION & REMUNERATION COMMITTEE (FORMERLY REMUNERATION COMMITTEE)

The Company has a Nomination and Remuneration Committee constituted pursuant to the provisions of Regulations 19 read with Part D of Schedule II of the Listing Regulations and Section 178 of the Act.

##### Terms of Reference:

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

- ✦ Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- ✦ Formulation of criteria for evaluation of performance of independent directors and Board of directors;
- ✦ Devising a policy on diversity of board of directors;
- ✦ Identifying persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board of directors their appointment and removal.
- ✦ Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent director.
- ✦ To recommend to the board, all remuneration, in whatever form, payable to senior management.
- ✦ To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- ✦ To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

- ✦ To ensure that Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

- ✦ To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;

#### ● Composition of the Committee

The Committee comprised of three non-executive directors of the Company as members as on 31st March, 2021:

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

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

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

During the year under review, the member of the committee met once viz 15th September, 2020. The necessary quorum was present at all the meetings. In view of Covid-19 pandemic all these Committee meetings were held in video conferencing / other audio-visual mode.

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

Name of the Members	No. of meetings attended
Shri Ashim Kumar Mukherjee	1
Shri Shailendra Kumar Tamotia	1
Shri Rajiv Jajodia	1

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





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

- Remuneration Policy:**

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy on remuneration of Directors and Senior Management Employees. The Company's remuneration policy is directed towards rewarding performance based on periodic review of the achievements. The remuneration policy has been disclosed in the Annual Report as "Annexure-B" to the Directors Reports.

- Criteria of making payments:**

Overall remuneration paid to the Board, Key Managerial Personnels and other senior management employees are reasonable and sufficient to attract, retain and motivate them aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives). The remuneration package of the Executive Directors is determined by the Nomination and Remuneration Committee in accordance with the Remuneration policy of the Company. The recommendations of the Committee are considered and approved by the Board, subject to the approval of the members of the Company.

- Executive Directors:**

Shri Aditya Jajodia, Managing Director and Shri Sanjiv Jajodia, Whole-time Director of the Company are Promoter Executive Directors. The terms and conditions of their appointment are as per the resolutions passed by the Board and Shareholders of the Company. The tenure of the office of Shri Aditya Jajodia is for a period of 5 years w.e.f. 22nd July, 2017 till 21st July, 2022.

The tenure of the office of Shri Sanjiv Jajodia is for a period of 5(five) years with effect from 30th June, 2018 till 29th June, 2023.

The Board has appointed Shri Bimal Kumar Choudhary as the Executive Director of the Company for a period of 3(three) years w.e.f 15th September, 2020 till 14th September, 2023 as per the terms and conditions that are mentioned in the Agreement which is entered between the Company and Shri Bimal Kumar Choudhary.

No remuneration was drawn by any Executive Director during the year 2020-21. In view of the ongoing losses being incurred by the Company, the Managing Director, Whole - time Director and Executive Director had volunteered for waiving off their remuneration.

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

- Non-Executive Directors:**

Non- Executive Directors are not entitled to any remuneration apart from the sitting fees for attending

meetings of the Board. At present no sitting fees is paid for attending Committee meetings. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending meetings. The Company pays sitting fee to its non-executive Directors as permissible under the Companies Act, 2013.

The details of sitting fees (including TDS) paid to the Non - Executive Directors for the financial year 2020-21 are as follows:

(₹)

Particulars	Sitting Fees (including TDS)
Shri Rajiv Jajodia	20,000
Shri Gaurav Jajodia	15,000
Shri Shailendra Kumar Tamotia	20,000
Smt. Seema Chowdhury	20,000
Smt. Rakhi Bajoria	20,000
Shri Ashim Kumar Mukherjee	20,000
Smt. Swati Bajaj	20,000
<b>Total</b>	<b>1,35,000</b>

The Non-Executive Directors do not have any other pecuniary relationship or transactions with the Company. The number of equity shares of the company held by the Non-Executive Directors as on 31st March, 2021 is as follows:

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

All other Non-Executive Directors excluding the above do not hold any shares or convertible instruments of the Company as on 31st March, 2021.

- STAKEHOLDERS' RELATIONSHIP COMMITTEE (FORMERLY SHARE TRANSFER CUM INVESTORS' GRIEVANCE COMMITTEE)**

The Board of Directors of the Company has constituted a Stakeholders Relationship Committee of the Board in terms of the requirements of Section 178 of the Companies Act, 2013 and Rules framed thereunder read with Regulation 20 of the Listing Regulations. Stakeholders' Relationship Committee looks into various aspects of interest of shareholders, debenture holders and other security holders.

**Terms of Reference:**

The terms of reference include matters included in Section 178 of Companies Act, 2013 read with Part D of Schedule



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

II of the Listing Regulations. The brief terms of reference of the Committee include the following:

- ✦ Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- ✦ Review of measures taken for effective exercise of voting rights by shareholders.
- ✦ Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- ✦ Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- ✦ 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 review dematerialisation and rematerialisation of the shares of the Company;
- ✦ To comply with all such directions of SEBI, Stock Exchanges, Ministry of Corporate Affairs & other regulatory bodies w.r.t. shareholders'/investors' rights and market regulations, from time to time.

#### ● Composition of the Committee

The Committee comprised of 3(Three) members as on 31st March, 2021, out of which the Chairman of the Committee is a non-executive director of the Company. Details of members are stated hereunder:

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

#### Compliance Officer

Shri Ajay Kumar Tantia, Company Secretary is the Compliance Officer of the Company. The Company Secretary acts as the Secretary to the Committee.

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

During the financial year 2020-21, the Committee met 4 (Four) times during the year i.e. on 31st July, 2020; 15th September, 2020; 28th November, 2020 and 12th February, 2021. The necessary quorum was present at all the

meetings. In view of Covid-19 pandemic all these Committee meetings were held in video conferencing/ other audio-visual mode.

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

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

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

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

Number of shareholders complaints pending as on 1st April, 2020	:	NIL
Number of shareholders complaints received during the year ended 31st March, 2021	:	NIL
Number of shareholders complaints not solved to the satisfaction of the shareholders	:	NIL
Number of shareholders complaints pending as on 31st March, 2021	:	NIL

It is confirmed that there was no request for registration of share transfers/ transmission lying pending as on 31st March, 2021 and that all request for issue of new certificates, sub-division or consolidation of shareholding, etc, received up to 31st March, 2021, if any, have been processed. The Company has an efficient system in place to record and process all requests for dematerialization and re-materialization of shares in the Company through National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL).

Status of Investor Complaints was also placed before the Board and was filed with the Stock Exchanges wherein the equity shares of the Company are listed pursuant to Regulation 13 of the Listing Regulations.

#### ■ RISK MANAGEMENT COMMITTEE

The Company already has a Risk Management System to inform Board Members about the risk assessment and minimization procedures. But the statutory requirement to constitute a Risk Management Committee was not applicable on the Company till the year under review. Pursuant to the recent amendment in SEBI (Listing



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

Obligations and Disclosure Requirements), Regulations 2015 vide Circular No. SEBI/LAD-NRO/GN/2021/22 dated 5th May, 2021 the requirement of constituting a risk management committee and compliance of Regulation 21 of SEBI LODR becomes applicable on our company.

#### ■ MANAGEMENT (FINANCE) COMMITTEE

This Committee periodically reviews the finance function associated with operations of the Company. It spreads the burden of financial management, thereby also potentially improving the quality and enables more democratic control of the organisation's finances. There was no change in the terms of reference of the Committee during the financial year 2020-21.

#### ● Composition of the Committee and attendance at the meetings

Name of the Members	Category	No. of Meetings Attended
Shri Aditya Jajodia (Chairman)	Promoter Executive Director	1
Shri Sanjiv Jajodia	Promoter Executive Director	1
Shri Rajiv Jajodia	Promoter Non-Executive Director	1

During the year under review, the members of the committee met once i.e. on 1st February, 2021. The necessary quorum was present at the meetings as all the members have attended the meetings.

Shri Ajay Kumar Tantia, Company Secretary of the Company also attended the meetings of the Committee.

#### ■ CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

#### Terms of reference of the committee

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

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

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

The CSR policy of the Company is hosted on the website of the Company i.e. "www.jaibalajigroup.com" under the weblink "https://www.jaibalajigroup.com/wp-content/uploads/2021/02/corporate-social-responsibility-policy.pdf".

During the financial year under review the Committee met 2 (two) times i.e. on 30th July, 2020 and on 12th February, 2021.

#### ● Composition of the Committee and Attendance of the Members at the meetings

Name of the Members	Category	No. of meetings attended
Shri Shailendra Kumar Tamotia (Chairman)	Non-Executive Independent Director	2
Shri Amit Kumar Majumdar*	Executive Director	1
Shri Bimal Kumar Choudhary**	Executive Director	1
Shri Rajiv Jajodia	Promoter Non-Executive Director	2

\*resigned on 26.08.2020

\*\*appointed w.e.f 15.09.2020.

During the year under review, the Committee was re-constituted by the Board of Directors at their meeting held on 15th September, 2020 subsequent to the resignation tendered by Shri Amit Kumar Majumdar on 26th August, 2020 as a result of which he ceases to be the member of the Committee and Shri Bimal Kumar Choudhary, was inducted as a member of the Committee in his place w.e.f 15th September, 2020.

#### ■ INTERNAL COMPLAINTS COMMITTEE

In pursuance of the Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder, the



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

Board of Directors of the Company formulated the Internal Complaints Committee. Further, a policy on prevention of sexual harassment of women at the workplace was duly approved and adopted by the Company and is available on the website of the Company under the weblink "<https://www.jaibalajigroup.com/wp-content/uploads/2021/02/safety-of-women.pdf>". The basic procedure followed in the Committee is complying with the natural justice and fair play to the aggrieved person and providing protection to women at workplace.

The Committee comprised of 4(Four) members as on 31st March, 2021, out of which the Chairman of the Committee is the Presiding Officer. Details of members and their attendance at the meeting held are stated hereunder:

Name of the Members	Category	No. of meetings attended
Smt. Indira Agarwal	Presiding Officer	1
Smt. Priti Todi*	Outside member	1
Shri Bivash Chakraborty	Member	1
Shri Ajay Kumar Tantia**	Member	1

\* Appointed w.e.f. 31.07.2020 on completion of tenure of Smt. Swati Bajaj.

\*\* Shri Ajay Kumar Tantia resigned from the membership of the Committee on 29th May, 2021 and Shri Raj Kumar Sharma has been appointed in his place w.e.f 30th May, 2021.

During the financial year under review a meeting of the members of the Committee was held on 12th February, 2021 for noting details of the complaints received/resolved by the Committee during the year and all the members attended the meeting.

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

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

#### 4. GENERAL BODY MEETINGS

##### ■ Annual General Meeting

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

Financial Year	Day	Date	Time	Location	Whether any special resolution passed
2019-20	Thursday	29.10.2020	11:00 A.M.	5, Bentinck Street, Kolkata - 700 001 (through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM"))	Yes
2018-19	Thursday	19.09.2019	11:00 A.M.	Rotary Sadan (Shripati Singhanian Hall) 94/2, Chowringhee Road, Kolkata - 700 020	Yes
2017-18	Thursday	20.09.2018	11:00 A.M.	Rotary Sadan (Shripati Singhanian Hall) 94/2, Chowringhee Road, Kolkata - 700 020	Yes





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

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

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

##### ● 2019 - 20

- ◆ Re-appointment of Shri Ashim Kumar Mukherjee (DIN: 00047844) who is more than 75 years of age, as Independent Director of the Company for a period of 5 years.

##### ● 2018 - 19

- ◆ Re-appointment of Smt. Seema Chowdhury (DIN: 07158338), as Independent Director of the Company for a period of 5 years.
- ◆ Re-appointment of Smt. Swati Agarwal (DIN: 07158355), as Independent Director of the Company for a period of 5 years.
- ◆ Re-appointment of Smt. Rakhi Bajoria (DIN: 07161473), as Independent Director of the Company for a period of 5 years.
- ◆ Alteration of Memorandum of Association by increasing the authorised share capital of the Company from Rs. 1,01,00,00,000/- (Rupees One Hundred and One Crore only) divided into 10,10,00,000 (Ten Crores Ten Lacs) equity shares of Rs. 10/- (Rupees Ten only) each to Rs. 1,25,00,00,000/- (Rupees One Hundred and Twenty Five Crores only) divided into 12,50,00,000 (Twelve Crores Fifty Lacs) equity Shares of Rs. 10/- each by creation of 2,40,00,000 (Two Crores Forty Lacs) equity shares of Rs. 10/- (Rupees Ten only) each.
- ◆ Issue and allotment of 1,40,71,500 (One Crore Forty Lakhs Seventy One Thousand Five Hundred) Equity Shares of the Company of Face Value of Rs. 10/- to Edelweiss Asset Reconstruction Company Limited.

##### ● 2017 - 18

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

- ◆ Continuation of directorship of Shri Ashim Kumar Mukherjee (DIN: 00047844), who is more than 75 years of age, as Independent Director of the Company.

#### Postal Ballot

No special resolutions were passed through postal ballot in the last year and during the period under review. At present there is no special resolution proposed to be conducted through postal ballot.

#### Extra-ordinary General Meeting

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

#### Disclosures

##### ● Related Party Disclosures

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

All Related Party Transactions were placed before the Audit Committee for their approval. Prior Omnibus approval have been taken by the Audit committee for all related party transactions subject to their value not exceeding Rs.1 (One) crore per transaction valid upto a period of 1 (One) year from the date of such approval. Statements of Related Party Transactions were tabled before the Audit Committee on quarterly basis.

Further, the transactions entered into by the Company were on arm's length pricing basis and in the ordinary course of business with no intention to defraud the creditors and shareholders. The related party transactions were entered into based on various business emergencies such as legal requirements, liquidity, long-term strategy and capital resources, etc.

The Indian Accounting Standards (Ind AS 24) by the Institute of Chartered Accountants of India, have been followed while preparation of the financial statements. A comprehensive list of all related party transactions entered into by the Company forms a part of Note No. 44 to the financial statements in the Annual Report.

The Board of Directors of the Company has adopted a Related Party Transaction Policy in place, pursuant to the requirements of Section 188 of the Companies Act, 2013 and Rules framed thereunder and Regulation 23 of the Listing Regulations. The Policy is available on the website of the company viz. "[www.jaibalajigroup.com](http://www.jaibalajigroup.com)" under the weblink "[https://www.jaibalajigroup.com/wp-content/uploads/2021/02/related-party-policy\\_jbg.pdf](https://www.jaibalajigroup.com/wp-content/uploads/2021/02/related-party-policy_jbg.pdf)".



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

- **Capital Market Disclosures**

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

- **Vigil Mechanism/Whistle Blower Policy**

As per requirements of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has established a Vigil Mechanism/Whistle Blower Policy for directors and employees to enable directors and employees to report unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimisation of Director(s)/ Employee(s) or any person who avail the mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

The Company hereby affirms that no Director/ employee/any other person have been denied access to the Chairperson and that no complaints were received during the year. The Whistle Blower Policy has been disclosed on the Company's website under the web link "<https://www.jaibalajigroup.com/wp-content/uploads/2021/02/whistle-blower-policy.pdf>".

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

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

- **List of all Credit ratings obtained - Under suspension**
- **A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.**

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

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

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

Details relating to fees paid to the Statutory Auditors are given in Note 48 to the Standalone Financial Statements and Note 48 to the Consolidated Financial Statements.

- **Disclosure of Accounting Treatment**

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

The financial statements of the Company have been audited by M/s. S.K. Agrawal and Co. Chartered Accountants LLP (formerly known as S. K. Agrawal and Co.), Statutory Auditor of the Company.

- **Code of Conduct**

The Company has in place a comprehensive Code of Conduct for all the Board Members (incorporating, inter-alia, duties of Independent Directors) and Senior Management Personnel of the Company. The Code aims at ensuring consistent standards of conduct and ethical business practices across the Company. The Company has received confirmations from all concerned regarding their adherence to the said Code. The Code has been hosted on the Company's website "[www.jaibalajigroup.com](https://www.jaibalajigroup.com)" under the web link "<https://www.jaibalajigroup.com/wp-content/uploads/2021/02/code-of-conduct-for-bm-senior-mangmt-new.pdf>".

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

- **Insider Trading**

In order to regulate trading in securities of the Company by the Directors and designated employees, your Company has adopted a Code of Conduct for trading in listed or proposed to be listed securities of the Company. Insider Trading Code prevents misuse of unpublished price sensitive information and it also provides for periodical disclosures and obtaining pre-clearance for trading in securities of your Company by the Directors, Designated Employees and Connected Persons of your Company. Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 and amendments thereto, the Company has adopted Policy for Legitimate purposes forming part of the Company's Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as effective from 1st April, 2019.



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

This Code is displayed on the Company's website viz "www.jaibalajigroup.com" under the weblink "<https://www.jaibalajigroup.com/wp-content/uploads/2021/02/code-of-practices-and-procedures-for-fair-disclosure-of-unpublished-price-sensitive-information.pdf>".

The Company follows highest standards of transparency and fairness in dealing with all stakeholders and ensures that no insider shall use his or her position with or without the knowledge of the Company to gain personal benefit or to provide benefit to any third party. The policy adopted on this by the Company is available on the website of the Company viz "www.jaibalajigroup.com" under the weblink "<https://www.jaibalajigroup.com/wp-content/uploads/2021/02/policy-for-insider-trading.pdf>".

- **Management Discussion and Analysis Report**

Pursuant to Regulation 34 of the Listing Regulations, a detailed report on Management Discussion and Analysis forms a part of Directors Report.

- **Subsidiary Companies**

The Company has two wholly owned subsidiaries viz:

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

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

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

The Board of directors of the Company has formulated a policy for determining material subsidiaries which is in line with the requirement of Regulation 16(c) of the Listing Regulations and the same is hosted on the website of the Company under the weblink "<https://www.jaibalajigroup.com/wp-content/uploads/2021/02/policy-on-determining-material-subsidiaries.pdf>".

- **CEO and CFO Certification**

Shri Aditya Jajodia, Chairman and Managing Director and Shri Sanjiv Jajodia, Whole-time Director and Chief Financial Officer of the Company gave annual certification on financial reporting and internal control system to the Board in terms of Regulation 17(8) of the SEBI Listing Regulations as per the format specified in Part B of

Schedule II of the Listing Regulations. The annual certificate given by the Chairman and Managing Director and the Chief Financial Officer is published in this Report.

Shri Aditya Jajodia, Chairman and Managing Director and Shri Sanjiv Jajodia, Whole-time Director and Chief Financial Officer of the Company has also given quarterly certificate on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

- **Risk Management**

The Company's risk management framework identifies and evaluates business risks and opportunities. The Company recognises that these risks need to be managed and mitigated to protect its shareholders and other stakeholders' interest, to achieve its business objectives and enable sustainable growth. The risk frame work is aimed at effectively mitigating the Company's various business and operational risks, through strategic actions. Risk management is embedded in our critical business activities, functions and processes. The risks are reviewed for the change in the nature and extent of the major risks identified since the last assessment. It also provides control measures for risks and future action plans. The Company has devised a policy on Risk Management which is hosted on the Company's Website viz "www.jaibalajigroup.com" under the weblink "<https://www.jaibalajigroup.com/wp-content/uploads/2021/02/risk-management-policy.pdf>".

- **Compliance with Mandatory Requirements**

The Company has complied with the mandatory requirements as stipulated under Listing Regulations, to the extent these apply, extend and possible to the Company.

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

- ✦ **The Board**

Shri Aditya Jajodia, Chairman and Managing Director of the Company is an Executive Chairperson. In view of inadequate profits, he has waived off his remuneration.

- ✦ **Shareholder rights**

The quarterly, half-yearly and annual financial results of the Company as reviewed by the Audit Committee and then approved by the Board of Directors and all the significant events of the Company were submitted to the Stock Exchanges and updated on the website of the Company viz. "www.jaibalajigroup.com" under the weblink "<https://www.jaibalajigroup.com/financial-results/>". These information are not sent to each shareholder personally.

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

The report of the Statutory Auditors on Standalone and Consolidated Financial Statements for the year under review forms part of the Annual Report and





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

contains a qualification, the details of which are mentioned in the Directors report.

♦ **Reporting of Internal Auditor**

The Internal Auditor directly reports to the Audit Committee.

♦ **Other Compliances**

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

♦ **Submission of Corporate Governance Report**

The Corporate Governance Report pursuant to Regulation 27 of the Listing Regulations for each quarter for the financial year 2020-21 was duly submitted to the Stock Exchanges within the stipulated time period.

#### 5. MEANS OF COMMUNICATION

• **Quarterly Financial Results**

Prior intimation of Board Meetings in which Unaudited/Audited Financial Results of the Company was considered, approved and were intimated to the Stock Exchanges and also disseminated on the website of the Company at "www.jaibalajigroup.com". The aforesaid Financial Results are immediately intimated to the Stock Exchanges, after the same is approved at the Board Meeting. In terms of Regulation 10 of the Listing Regulations, the Company complies with the online filing requirements on electronic platforms of BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) viz. BSE Corporate Listing Centre and NSE Electronic Application Processing System (NEAPS), respectively.

• **Newspapers wherein results are normally published**

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

• **Website**

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

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

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

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

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

#### 6. GENERAL SHAREHOLDER INFORMATION

**Annual General Meeting**

<b>Day, Date &amp; Time</b>	:	Tuesday 28, September, 2021 at 11.00 a.m.
<b>Venue</b>	:	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

**Financial calendar (tentative schedule) for the year 2021 - 22**

	:	1 <sup>st</sup> April, 2021 to 31 <sup>st</sup> March, 2022
	:	The probable dates for the submission of the Financial Results for the financial year 2021-22 :
1 <sup>st</sup> Quarter Results	On or before	14 <sup>th</sup> August, 2021
2 <sup>nd</sup> Quarter Results	On or before	14 <sup>th</sup> November, 2021
3 <sup>rd</sup> Quarter Results	On or before	14 <sup>th</sup> February, 2022
Annual Results	On or before	30 <sup>th</sup> May, 2022





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

<b>Date of book closure</b>	:	The Register of Members and Share Transfer Book shall remain closed from Wednesday, 22nd September, 2021 to Tuesday, 28th September, 2021 (both days inclusive)
<b>Date of Dividend payment</b>	:	N.A.
<b>Listing of equity shares on stock exchanges</b>	:	<p>The Equity shares of the Company are currently listed on the following Stock Exchanges:</p> <p><b>National Stock Exchange of India Limited</b>                      "EXCHANGE PLAZA", 5th Floor, Plot No. C/1, G Block                      Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051                      Stock Code - JAIBALAJI</p> <p><b>BSE Limited</b>                      25, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai - 400 001                      Stock Code - 532976</p> <p>Listing fees has been paid to the respective Stock Exchanges for the year 2021-22</p>
<b>Depositories</b>	:	<p><b>National Securities Depository Limited</b>                      Trade World, 4th Floor, 'A' Wing                      Kamala Mills Compound                      Senapati Bapat Marg, Lower Parel                      Mumbai - 400 013</p> <p><b>Central Depository Services (India) Limited</b>                      25th Floor, Marathon Futurex                      N. M. Joshi Marg, Lower Parel (East), Mumbai - 400 013</p> <p>Annual Custodial Fees pertaining to year 2021-22 have been duly paid.</p>
<b>Demat International Security Identification Number (ISIN) in NSDL and CDSL</b>		
For fully paid-up equity shares	:	INE 091G01018
Corporate Identification Number (CIN)	:	L27102WB1999PLC089755

#### Market Price Data

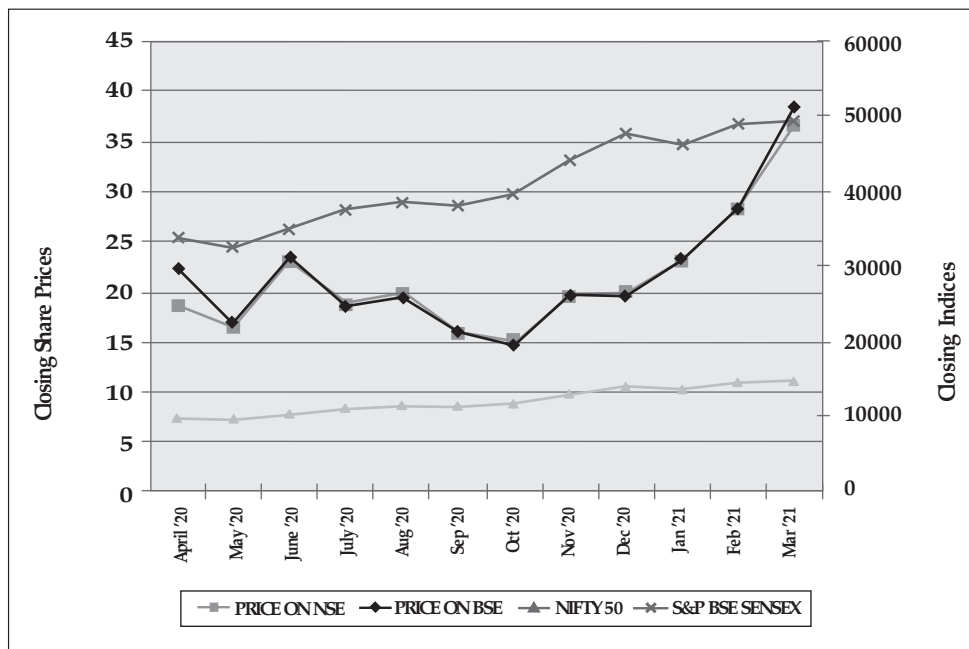
The monthly high and low market prices of the shares of the Company as recorded on the National Stock Exchange of India Limited & BSE Limited during the last financial year 2020-21 were as under:

Month	Share Price (NSE)		Share Price (BSE)	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April '20	23.80	16.00	25.20	15.85
May '20	18.95	14.25	22.20	16.25
June '20	24.15	16.15	23.70	16.30
July '20	23.45	18.30	23.80	18.15
August '20	22.05	18.50	22.35	18.80
September '20	20.45	15.45	20.75	15.45
October '20	18.00	13.75	17.90	14.55
November '20	19.90	14.50	19.71	14.51
December '20	22.40	16.55	22.35	17.06
January '21	28.00	19.00	28.15	19.05
February '21	29.00	22.35	29.45	22.60
March '21	39.00	27.60	39.75	28.15



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

Performance in Comparison to Broad - based indices



#### Registrar to an issue and Share Transfer Agent

: Maheshwari Datamatics Pvt. Ltd.  
 Corporate Office : 23, R. N. Mukherjee Road,  
 5<sup>th</sup> Floor, Kolkata - 700 001  
 Phone No.: (91) (33) 2243 5029  
 E-mail: mdpldc@yahoo.com

#### Share transfer system

In terms of the Listing Regulations, effective from 1st April, 2019, securities of listed companies can only be transferred in dematerialised form except or where the claim is lodged for transmission or transposition of shares or where the transfer deed(s) was lodged prior 1st April, 2019 and returned due to deficiency in the document.

99.997% of the equity shares of the Company are in dematerialised form. Transfer of shares held in electronic mode is processed by the depositories. Requests for Transfer/ Transmission of shares held in physical form can be lodged with the Company's Registrar and Share Transfer agents of the Company for share transfers, splits, issue of duplicate share certificates, rematerialisation and dematerialisation etc. Share transfers are processed and share certificates duly

endorsed are delivered within a period of fifteen days from the date of receipt of such requests subject to the documents being valid and complete in all respects. The summary of investor complaints, dematerialisation / rematerialisation/ corporate action and transfer/transmission of shares are placed before the Stakeholders' Relationship Committee of the Company periodically.

The Company obtains from a Company Secretary in practice, a half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations and files the same with the stock exchanges. Also, pursuant to Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, certification is issued by a Company Secretary in practice regarding timely dematerialisation of the shares of the Company.

#### SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2021

	Category	No. of Shareholders	No. of shares held	As a % age of A+B+C
A.	Promoter and Promoter Group Holding			
	Indian	17	5,63,04,046	50.98
	Foreign	0	NIL	NIL
	<b>Total Promoter Shareholding (A)</b>	<b>17</b>	<b>5,63,04,046</b>	<b>50.98</b>

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

#### SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2021

	Category	No. of Shareholders	No. of shares held	As a % age of A+B+C
B.	Public Holding			
	Institutions	2	30,41,333	2.75
	Non-Institutions	7,088	5,11,04,907	46.27
	<b>Total Public Shareholding (B)</b>	<b>7,090</b>	<b>5,41,46,240</b>	<b>49.02</b>
C.	Shares held by Custodian & against which Depository receipts have been issued (C)	NIL	NIL	NIL
	<b>Grand Total (A+B+C)</b>	<b>7,107</b>	<b>11,04,50,286</b>	<b>100.00</b>

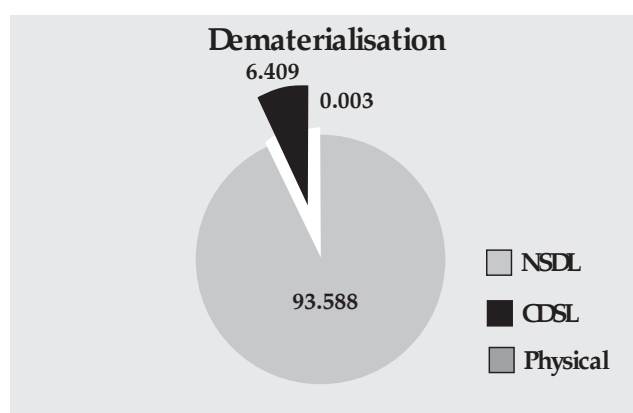
#### DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2021

Range of ordinary shares held	No. of Shareholders	Percentage (%) to total shareholders	No. of Shares	Percentage (%) to share capital
Up to 500	5,944	83.6359	6,44,928	0.5839
501 to 1000	448	6.3036	3,72,774	0.3375
1001 to 2,000	249	3.5036	3,82,479	0.3463
2001 to 3000	99	1.3930	2,49,974	0.2263
3001 to 4000	38	0.5347	1,34,037	0.1214
4001 to 5000	50	0.7035	2,38,383	0.2158
5001 to 10000	97	1.3649	7,11,511	0.6442
10001 and above	182	2.5609	10,77,16,200	97.5246
<b>Total</b>	<b>7,107</b>	<b>100.00</b>	<b>11,04,50,286</b>	<b>100.00</b>

#### DEMATERIALIZATION OF SHARES AND LIQUIDITY AS ON 31<sup>ST</sup> MARCH, 2021

The Shares of the Company are tradable in dematerialized form through both the Depository Systems in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Requests for dematerialization of shares can be sent directly to the Registrar and Share Transfer Agent at M/s. Maheshwari Datamatics Private Limited, 23 R.N Mukherjee Road, 5th Floor, Kolkata - 700 001. As at 31st March, 2021 a total of 11,04,46,679 equity shares of the Company, representing 99.997% of the Company's share capital were held in dematerialised form of which 10,33,67,736 representing 93.588% of the total paid-up equity share capital were held with NSDL and 70,78,943 representing 6.409 % of the total paid-up equity share capital with CDSL.

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



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

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments which are yet to be converted and hence as on March 31, 2021, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.



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

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

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

#### DETAILS OF UNCLAIMED SHARES

Pursuant to Regulation 39(4) read with Schedule VI of the Listing Regulations, the Company had 764 unclaimed shares

of 9 shareholders in a Demat Account titled 'Jai Balaji Industries Limited - Unclaimed Shares Demat Suspense Account' opened by the Company which could not be credited to shareholder's demat account due to insufficient/ incomplete/ improper details furnished by them. The said shares had arisen out of the allotment made at the time of Initial Public Issue of erstwhile M/s. Shri Ramrupai Balaji Steels Limited (since amalgamated with the Company).

No Shareholders approached the Company for transfer of shares during the year.

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, including the statutory modification(s) or re-enactment(s) thereof, for the time being in force ("IEPF Rules, 2016"), and Schedule VI of the Listing Regulations, the above equity shares of the Company have been transferred by the Company to the Demat Account of the Investor Education and Protection Fund Authority

#### 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 31.03.2021	% to total holding of respective promoter in the company	% to total paid up equity share capital of the company
1.	Shri Aditya Jajodia	3,075,000	86.75%	2.78%
2.	Shri Sanjiv Jajodia	2,640,000	94.98%	2.39%
3.	Shri Rajiv Jajodia	1,550,000	98.83%	1.40%
4.	Shri Aashish Jajodia	323,000	40.66%	0.29%
5.	M/s. Enfield Suppliers Limited	11,221,233	100%	10.16%
6.	M/s. Hari Management Limited	7,044,000	100%	6.38%
7.	M/s. Jai Salasar Balaji Industries Private Limited	24,019,000	95.64%	21.75%
8.	M/s. K. D. Jajodia Steels Industries Private Limited.	2,410,000	99.99%	2.18%
	<b>Total</b>	<b>52,282,233</b>	<b>—</b>	<b>47.33%</b>





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

#### PLANT LOCATIONS

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

#### ADDRESS FOR CORRESPONDENCE

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

### Auditors' Certificate on Corporate Governance

Pursuant to the relevant provisions of the Listing Regulations regarding compliance of conditions of corporate governance, a certificate duly certified by M/s MKB & Associates, Company Secretaries is annexed with this report which forms a part of Annual Report of the Company.

For and on behalf of the Board

Place : Kolkata

Date : 14<sup>th</sup> August, 2021

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

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



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

#### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members,  
Jai Balaji Industries Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Jai Balaji Industries Limited** (CIN: L27102WB1999PLC089755) having its Registered office at 5, Bentinck Street, Kolkata - 700 001, West Bengal (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN)] status at the portal [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we certify that following are the Directors on the Board of the Company as on 31 March 2021:

Sl. No.	DIN	Name	Designation	Date of appointment
1.	00045114	Mr. Aditya Jajodia	Chairman & Managing Director	01.07.1999
2.	00036339	Mr. Sanjiv Jajodia	Whole-time Director & Chief Financial Officer	31.05.2002
3.	00045192	Mr. Rajiv Jajodia	Non-Executive Director	01.07.1999
4.	00028560	Mr. Gaurav Jajodia	Non-Executive Director	20.09.2013
5.	08879262	Mr. Bimal Kumar Choudhary	Executive Director	15.09.2020
6.	01419527	Mr. Shailendra Kumar Tamotia	Independent Director	15.05.2013
7.	00047844	Mr. Ashim Kumar Mukherjee	Independent Director	02.12.2015
8.	07158338	Mrs. Seema Chowdhury	Independent Director	17.04.2015
9.	07161473	Mrs. Rakhi Bajoria	Independent Director	17.04.2015
10.	01180085	Mrs. Swati Bajaj	Independent Director	13.08.2018

We further certify that none of the aforesaid Directors on the Board of the Company for the financial year ended on 31 March 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For MKB & Associates  
Company Secretaries  
Firm Reg No.: P2010WB042700

Sd/-  
**Raj Kumar Banthia**  
Partner

Membership No.: 17190  
COP No.: 18428

Place : Kolkata

Date : 14<sup>th</sup> August, 2021

UDIN: A017190C000784847



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

### DECLARATION

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2021.

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

Place : Kolkata

Date : 14<sup>th</sup> August, 2021

Sd/-  
**Aditya Jajodia**  
Chairman & Managing Director

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### CERTIFICATE ON CORPORATE GOVERNANCE OF JAI BALAJI INDUSTRIES LTD.

To  
The Members,  
Jai Balaji Industries Limited

We have examined the compliance of conditions of Corporate Governance by **JAI BALAJI INDUSTRIES LIMITED** ("the Company") for the year ended on 31st March, 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clauses and/or Regulations. 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 knowledge, information and according to the explanations given to us and based on the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the Listing Regulations.

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

**For MKB & Associates**  
Company Secretaries  
Firm Reg No.: P2010WB042700

Place : Kolkata

Date : 14<sup>th</sup> August, 2021

UDIN: A017190C000784869

Sd/-  
**Raj Kumar Banthia**  
Partner  
Membership No.: 17190  
COP No.: 18428



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

**CEO AND CFO CERTIFICATION**  
**[Pursuant to Regulation 17(8) of SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015]**

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

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

1. We have reviewed the Financial Statements and the Cash Flow Statement of the Company, for the financial year ended 31st March, 2021 and that to the best of our knowledge and belief:
  - i. the aforesaid statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. the aforesaid statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct;
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the step that we have taken or propose to take to rectify the identified deficiencies;
4. That we have indicated to the auditors and the Audit Committee:
  - i. Significant changes, if any, in the internal control over financial reporting during the year;
  - ii. Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and;
  - iii. Instances of significant fraud of which we have become aware and the involvements therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Kolkata  
Date : 30<sup>th</sup> June, 2021

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

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



## Management Discussion and Analysis

### Industry Structure & Development

#### *A healthy economy needs a healthy steel industry*

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

#### **Global Overview**

The COVID-19 pandemic continues to be a highly personal, individual experience that is also an unprecedented globally-shared phenomenon with wide-ranging repercussions. The pandemic has disrupted lives across all countries and communities and negatively affected global economic growth in 2020 beyond anything experienced in nearly a century.

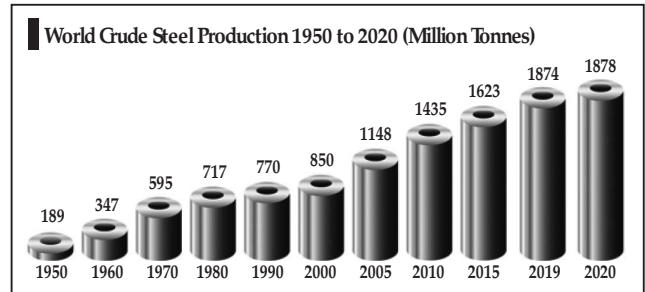
Global GDP contracted by 3.5% in 2020 as governments in both developed and emerging economies took measures to contain the spread of the COVID-19 virus. While the decline was sharper than the global financial crisis in 2009, but the scale of the fiscal response to the COVID-19 crisis was unprecedented and three times bigger than 2008-09 financial crisis. The response by policy makers prevented a collapse that would have been at least three times worse, and the medium-term losses for the global economy are expected to be smaller than the global financial crisis.

Disruption on both demand and supply resulted in global steel demand in 2020 to fall by 0.2% against a growth of 3.7% in 2019. The total demand in 2020 was 1,772 MnT against 1,775 MnT in 2019. The impact of COVID-19 has been much more benign for the steel industry due to resurgent demand in China and better than expected post lockdown recovery globally in second half of 2020. China and Turkey were two key countries that saw an increase in finished steel demand of 9% and 13% respectively in 2020. North America and the European Union ('EU') have experienced strong decline in steel demand owing to the COVID-19 pandemic. Both regions experienced demand decline of around 11%-16%. India also contributed to global decline, as steel consumption in India declined by 13.7% to 88.5 MnT in 2020 against 102.6 MnT in 2019.

Up to 30% of global steelmaking capacity (excluding China) was idled or production at steel mills significantly reduced in response to a pandemic-induced drop in demand. However, the recovery in automotive production and white goods manufacturing was quicker than expected when the strictest lockdown measures were lifted. The construction sector was less affected, as it was supported by government stimulus schemes in many regions. As a result, steel prices rallied in all regions in late 2020.

Despite the influence of the pandemic, through its different regional impacts, the global steel industry was fortunate to end 2020 with only a minor contraction in steel demand. Steel

use in China expanded while it contracted in the rest of the world.



Source: World steel association

#### **Indian Overview**

India witnessed a gradual resumption of economic activity from second quarter of F.Y. 2020-21. The initial recovery was driven by government spending on infrastructure, exports and rural economy. The recovery gained momentum since August 2020 with pickup in consumption demand driven by festive buying and return of urban consumption. However, the growth projections for FY 2021-22 have been revised to be below 11% due to the acute resurgence of the virus in the country, as many cities and states went into lockdown. While the growth will depend upon the trajectory of the pandemic, the overall impact on the economy is expected to be less severe than last year.

India is expected to witness a full economic recovery in F.Y. 2021-22 driven by:

- ongoing vaccination supporting the current recovery momentum;
- restart of investment cycle with significant spending on infrastructure and
- continued recovery in consumption supported by urban demand, accentuated by work-from-home and preferences for personal mobility along with rising rural income and affordability.

However, normal growth levels would be seen in FY 2022-23 only, provided no further economic disruption occurs and success of the ongoing vaccination drive.

The steel industry suffered a setback due to the COVID19 pandemic outbreak and the consequent lock downs. The industry's key customer sectors like automobiles, construction and oil & gas drillers struggled hard to survive due to prolonged shutdowns, disrupted supply chains, collapsing confidence and delayed investment and construction projects, as well as a decline in consumption activity.

The Indian steel industry recovered gradually, initially driven by export followed by gradual recovery in domestic demand. Strong rebound in manufacturing and infrastructure development activity has led to a sharp rise in both production and consumption of steel in India.



### Management Discussion and Analysis (contd.)

World's Crude Steel production stood at 1864.0 MT during the year 2020, down by 0.9% over the same period of last year, based on provisional data released by the World Steel Association. India was the 2nd largest Crude Steel producer and recorded a decline of 10.6% in production during this period as compared to the same period of last year.

#### World Crude Steel Production : Top 10 Countries, 2019 (January-December, 2020)

Rank	Country	Qty. (In Million Tonne)*	% Change over 2019
1.	China	1,053.00	5.2
2.	India	99.60	(-) 10.6
3.	Japan	83.20	(-) 16.2
4.	Russia	73.40	2.6
5.	United States	72.70	(-) 17.2
6.	South Korea	67.10	(-) 6.0
7.	Turkey	35.80	6.0
8.	Germany	35.7	(-) 10.0
9.	Brazil	31.00	(-) 4.9
10.	Iran	29.00	13.4
<b>Top 10</b>		<b>1,580.50</b>	<b>0.4</b>
<b>World</b>		<b>1,864.00</b>	<b>(-) 0.9</b>

Source: World Steel Association; \*Provisional

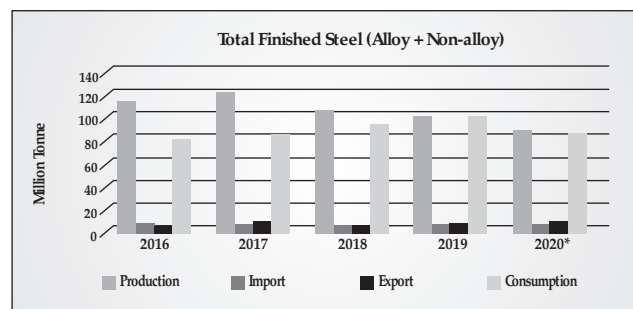
India is also a leading producer of Sponge Iron. Capacity in sponge iron making has also increased over the years and stood at 48.01 million tonne in 2020. India has been the world's largest sponge iron producer every year since 2003. India is also an important producer of Pig Iron. With setting up of several units in the private sector during the period of post-liberalisation, the imports have drastically been reduced and India has turned out to be a net exporter of Pig Iron.

The table below shows the trend in production, import, export and consumption of total finished steel (alloy + non-alloy) in the country for the last five years:

#### Total Finished Steel (Alloy + Non-alloy)

Year	Production	Import	Export	Consumption
2016	116.952	8.430	5.902	83.642
2017	124.690	7.828	10.871	88.679
2018	108.646	7.295	6.692	96.737
2019	104.062	7.440	8.205	102.622
2020*	91.435	4.463	10.150	88.535

Source: Ministry of Steel; \*Provisional



#### Opportunities, threats, risks and concern

##### Opportunities

The key opportunities boosting the steel demand are as follows:

- Government's focus on strengthening the domestic manufacturing base under the flagship "Atmanirbhar Bharat" programme. The Production Linked Incentive scheme has been introduced to boost the manufacturing sector in industries like automobile & auto components, consumer durables, solar equipment, telecom, etc. These are expected to boost steel consumption.
- Government has announced an investment of over Rs 1 trillion in infrastructure over the next 5 years. This would be a key growth driver not only for steel industry but will also be a multiplier of growth across the sectors, boosting steel demand from sectors such as transportation, real estate and infrastructure.

As per the National steel policy crafted during FY 2017-18, the crude steel production target for India is set at 300 MT by 2030. Share of sponge iron in steel making will be 80MT, which will create huge opportunity for sponge iron industry. The current low per capita steel consumption in the country shall provide ample scope for growth in the industry.

The industry is also benefitting from the developments happening across various industries. The new Vehicle Scrappage policy will help in reducing the steel prices since the policy enables recycling the materials used in old vehicles. In the healthcare front, major steel producers are now exceeding their production capacities to produce oxygen cylinders for COVID patients.

In January 2021, the Ministry of Steel, Government of India, signed a Memorandum of Cooperation (MoC) with the Ministry of Economy, Trade and Industry, Government of Japan, to boost the steel sector through joint activities under the framework of India-Japan Steel Dialogue.

##### Threats, risks and concern

The Key risks are global steel demand scenario, domestic steel demand, economic slowdown, increase in financial charges, non-availability (or undue increase in cost) of raw materials, such as iron ore, coal and labour etc., coupled with



## Management Discussion and Analysis (contd.)

market fluctuations. The Company does not apprehend any inherent risk in the long run, with the exception of certain primary concerns that have afflicted the progress of our industry in general, like:

- Shortage of Labour
- Rising manpower and material costs
- Approvals and procedural difficulties
- Lack of adequate sources of finance.

Apart from this the Industry is highly labour intensive and is subject to stringent labour laws. The industry by nature is capital intensive and requires high capital, by various modes, increasing cost of borrowing remains one of the major concerns for the group and industry as a whole.

The COVID-19 crisis, with its disastrous consequences for public health, also represents an enormous crisis for the world economy. The consumers have been hit by a general freeze in consumption, by shutdowns and by disrupted supply chains.

### Outlook

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

The outlook for the industry looks reasonable, since India has good iron ore deposits, skilled manpower and growing demand for steel. The improved demand is expected to continue in the current fiscal as well on the back of ongoing government funded infrastructure projects. In spite of a downturn in the Global Steel demand, Indian steel demand could survive showing an upward trend, setting a road ahead for the growth of the domestic steel industry in the long run. The upward trend is expected to be continued on account of fiscal measures taken by the Government such as infusion of funds for development of infrastructure sector, introduction of stimulus packages for revival of industry besides factors like increase in consumption and production of steel, upcoming infrastructure and Greenfield projects, stabilization of prices etc.

As per worldsteel reports steel demand will grow by 5.8% in 2021 to reach 1,874.0 million tonnes (Mt), after declining by 0.2% in 2020. In 2022 steel demand will see further growth of 2.7% to reach 1,924.6 Mt.

There have been investments across various sectors of the economy. Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Shri Narendra Modi, Prime Minister of India, launched Make in India initiative with an aim to boost country's manufacturing sector and increase purchasing power of an average Indian consumer, which would further drive demand and spur development,

thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%.

The Covid-19 pandemic is far from over. The trajectory of the pandemic still remains unpredictable to a very large extent, with country already witnessing a second wave of Covid-19. Our overriding priority remains, therefore, to protect lives and livelihoods. As the second wave of the pandemic unfolds with predictions of a third wave in the offing, our focus continues to be on our people's health & safety. The relentless commitment and dedication of every member of the Jai Balaji family helped the business overcome many challenges in the past year. The Company has already demonstrated its ability to navigate through such a volatile and uncertain external environment and being well.

### Product wise Performance Analysis

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

The actual production of Sponge Iron was 208,621 MT during the year 2020-21 as compared to 242,489 MT during the year 2019-20. For Pig Iron, the actual production was 362,551 MT and 447,329 MT during the year 2020-21 and 2019-20 respectively. The actual production of Steel Bars/Rods was 111,216 MT during the year 2020-21 as compared to 147,593 MT during the year 2019-20. For Billet/MS Ingot, the actual production was 103,708 MT and 149,815 MT during the year 2020-21 and 2019-20 respectively. The actual production of Ferro Alloys was 75,177 MT during the year 2020-21 as compared to 90,756 MT during the year 2019-20 (Ferro Alloy Included third party Conversion production of 18550 MT (31400 MT) HC Ferro Chrome). In case of Ductile Iron Pipe, the actual production was 124,968 MT and 141,242 MT during the year 2020-21 and 2019-20 respectively. For Sinter, the actual production was 513,120 MT and 525,721 MT during the year 2020-21 and 2019-20 respectively. The actual production of Coke was 296,523 MT during the year 2020-21 as compared to 327,969 MT during the year 2019-20.

### Financial Performance

The Standalone & Consolidated Revenue of the Company (comprising of sales and other income) for the financial year under review was Rs. 2,79,600.86 lacs as compared to Rs. 296,765.15 lacs during the previous financial year.

Stringent lockdown, manpower underutilisation, supply chain and logistics issues and health concerns impacted our business operations. We, however, made concerted efforts to not just successfully mitigate risks and protect business but to also support our employees, customers and communities adapt the new normal in a sustainable manner.

Your company is committed to its vision to emerge as an efficient producer of iron and steel products. It seeks to





### Management Discussion and Analysis (contd.)

enhance domestic steel consumption and ensure high quality steel production and create a technologically advanced and globally competitive steel industry. Your company is focused on increasing capacity utilisation of all units, reducing cost and improving operational efficiency.

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

#### Changes in Key Financial Ratio

Particulars	2020-21	2019-20	Change % approx)
Debtors Turnover	10.54	8.58	22.87
Inventory Turnover	4.36	5.42	- 19.56
Interest Coverage Ratio	0.14	- 0.06	331.32
Current Ratio	0.98	1.04	-5.77
Debt Equity Ratio	-1.92	- 2.02	4.92
Operating Profit Margin	0.00	0.00	0.00
Net Profit Margin	-0.03	- 0.04	31.94
Return on Net Worth	0.04	0.07	- 42.86

Explanation: 2020 was a highly volatile and challenging year for the Company. Covid-19 changed almost every aspect of human lives in ways never imagined. The economic toll from the pandemic was unprecedented. Operational challenges mounted due to restricted movement and disrupted supply lines. As the Covid-19 cases continued to rise exponentially, the economy declined sharply. Increase in prices of raw material, stalled projects in various sectors especially infrastructure and limited growth in steel demand etc. created further hardship on the Company.

However, management is continuously taking corrective measures to improve the working of the company. Continuously taking corrective same is reflecting from the EBITA figure of the company which is improving year on year.

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

#### Internal Control Systems and their Adequacy

The Company believes in systematic working and placing of proper checks. The Company has proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets

are safeguarded, transactions are authorised, recorded and reported properly.

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

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

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

#### Human Resource

The Company is dedicated to have an optimum level of human resource and believes in the concept of right talent at the right job since it considers human capital to be the most valuable asset of your Company. Jai Balaji has always stepped up and reviewed its HR policies to ensure transparency, to incorporate in it the competitiveness in the globally dynamic business environment and to become more powerful and develop itself to be the standard and a successful one. The Human resource managers of the Company have the tools and the opportunity to leverage employee commitment to, and engagement in, the Company's growth strategy.

The Company is proud to have a talented pool of around 3071 employees as on 31st March, 2021, comprising of professionals from different background with a mix of youth and experience, the leadership and knowledge of the senior





### Management Discussion and Analysis (contd.)

management is aligned with the zeal and enthusiasm of the youth brigade.

Considering the health and safety of the employees of the Company and in line with the advisories, orders and directions issued by both State and Central Government in order to prevent the spread of the coronavirus (Covid 19) outbreak, the Company has suspended its operations except critical operations at plant level till the lockdown period. Further the Company has also implemented Work from Home Policy to ensure the safety of employees post covid 19 issue. The HR department of the Company is continuously in touch with the employees to guide them and solve their problems. The HR Department of the Company has continuously created the awareness of Covid 19 among the employees of the Company and has also educated the employees in respect of personal hygiene and precautions which needs to be taken in this situation of pandemic. The company has conducted the interviews through online mode and meetings through Video Conferencing in order to maintain social distancing which is most essential due to the spread of Covid 19.

Comprehending the importance of the role played by vaccines in our fight against the virus, the Company has conducted the immunization drive to vaccinate its employees and their family members and also public at large.

The Company has maintained healthy and cordial industrial relations during the year.

#### Cautionary Statement

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

On behalf of the Board of Directors

Sd/-

**Aditya Jajodia**

Chairman & Managing Director

DIN : 00045114

Place : Kolkata

Date : 14<sup>th</sup> August, 2021



### INDEPENDENT AUDITOR'S REPORT

To The Members of

**JAI BALAJI INDUSTRIES LIMITED**

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

We have audited the accompanying standalone financial statements of **JAI BALAJI INDUSTRIES LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss (including other comprehensive income) statement of cash flows and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, "except for the effects of the matter described in the Basis for Qualified Opinion section" of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

##### Basis for Qualified Opinion

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

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

*The Company has not provided for interest amounting to Rs.131,040.76 Lacs of which Rs.28,020.96 Lacs pertains to the current financial year on various loans and credit facilities availed from banks and financial institution on the ground that same is being treated as Non-Performing Assets by the lenders. Due to this reason, loss for the current financial year has been understated by Rs.28,020.96 Lacs and accordingly loss for the year ended 31st March, 2021 would have been Rs.35,602.84 Lacs instead of Rs.7,581.88 Lacs.*

##### Key Audit Matters

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

S. NO.	THE KEY AUDIT MATTERS	HOW THE MATTER WAS ADRESSED IN OUR AUDIT
1.	<b>LOAN classified as Non Performing Assets (NPA), transferred to ASSET RECONSTRUCTION COMPANIES (ARC)</b>	<b>OUR AUDIT PROCEDURES INCLUDE THE FOLLOWING:</b>
	(Refer Note 20 to the Standalone Financial Statements)	
	i) Rupee Loan from Banks and financial institutions had been classified as NPA. Various Banks have already assigned their entire exposure to the Assets Reconstruction Companies in previous years. The Company had made payments to the above ARC's which has been adjusted against the total outstanding loan liability.	We reviewed the correspondence of the company with the relevant Asset Reconstruction Companies and we have examined the agreement made with them.
	ii) One time settlement offer with Oriental Bank of Commerce against their entire exposure, is under process.	We reviewed the proposal of the company with the Bank.



S. NO.	THE KEY AUDIT MATTERS	HOW THE MATTER WAS ADRESSED IN OUR AUDIT
	<p>iii) The Company is in active negotiation with Canara Bank, Corporation Bank, Punjab National Bank to restructure its debts. The finalisation of any corrective plan is still pending.</p> <p>iv) The Company has requested all lenders to allow a moratorium period for the payments or re-schedule/restructure the payment of the installments amount not paid and moratorium period or revised schedule is yet to be confirmed.</p>	<p>We obtained the understanding of these reconstruction schemes through meetings with management and review of the minutes of the Board of Directors.</p> <p>We reviewed the further correspondences of the Company with the relevant Banks/ARC's.</p>
<b>2.</b>	<b>THE COMPANY'S EXPOSURE TO LITIGATION RISK</b>	<b>OUR AUDIT PROCEDURES INCLUDE THE FOLLOWING:</b>
	<p>(Refer Note 34A to the Standalone Financial Statements)</p> <p>The Company is exposed to different laws, regulations and interpretations thereof and hence, there is a litigation risk.</p> <p>Consequently, the Company has significant litigation cases pending with Custom Authorities, Excise Authorities, Service tax Authorities and Income tax Authorities.</p> <p>Given the nature and amounts involved in such cases and the appellate forums at which these are pending, the ultimate outcome and the resultant accounting in the financial statements is subject to significant judgement, which can change over time as new facts emerge and each legal case progresses, and therefore, we have identified this as key audit matter.</p>	<ol style="list-style-type: none"> <li>1. We obtained details of completed tax assessments and demands for the year ended March 31, 2021 from management.</li> <li>2. We examined the assumptions used in estimating the tax provision and the possible outcome of the disputes.</li> <li>3. We considered legal precedence and other rulings in evaluating management's position on these tax positions.</li> </ol>

### Emphasis of Matter

1. We draw attention to Note - 35 of the financial statements, the Company has been incurring losses and its net worth has completely eroded, also its current liability exceeds current assets by Rs.2,85,974.84 Lacs. However, the financial statements of the Company have been prepared on a going concern basis because the management is confident that the improvement in market scenario will help in improving the financial health of the company and accordingly Deferred Tax Assets amounting to Rs.29,085.14 Lacs created up to 31st March 2015 have been carried forward.
2. We also draw attention to Note No.20 of the accompanying Standalone Financial Statements in respect of treatment in the books of accounts of the assignment / settlement of Debts of various Banks and the Financial Institutions.
3. We draw attention to Note No.57 to the financial statements in relation to outstanding balances of trade receivables, trade payables and loans and advances which are subject to confirmation and subsequent adjustments, if any.

4. We draw attention to Note No.59 to the financial statement which describes the uncertainties and potential impact of the Covid -19 pandemic on the Company's operations and results as assessed by the management, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our report is not modified in respect of this matter.

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

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

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



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

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

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

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

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

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

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

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

decisions of users taken on the basis of these financial statements.

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

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

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





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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those book.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid IndAS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 34A
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no such sum which needs to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For S K Agrawal & Co. Chartered Accountants LLP  
Chartered Accountants  
Firm's Registration Number-306033E/E300272

**J. K. Choudhury**  
Partner

Place: Kolkata  
Date: June 30, 2021

Membership No: 009367  
UDIN: 21009367AAAABH7553



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

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

We have audited the internal financial controls over financial reporting of **JAI BALAJI INDUSTRIES LIMITED** ("the Company") as of March 31, 2021 to the extent of records available with us in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

#### Auditor's Responsibility

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

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

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

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

#### Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion



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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial

controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company.

For **S K Agrawal & Co. Chartered Accountants LLP**

*Chartered Accountants*

Firm's Registration Number-306033E/E300272

**Sd/-**

**J. K. Choudhury**

*Partner*

Place: Kolkata

Date: June 30, 2021

Membership No: 009367

UDIN: 21009367AAAABH7553



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

The Annexure referred to in our Independent Auditor's Report to the members of **JAI BALAJI INDUSTRIES LIMITED** ('the Company') on the standalone financial statements for the year ended on 31st March 2021. We report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventories have been physically verified during the year by the management at regular intervals. In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on physical verification.
- iii. According to information and explanation given to us and on the basis of our examination of the records of the Company, the Company has granted unsecured loans to one company covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, we report that :-
  - a) The terms and conditions of such loans are prima facie not prejudicial to the company's interest.
  - b) The above loans are re-payable on demand
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities made.
- v. The Company has not accepted any deposits from the public. Accordingly, paragraph 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 148 (1) of the Act, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- vii. According to the information and explanations given to us in respect of statutory dues:



- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, there is no undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Sales Tax, Duty of Customs, Cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, duty of custom, service tax and value added tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of Dues	Amount under dispute not yet deposited (₹ in lacs)	Financial year to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty	22,424.29	2007-08 to 2019-20	CESTAT, Commissioner (Appeals)
The Finance Act, 1994	Service Tax	1,583.64	2010-11 to 2019-20	CESTAT, Commissioner (Appeals)
Custom Act, 1962	Custom Duty	555.60	2012-13, 2016-17, 2017-18 & 2019-20	CESTAT, Commissioner (Appeals)
The Good and Services Tax Act, 2017	Sales Tax	277.74	2017-20	West Bengal Appellate & Revisional Board
The Central Sales Tax Act, 1956	Central Sales Tax	1,132.64	2004-2020	West Bengal Appellate & Revisional Board
The West Bengal Value Added Tax Act, 2003	Value Added Tax	2,787.67	2004-2020	West Bengal Appellate & Revisional Board
The Income Tax Act, 1961	Income Tax	6.85	2008-09	DCIT/CIT(A)
Entry Tax Act, 1976	Entry Tax	5,152.99	2012-2020	Appellate

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

(Rupees in lacs)

Banks	Default of Amount (Principal and Interest)
Canara Bank	1,339.34
Corporation Bank	2,151.51
Oriental Bank of Commerce	22,407.39
Punjab National Bank	2,826.42
Edelweiss Asset Reconstruction Company Limited	10,559.00
<b>Grand Total</b>	<b>39,283.66</b>

\*Above figures don't include interest amounting to ₹1,03,019.80 Lacs of which ₹27,383.99 Lacs pertains to financial year 2020-21, as interest has not been provided in the books as mentioned in Note - 20 of the financial statements.

\*\*The Company has requested all lenders to allow a moratorium period for the payments or reschedule the payment of the installments amount not paid and moratorium period or revised schedule is yet to be confirmed.





- ix. To the best of our knowledge and belief and according to the information and explanations given to us, during the year the Company did not avail any term loan facility from bank or financial institution. Also, Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanation given by the management, the company has not paid remuneration over and above the limits prescribed under section 197, read with Schedule - V of the act to executive director.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations give to us and based on our examination of the records, the Company has not made any private placement of shares during the year under review.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them and hence provisions of section 192 of companies Act, 2013 are not applicable to the company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **S K Agrawal & Co. Chartered Accountants LLP**

*Chartered Accountants*

Firm's Registration Number-306033E/E300272

Sd/-

**J. K. Choudhury**

*Partner*

Place: Kolkata

Date: June 30, 2021

Membership No: 009367

UDIN: 21009367AAAABH7553



### Balance Sheet as at March 31, 2021

(₹ in lacs)

	Notes	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant and equipment	3	117,657.66	123,318.85
Right-of use asset	3A	464.68	473.35
Capital Work in Progress and Pre-Operative Expenditure	4	10,195.51	9,768.61
Pending Allocation			
Intangible Assets	4A	24.76	27.85
<b>Financial Assets</b>			
i) Investments	5	116.44	116.44
ii) Loans	6	2,636.95	1,534.90
iii) Others	7	1,556.33	437.66
Deferred Tax Assets (Net)	8	29,085.14	29,085.14
Other Non Current Assets	9	8,808.24	8,789.25
<b>Sub Total</b>		<b>170,545.71</b>	<b>173,552.05</b>
<b>Current Assets</b>			
Inventories	10	69,916.49	57,858.89
<b>Financial Assets</b>			
i) Trade Receivable	11	24,400.99	28,438.96
ii) Cash and cash equivalents	12	2,562.19	1,105.38
iii) Bank balance (other than Cash and cash equivalents)	13	15.50	1,167.90
iv) Loans	14	2,904.40	4,411.27
v) Others	15	20.29	3.51
Other Current Assets	16	30,265.76	31,396.47
<b>Sub Total</b>		<b>130,085.62</b>	<b>124,382.39</b>
<b>TOTAL ASSETS</b>		<b>300,631.33</b>	<b>297,934.44</b>
<b>EQUITY AND LIABILITIES</b>			
Equity Share Capital	17	11,045.03	11,045.03
Other Equity	18	(184,344.78)	(176,828.04)
<b>Sub Total</b>		<b>(173,299.75)</b>	<b>(165,783.01)</b>
<b>Non Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	19	57,870.62	66,173.10
<b>Sub Total</b>		<b>57,870.62</b>	<b>66,173.10</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
i) Borrowings	20	285,479.94	280,209.89
ii) Trade Payables	21		
a) total outstanding dues of micro and small enterprises		670.80	917.05
b) total outstanding dues other than micro and small enterprises		74,362.06	68,122.06
iii) Others	22	21,894.54	18,681.08
Other Current Liabilities	23	32,717.70	28,664.30
Provisions	24	935.42	949.97
<b>Sub Total</b>		<b>416,060.46</b>	<b>397,544.35</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>300,631.33</b>	<b>297,934.44</b>

#### Significant Accounting Policies

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

As per our report of even date

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

Chartered Accountants

Firm Regn. No. 306033E/E300272

Sd/-

**CA J. K. Choudhury**

Partner

Membership No. : 009367

Place : Kolkata

Date : 30<sup>th</sup> June, 2021

For and on behalf of the Board of Directors

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

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

Sd/-  
**Rajiv Jajodia**  
Director  
DIN : 00045192

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



### Statement of Profit and Loss for the year ended March 31, 2021

(₹ in lacs)

	Notes	Current year ended March 31, 2021	Previous year ended March 31, 2020
<b>INCOME</b>			
Revenue from Operations	25	278,518.18	291,230.22
Other Income	26	1,082.68	5,534.93
<b>Total Income (I)</b>		<b>279,600.86</b>	<b>296,765.15</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	27	208,550.29	223,783.21
Purchase of Stock in Trade	28	1,716.95	2,980.81
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	29	(3,332.79)	(2,780.23)
Employee Benefits Expense	30	8,869.69	8,998.62
Finance Cost	31	8,803.77	10,278.45
Depreciation and Amortisation Expense	3, 3A & 4A	9,399.49	9,678.63
Other Expenses	32	53,175.34	54,682.46
<b>Total Expenses (II)</b>		<b>287,182.74</b>	<b>307,621.95</b>
<b>Profit / (Loss) before exceptional items and Tax (I-II)</b>		<b>(7,581.88)</b>	<b>(10,856.80)</b>
<b>Exceptional Item</b>	48	—	576.79
<b>Profit / (Loss) before Tax (I-II)</b>		<b>(7,581.88)</b>	<b>(11,433.59)</b>
<b>Tax Expenses:</b>			
Current Tax		—	—
Less : MAT Credit Entitlement		—	—
Provision (Write back) relating to earlier years		—	—
Deferred tax charge / (credit)		—	—
<b>Total tax expense / (credit)</b>		<b>—</b>	<b>—</b>
<b>Profit/(Loss) for the period</b>		<b>(7,581.88)</b>	<b>(11,433.59)</b>
<b>Other Comprehensive Income:</b>			
Items that will not be reclassified subsequently to profit & Loss	33		
Remeasurement (Gain)/Loss on net defined benefit Plans		55.00	32.30
		<b>55.00</b>	<b>32.30</b>
<b>Total Comprehensive income for the period</b>		<b>(7,526.88)</b>	<b>(11,401.29)</b>
<b>Earnings per Equity Share (Nominal Value per Share ₹10)</b>			
Basic & Diluted	43	<b>(6.86)</b>	(11.07)
<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. LLP**

Chartered Accountants

Firm Regn. No. 306033E/E300272

**Sd/-**

**CA J. K. Choudhury**

Partner

Membership No. : 009367

Place : Kolkata

Date : 30<sup>th</sup> June, 2021

For and on behalf of the Board of Directors

**Sd/-**

**Aditya Jajodia**

Chairman & Managing

Director

DIN : 00045114

**Sd/-**

**Sanjiv Jajodia**

Wholetime Director & Chief

Financial Officer

DIN : 00036339

**Sd/-**

**Rajiv Jajodia**

Director

DIN : 00045192

**Sd/-**

**Ajay Kumar Tantia**

Company Secretary



### Statement of changes in equity for the year ended March 31, 2021

#### A. Equity Share Capital

(₹ in lacs)

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	(₹ in lacs)	No. of Shares	(₹ in lacs)
Balance at the beginning of the year	110,450,286	11,045.03	96,386,486	9,638.26
Changes in equity share capital during the year	-	-	14,063,800	1,406.77
Balance at the end of the year	<u>110,450,286</u>	<u>11,045.03</u>	<u>110,450,286</u>	<u>11,045.03</u>

#### B. Other Equity

(₹ in lacs)

Particulars	Reserve & Surplus					Equity Instrument through OCI	Total
	Capital Reserve	Amalgamation Reserve	Securities Premium Account	General Reserve	Retained Earnings		
Balance as at 01.04.2020	6,408.50	4,400.00	52,206.00	10,325.00	(250,310.56)	143.01	(176,828.04)
Profit for the period	-	-	-	-	(7,581.88)	-	(7,581.88)
Movement during the year	-	-	-	-	10.14	-	10.14
Remeasurements of the net defined benefit Plans	-	-	-	-	55.00	-	55.00
Total comprehensive income/(loss) for the period 31.03.21	-	-	-	-	(7,516.74)	-	(7,516.74)
Balance as at 31.03.2021	6,408.50	4,400.00	52,206.00	10,325.00	(257,827.30)	143.01	(184,344.78)

As per our report of even date

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

Chartered Accountants

Firm Regn. No. 306033E/E300272

Sd/-

**CA J. K. Choudhury**

Partner

Membership No. : 009367

Place : Kolkata

Date : 30<sup>th</sup> June, 2021

For and on behalf of the Board of Directors

Sd/-

**Aditya Jajodia**

Chairman & Managing

Director

DIN : 00045114

Sd/-

**Sanjiv Jajodia**

Wholtime Director & Chief

Financial Officer

DIN : 00036339

Sd/-

**Rajiv Jajodia**

Director

DIN : 00045192

Sd/-

**Ajay Kumar Tantia**

Company Secretary



### Cash Flow Statement for the year ended March 31, 2021

	(₹ in lacs)	
	Current year ended March 31, 2021	Previous year ended March 31, 2020
<b>A. Cash Flow From Operating Activities</b>		
<b>Profit / (Loss) before Tax and after exceptional items</b>	<b>(7581.88)</b>	<b>(11,433.59)</b>
Adjustments For :		
Depreciation / Amortisation (Net)	9,399.49	9,678.63
(Profit)/Loss on Sale of Property, Plant & Equipment	106.28	19.76
Irrecoverable Debts and Advances Written off	102.19	53.94
Liabilities no longer required written back	(861.99)	(4,830.96)
Interest on Term Loans and Others	8,747.61	10,184.14
Impairment Losses	—	576.79
Provision for doubtful debts	802.32	1,975.05
Dividend from long term Non Trade Investments	—	(0.49)
Profit on sale of long term Investments	—	(0.05)
Prior Period Expenditure (net)	635.13	(489.06)
Miscellaneous Expenditure w/off	3.60	3.60
Financial Lease Payment	10.13	10.13
Remeasurement (Gain)/Loss on net defined benefit Plans	55.00	32.30
(Profit) / Loss on Foreign Exchange Fluctuations (Net)	(4.42)	23.62
Interest Income	(198.46)	(646.73)
<b>Operating Profit / (Loss) Before Working Capital Changes</b>	<b>11,215.00</b>	<b>5,157.07</b>
Movements in Working Capital :		
Decrease / (Increase) in Trade Receivables	11,232.52	13,951.91
Increase in Loans and Advances and Other		
Current / Non Current Assets	1,582.77	14,135.86
Decrease / (Increase) in Inventories	(12,057.59)	(8,257.80)
Decrease in Trade Payables, Other Liabilities and Provisions	3,475.37	4,271.70
<b>Cash generated from Operating Activities</b>	<b>15,448.07</b>	<b>29,258.74</b>
Direct Taxes paid (net of refunds)	(37.26)	(201.95)
<b>Net Cash generated from Operating Activities</b>	<b>15,410.81</b>	<b>29,056.79</b>
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Property Plant and Equipment	(4,216.58)	(3,700.70)
Proceeds from Sale of Property, Plant and Equipment	58.43	6.80
Proceeds from sale of long term Investments	—	0.06
Proceeds from maturity of fixed deposits	40.89	(643.00)
Dividend from long term Investments (other than Trade)	—	0.49
Interest received	164.53	638.48
<b>Net Cash generated/(used in) Investing Activities</b>	<b>(3,952.73)</b>	<b>(3,697.87)</b>





### Cash Flow Statement for the year ended March 31, 2021 (Contd.)

	(₹ in lacs)	
	Current year ended March 31, 2021	Previous year ended March 31, 2020
<b>C. Cash Flow From Financing Activities</b>		
Proceeds from issue of equity share capital (including premium)	—	3,595.26
Proceeds from Non Current / Current Borrowings	2,808.91	2,846.66
Repayment of Non Current / Current Borrowings	(711.79)	(4,629.02)
Payment to Assets Reconstruction Company	(5,420.00)	(16,156.60)
Financial Lease Payment	(10.13)	(10.13)
Interest Paid	(6,668.26)	(10,611.82)
<b>Net Cash generated (used in) Financing Activities</b>	<b>(10,001.27)</b>	<b>(24,965.65)</b>
<b>Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)</b>	<b>1,456.81</b>	<b>393.27</b>
<b>Cash and Cash Equivalents as at the beginning of the year</b>	<b>1,105.38</b>	<b>712.11</b>
<b>Cash and Cash Equivalents as at the end of the year</b>	<b>2,562.19</b>	<b>1,105.38</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	74.75	52.84
Cheques in hand	181.46	76.87
Balance with Scheduled Banks on:		
Current Account	2,177.98	975.67
Fixed Deposit Account	128.00	—
<b>Cash and Cash Equivalents as at 31st March, 2021 (Refer Note 12)</b>	<b>2,562.19</b>	<b>1,105.38</b>

#### Notes:

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

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

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

As per our report of even date  
For **S. K. Agrawal & Co. LLP**  
Chartered Accountants  
Firm Regn. No. 306033E/E300272  
**Sd/-**  
**CA J. K. Choudhury**  
Partner  
Membership No. : 009367  
Place : Kolkata  
Date : 30<sup>th</sup> June, 2021

For and on behalf of the Board of Directors

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

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

**Sd/-**  
**Rajiv Jajodia**  
Director  
DIN : 00045192

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



### Significant Accounting Policies and Notes to financial statements for the year ended March 31, 2021

#### 1. Corporate Information

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

Jai Balaji Industries Limited (JBIL) is a Public Limited Company with its shares listed on Bombay Stock Exchange (BSE), National Stock Exchange (NSE).

#### 2. Significant Accounting Policies

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

##### a. Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013 (the 'Act') and other relevant provisions of the Act., to the extent applicable.

The company's financial statements upto the year ended 31st March 2021 were prepared in accordance with Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

This Note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied for the year ended 31st March, 2021.

##### b. Historical Cost Convention

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

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

##### b) Use of estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting are recognized prospectively. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to financial statements.

#### **Critical estimates and judgements**

The areas involving critical estimates or judgements are as follows:

- **Estimated fair value of unlisted securities**

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

- **Estimation of defined benefit obligation**

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

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

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

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

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

- **Impairment of trade receivables**

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



### Notes to financial statements for the year ended March 31, 2021 (Contd.)

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

● **Impairment losses of property, plant and equipment**

In addition to amortisation and depreciation on intangible assets and property, plant and equipment, impairment losses are also recognised on the balance sheet date if the asset's recoverable amount has fallen below its carrying amount. The recoverable amount is determined as the higher of an asset's fair value less costs to sell, and the present value of the estimated net future cash flows from continued use of the asset.

● **Measurement of Lease liabilities and Right of Use Asset (ROUA) Refer note "e".**

**Estimation of Uncertainties relating to the global health pandemic from COVID-19.**

The outbreak of corona virus(COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Companies operations and revenue during the period were impacted due to COVID-19. The Company has taken into account the possible impact of COVID-19 in preparation of the Audited Standalone Financial results, including its assessment of recoverable value of its assets based on internal and external information upto the date of approval of these Audited Standalone Financial results and current indicators of future economic conditions.

c) **Current and Non-Current classification**

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current.

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

d) **Revenue from Contracts with Customers**

Revenue from contracts with customers is recognized to the extent that is probable that the economic benefits will flow to the company and revenue can be reliably measurable regardless of when payment is being received. Revenue is measured at fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations. Specifically, the standard introduces a 5-step approach to revenue recognition..

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

Disaggregate revenue information :

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

Refer Note No. 25 for Disaggregate revenue information.

**Other income**

Other income is comprised primarily of interest income, dividend, income, gain/loss on investments and exchange gain.

**A. Conversion Income**

Revenue from sale of service is recognized when control has been transferred to the buyer usually when the delivery of goods after due process of



### Notes to financial statements for the year ended March 31, 2021 (Contd.)

conversion takes place, revenue is booked when all the performance obligations are satisfied.

#### **B. Export Incentives**

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

#### **C. Interest Income**

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

#### **D. Dividends**

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

#### **e) Implementation of IND AS 116: Lease**

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognized on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

The Company's lease asset classes primarily consist of lease for Land. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset.
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. These measurements normally also adjust the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### **f) Property, Plant and Equipment**

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

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

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

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

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. When a major inspection is performed, its cost is not recognized in the carrying amount of the plant and equipment as a replacement. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred. Property, Plant and Equipment includes spare parts, stand by





### Notes to financial statements for the year ended March 31, 2021 (Contd.)

equipments and servicing equipment which are expected to be used for a period more than twelve months and meets the recognition criteria of property, plant and equipment.

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

- Building: 5 - 60 years
- Office Equipments: 5 years
- Furniture and Fixtures: 10 years
- Lease hold Land : Over the period of Lease
- Vehicle: 8 years
- Plant and equipments: 15 - 25 years
- Computers: 3 -6 years

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

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

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

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

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

#### g) Intangible Assets

##### Purchase Software

Software licences are carried at cost less accumulated

amortization and impairment. Software is amortised over its useful life on a straight line basis.

Item	Useful life
Computer Software	5 years

#### h) Provisions & Contingent Liability

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

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

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

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

#### i) Inventories

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

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





### Notes to financial statements for the year ended March 31, 2021 (Contd.)

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

#### j) Earnings per share

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

Diluted earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### k) Segment Reporting

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

#### l) Cash and bank balances

Cash and bank balances consists of:

##### 1. Cash and cash Equivalent

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

##### 2. Other bank balances

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

#### m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and

other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest costs..

#### n) Leases

##### As a lessee

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

##### Finance Leases

Assets held under finance leases are recognised as assets at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the statement of financial performance.

##### Finance Leases-Lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease. Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability. Any contingent rent is expensed in the period in which they are incurred.

#### o) 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.



### Notes to financial statements for the year ended March 31, 2021 (Contd.)

Government grants of the nature of promoter's contribution are credited to capital reserve and treated as a part of shareholder's funds.

#### p) Financial Instruments

##### **Initial Recognition**

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

##### **Subsequent Measurement**

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

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

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

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

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

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The company recognizes impairment losses and reversals and foreign exchange gain or loss in the

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

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

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

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

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

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

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

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing



### Notes to financial statements for the year ended March 31, 2021 (Contd.)

liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

#### Fair Value of Financial Instruments

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

#### Offsetting of financial instruments

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

#### q) Impairment

##### a. Financial assets

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

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

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

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

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

##### b. Non-financial assets

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

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation). Impairment loss been recognized for the asset in the current years which is shown under exceptional item.



### Notes to financial statements for the year ended March 31, 2021 (Contd.)

#### r) Foreign currencies

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

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

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

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

- equity instruments at fair value through OCI (FVOCI);
  - a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
  - Qualifying cash flow hedges to the extent that the hedges are effective.
- a) Transactions in foreign exchange covered by forward contracts are accounted for at the contracted rates.
- b) Transactions other than those covered by forward contracts are recognized at the exchange rates prevailing on the date of their occurrence.
- c) Monetary assets and liabilities in foreign currency that are outstanding at the year end and not covered by forward contracts are translated at the year-end exchange rates.
- d) The exchange differences arising from long term foreign currency monetary items relating to the acquisition of a depreciable asset are added to or deducted from the cost of the depreciable capital assets. Other exchange differences arising from long-term foreign currency monetary items are transferred to "Foreign currency monetary item translation difference account" to be amortized over the life of such monetary items but not beyond 31st March, 2021. Other exchange differences are recognized as income or expense in the profit and loss account.

#### s) Fair value measurement

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

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

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

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

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

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

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

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the management determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level





### Notes to financial statements for the year ended March 31, 2021 (Contd.)

input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### t) Employee benefits

##### Short terms Obligation

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

##### ii. Post-employment obligations

The company operates the following post-employment schemes:

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

##### *Gratuity obligations*

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

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

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

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

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

##### *Defined contribution plans*

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

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

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

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

##### iv. Bonus plans

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

##### v. Update on the Code on Social Security, 2020 ('Code')

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

##### u) Taxes

Tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that





### Notes to financial statements for the year ended March 31, 2021 (Contd.)

it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

- **Current tax**

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

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

- **Deferred tax**

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

- ♦ temporary differences arising on the initial recognition of assets or liabilities in a transaction

that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

- ♦ taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

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



### Notes to financial statements for the year ended March 31, 2021 (Contd.)

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

Particulars	₹ in lacs										Total
	Freehold Land	Factory Buildings	Railway Siding	Plant and Machinery	Electrical Installation	Furniture and Fixture	Office Equipment	Vehicle			
Gross carrying value as on April 1, 2020	4,103.89	40,592.62	4,354.18	177,161.80	24,283.63	132.87	1,127.06	120.38			251,876.42
Additions	-	186.73	-	3,444.53	153.65	11.39	90.53	-			3,886.83
Disposal	-	-	-	434.69	56.89	-	-	-			491.58
Impairment Losses	-	-	-	-	-	-	-	-			-
Gross carrying value as on March 31, 2021	4,103.89	40,779.35	4,354.18	180,171.64	24,380.39	144.26	1,217.59	120.38			255,271.67
Accumulated depreciation as on April 1, 2020	-	12,846.64	3,083.74	90,417.81	21,049.57	108.02	937.68	114.12			128,557.58
Depreciation for the period	-	1,162.50	319.85	6,851.24	975.85	4.38	68.16	0.08			9,382.06
Disposal/Adjustment	-	-	-	271.58	54.05	-	-	-			325.63
Impairment Losses	-	-	-	-	-	-	-	-			-
Accumulated depreciation as on March 31, 2021	-	14,009.14	3,403.59	96,997.47	21,971.37	112.40	1,005.84	114.20			137,614.01
Carrying value as on March 31, 2021	4,103.89	26,770.21	950.59	83,174.17	2,409.02	31.86	211.75	6.18			117,657.66
Carrying value as on April 1, 2020	4,103.89	27,745.98	1,270.44	86,743.99	3,234.06	24.85	189.38	6.26			123,318.85

Particulars	₹ in lacs										Total
	Freehold Land	Factory Buildings	Railway Siding	Plant and Machinery	Electrical Installation	Furniture and Fixture	Office Equipment	Vehicle			
Gross carrying value as on April 1, 2019	4,103.89	40,924.73	4,354.18	176,657.91	24,741.26	125.91	1,023.63	134.04			252,065.55
Additions	-	-	-	1,532.54	24.77	6.96	108.18	-			1,672.45
Disposal	-	-	-	35.45	-	-	-	13.66			49.11
Impairment Losses	-	332.11	-	993.20	482.40	-	4.75	-			1,812.46
Gross carrying value as on March 31, 2020	4,103.89	40,592.62	4,354.18	177,161.80	24,283.63	132.87	1,127.06	120.38			251,876.43
Accumulated depreciation as on April 1, 2019	-	11,835.43	2,763.89	84,215.67	20,227.23	103.51	884.20	124.78			120,154.71
Depreciation for the period	-	1,172.31	319.85	6,823.50	1,280.62	4.51	57.99	2.31			9,661.09
Disposal/Adjustment	-	-	-	9.58	-	-	-	12.97			22.55
Impairment Losses	-	161.10	-	611.78	458.28	-	4.51	-			1,235.67
Accumulated depreciation as on March 31, 2020	-	12,846.64	3,083.74	90,417.81	21,049.57	108.02	937.68	114.12			128,557.58
Carrying value as on March 31, 2020	4,103.89	27,745.98	1,270.44	86,743.99	3,234.06	24.85	189.38	6.26			123,318.85
Carrying value as on April 1, 2019	4,103.89	29,089.30	1,590.29	92,442.24	4,514.03	22.40	139.43	9.26			131,910.84



### Notes to financial statements for the year ended March 31, 2021 (Contd.)

Note 3A : The details of right-of use asset held by the company is as follows:

		(₹ in lacs)
Particulars	Leasehold Land	
Gross carrying value as on April 1, 2020		871.86
Additions		-
Disposal		-
Gross carrying value as on March 31, 2021		<u>871.86</u>
Accumulated depreciation as on April 1, 2020		398.51
Depreciation for the period		8.67
Disposal/ Adjustment		-
Accumulated depreciation as on March 31, 2021		<u>407.18</u>
Carrying value as on March 31, 2021		<u>464.68</u>
Carrying value as on April 1, 2020		<u>473.35</u>
		(₹ in lacs)
Particulars	Leasehold Land	
Gross carrying value as on April 1, 2019		871.86
Additions		-
Disposal		-
Gross carrying value as on March 31, 2020		<u>871.86</u>
Accumulated depreciation as on April 1, 2019		389.84
Depreciation for the period		8.67
Disposal/ Adjustment		-
Accumulated depreciation as on March 31, 2020		<u>398.51</u>
Carrying value as on March 31, 2020		<u>473.35</u>
Carrying value as on April 1, 2019		<u>482.02</u>

Net book value of leasehold land for the year ended March 31, 2021 were under finance lease

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

			(₹ in lacs)
		As at March 31, 2021	As at March 31, 2020
<b>A. Capital Work-in-Progress</b>			
Buildings*		1,255.18	1,229.12
Road		193.00	53.46
Railway Siding		359.01	359.01
Plant and Machinery*		5,780.42	3,841.29
Electrical Installations		617.16	379.17
Land		1,158.81	1,158.81
Computer		-	0.15
Intangible Assets under development		20.80	20.80
	<b>Sub Total</b>	<u>9,384.38</u>	<u>7,041.81</u>
Less : Transferred to Fixed Assets		3,409.91	1,261.17
	<b>Total A :</b>	<u>5,974.47</u>	<u>5,780.64</u>
<b>B. Pre-operative Expenditure Pending Allocation</b>			
Opening Balance		3,987.97	3,961.94
Additions			
Rent and Hire		2.30	31.22
Miscellaneous Expenses		333.38	67.33
		<u>335.68</u>	<u>98.55</u>
Less : Transferred to Fixed Assets		102.61	72.52
	<b>Total B :</b>	<u>4,221.04</u>	<u>3,987.97</u>
<b>Grand Total (A+B)</b>		<u>10,195.51</u>	<u>9,768.61</u>

\*Plant & Machinery includes DIP Mould of ₹63.76 lacs (₹126.85 lacs), Blast Furnace Division of ₹4.17 lacs (₹1.62 lacs), Sinter Division of ₹106.80 lacs (Nil) and DIP Division of ₹17.33 lacs (Nil) lying in transit.

\*Factory Building includes Rolling Mill Division of ₹1.93 lacs and Sponge Division of ₹7.35 lacs lying in transit.



### Notes to financial statements for the year ended March 31, 2021 (Contd.)

#### Note 4A : Intangible Assets

	(₹ in lacs)
<b>Particulars</b>	<b>Software</b>
Gross carrying value as on April 1, 2020	117.85
Additions	5.67
Disposal	-
Impairment Losses	-
Gross carrying value as on March 31, 2021	<u>123.52</u>
Accumulated depreciation as on April 1, 2020	90.00
Depreciation for the period	8.76
Disposal/Adjustment	-
Impairment Losses	-
Accumulated depreciation as on March 31, 2021	<u>98.76</u>
Carrying value as on March 31, 2021	<u>24.76</u>
Carrying value as on April 1, 2020	<u>27.85</u>
	(₹ in lacs)
<b>Particulars</b>	<b>Software</b>
Gross carrying value as on April 1, 2019	101.95
Additions	16.15
Disposal	-
Impairment Losses	0.25
Gross carrying value as on March 31, 2020	117.85
Accumulated depreciation as on April 1, 2019	81.38
Depreciation for the period	8.87
Disposal/Adjustment	-
Impairment Losses	0.25
Accumulated depreciation as on March 31, 2020	<u>90.00</u>
Carrying value as on March 31, 2020	<u>27.85</u>
Carrying value as on April 1, 2019	<u>20.57</u>

#### Note 5 : Non Current Investment

	(₹ in lacs)			
	Number of shares	Face Value Per Share	As at March 31, 2021	As at March 31, 2020
<b>Trade Investment</b>				
<b>In Subsidiaries Companies</b>				
<b>Unquoted, Fully Paid up</b>				
<b>Investment in Equity Shares</b>				
<b>In Subsidiary Companies</b>				
Jai Balaji Energy (Purulia) Limited	50,000	10	5.00	5.00
Jai Balaji Steels (Purulia) Limited	50,000	10	5.00	5.00
<b>In Joint Venture Companies#</b>				
Andal East Coal Company Private Limited	319,290	10	3.19	3.19
Rohne Coal Company Private Limited	69,000	10	0.69	0.69
<b>Investment in Preference Shares</b>				
<b>In a Joint Venture Company#</b>				
1% Redeemable Preference Shares of Rohne Coal Company Private Limited	2,363,914	10	23.64	23.64
			<u>37.52</u>	<u>37.52</u>



**Notes to financial statements for the year ended March 31, 2021 (Contd.)**

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

(₹ in lacs)

	Number of shares	Face Value Per Share	As at March 31, 2021	As at March 31, 2020
Aggregate Value of Investments				
- Quoted			-	-
- Unquoted			37.52	37.52
<b>#Refer note 49</b>				
<b>(At Fair value through Other Comprehensive Income)</b>				
<b>Non Trade Investment</b>				
<b>Unquoted, Fully Paid up</b>				
<b>Investment in Equity Shares</b>				
Calcutta Stock Exchange Limited#	2,726	1	71.60	71.60
<b>In Government Securities</b>				
National Saving Certificate (Deposited with Third Parties)			7.32	7.32
			<u>78.92</u>	<u>78.92</u>
Aggregate Value of Investments				
- Quoted			-	-
- Unquoted			78.92	78.92
Market Price - Quoted			-	-
<b>#Refer note 50</b>				

**Note 6 : Non Current Loans**

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Security Deposits	2,636.95	1,534.90
<b>Total:</b>	<u>2,636.95</u>	<u>1,534.90</u>

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

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Margin Money with Banks with maturities more than 12 months	1,539.51	428.00
Interest Receivable on Deposits	16.82	9.66
<b>Total</b>	<u>1,556.33</u>	<u>437.66</u>





### Notes to financial statements for the year ended March 31, 2021 (Contd.)

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

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
<b>Deferred Tax Asset</b>		
Unabsorbed Depreciation and carry forward Business Losses	74,956.37	75,012.35
Expenses Allowed On Payment Basis/Other Timing Differences	7,967.62	7,728.93
<b>Sub Total (A)</b>	<u>82,923.99</u>	<u>82,741.28</u>
<b>Deferred Tax Liability</b>		
Timing Difference on Depreciable assets	20,107.79	19,421.93
<b>Sub Total (B)</b>	<u>20,107.79</u>	<u>19,421.93</u>
<b>Deferred Tax Assets / (Liabilities) (Net) (A-B)</b>	<u>62,816.20</u>	<u>63,319.35</u>
<b>Less: Deferred Tax Assets not recognised (refer note below)</b>	<b>(33,731.06)</b>	<b>(34,234.21)</b>
<b>Total</b>	<u>29,085.14</u>	<u>29,085.14</u>

#### Note :

As the Company has made substantial losses for the past years as well as for this year, no Deferred Tax Assets for the year has been accounted for. However the figure upto 31.03.2015 has been carried forward because the management is taking corrective action to improve the working so as to enable them realise the above figure.

#### Note 9 : Other Non Current Assets

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Capital Advances	4,087.73	4,065.14
Miscllaneous Expenditure	10.80	14.40
Mat Credit Entitlement	4,709.71	4,709.71
<b>Total:</b>	<u>8,808.24</u>	<u>8,789.25</u>

#### Note 10 : Inventories

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Raw Materials	48,647.23	40,146.11
[Including in transit ₹13,006.54 lacs (₹4,823.68 lacs)]		
Stores and Spares	5,635.15	5,411.46
[Including in transit ₹263.98 lacs (₹123.98 lacs)]		
Work - in - Process	1,299.62	872.49
Finished Goods	12,002.94	7,937.20
Trading Goods	21.49	26.37
By Products and Scrap	2,310.06	3,465.26
<b>Total:</b>	<u>69,916.49</u>	<u>57,858.89</u>



**Notes to financial statements for the year ended March 31, 2021 (Contd.)**

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

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	24,400.99	28,438.96
Unsecured, considered doubtful	24,100.54	23,298.22
	<u>48,501.53</u>	<u>51,737.18</u>
Less: Allowance for Doubtful Debts (Refer note below)	24,100.54	23,298.22
<b>Total:</b>	<u>24,400.99</u>	<u>28,438.96</u>

**Note:**

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

**Note 12 : Cash and Cash Equivalents**

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Balance with Banks :-		
On Current Accounts	2,177.98	975.67
Deposits with Original Maturity of Less than 3 months	128.00	-
Cash on hand	74.75	52.84
Cheques in hand	181.46	76.87
<b>Total:</b>	<u>2,562.19</u>	<u>1,105.38</u>

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

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Margin Money with Banks with maturities less than 12 months	15.50	1,167.90
<b>Total:</b>	<u>15.50</u>	<u>1,167.90</u>

**Note 14 : Current Loans**

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Security Deposits	2,639.94	2,820.66
<b>Loans and advances to Related parties</b>		
Loans to Body Corporate (Receivable on demand)#	-	811.21
Advances to a Body Corporate #	-	545.86
	<u>-</u>	<u>1357.07</u>
Advances recoverable in cash or in kind or for value to be received	264.46	233.54
<b>Total:</b>	<u>2,904.40</u>	<u>4,411.27</u>

#Refer note 38



**Notes to financial statements for the year ended March 31, 2021 (Contd.)**

**Note 15 : Other Current Financial Assets**

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Interest Receivable on Deposits	20.29	3.51
<b>Total</b>	<b>20.29</b>	<b>3.51</b>

**Note 16 : Other Current Assets**

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
<b>Advances recoverable in cash or kind</b>		
Advances recoverable in cash or in kind or for value to be received [Net of Provision for Doubtful Advances ₹764.38 lacs (₹764.38 lacs)]	16,951.13	18,608.46
<b>Other Loans and Advances</b>		
Balance with Government Authorities	790.97	311.61
Advance income tax [Net of Provisions ₹ Nil (₹ Nil)]	389.88	342.62
Subsidies and Incentives Receivable	11,902.86	11,902.86
Sales Tax and Other Refunds Receivable	230.92	230.92
	<b>13,314.63</b>	<b>12,788.01</b>
<b>Total:</b>	<b>30,265.76</b>	<b>31,396.47</b>

**Note 17 : Share Capital**

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
<b>Authorised capital</b>		
125,000,000 (125,000,000) Equity Shares of ₹ 10/- each	12,500.00	12,500.00
<b>Issued, subscribed and fully paid-up capital</b>		
11,04,50,286 (11,04,50,286) Equity Shares of ₹ 10/- each	11,045.03	11,045.03
Less: Calls unpaid (Due from other than directors or officers)	-	-
<b>Total:</b>	<b>11,045.03</b>	<b>11,045.03</b>

**Reconciliation of the number of shares**

**Equity Shares :**

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	(₹ in lacs)	No. of Shares	(₹ in lacs)
Equity Shares of Rs 10/- each				
At the beginning of the period	110,450,286	11,045.03	96,386,486	9,638.26
Issued during the period	-	-	14,071,500	1,407.15
Forfeited of shares during the period	-	-	-7,700	-0.38
At the end of the period	<b>110,450,286</b>	<b>11,045.03</b>	<b>110,450,286</b>	<b>11,045.03</b>

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

The Company has only one class of ordinary shares (equity shares) having at par value of ₹10/- each. Each shareholder of ordinary shares (equity shareholders) is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the 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.

**Notes to financial statements for the year ended March 31, 2021 (Contd.)**

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

	As at March 31, 2021		As at March 31, 2020	
	No of Shares	% holding in the class	No of Shares	% holding in the class
Enfield Suppliers Ltd.	11,221,233	10.16	11,221,233	10.16
Hari Management Ltd.	7,044,000	6.38	7,044,000	6.38
Jai Salasar Balaji Industries (P) Ltd	25,115,157	22.74	25,115,157	22.74
Edelweiss Asset Reconstruction Co. Ltd. (for and on behalf of EARC trust SC 301)	8,005,706	7.25	8,005,706	7.25
Mahesh Kumar Keyal	6,500,000	5.89	6,500,000	5.89
	<u>57,886,096</u>	<u>52.41</u>	<u>57,886,096</u>	<u>52.41</u>

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

**Note 18 : Other Equity**

(₹ in lacs)

Particulars	Reserve & Surplus					Equity Instrument through OCI	Total
	Capital Reserve	Amalgamation Reserve	Securities Premium Account	General Reserve	Retained Earnings		
Balance as at 01.04.2020	6,408.50	4,400.00	52,206.01	10,325.00	(250,310.55)	143.01	(176,828.04)
Profit for the period	—	—	—	—	(7,581.88)	—	(7,581.88)
Movement during the period	—	—	—	—	10.14	—	10.14
Remeasurements of the net defined benefit plans	—	—	—	—	55.00	—	55.00
Total comprehensive income/(loss) for the period 31.03.21	—	—	—	—	(7,516.74)	—	(7,516.74)
Balance as at 31.03.2021	6,408.50	4,400.00	52,206.01	10,325.00	(257,827.29)	143.01	(184,344.78)

**Nature and purpose of reserves:**

- (a) **Capital Reserve:** Amount received from West Bengal Industrial Development Corporation as a Capital Subsidy and amount forfeited against equity warrant application money is treated as a capital reserve.
- (b) **Amalgamation Reserve:** Amount arisen on Amalgamation of erstwhile Shri Ramrupai Balaji Steels Limited treated as a Amalgamation Reserve.
- (c) **Securities Premium Account:** The amount received in excess of face value of securities and forfeited of shares is recognised in Securities Premium Account.
- (d) **General Reserve:** The Company has transferred a portion of the net profit of the company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
- (e) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date.
- (f) **Equity Instruments through Other Comprehensive Income:** The fair value change of the equity instrument measured at fair value through other comprehensive income is recognised in Equity instruments through Other Comprehensive Income.
- (g) **Remeasurements of Net Defined Benefit Plans:** Differences between the interest income on plan assets and the return actually received and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans are recognised in 'Other Comprehensive Income' and subsequently not reclassified to the Statement of Profit and Loss.



### Notes to financial statements for the year ended March 31, 2021 (Contd.)

#### Note 19 : Non Current Borrowings

	As at March 31, 2021	As at March 31, 2020
(₹ in lacs)		
<b>(Secured, unless otherwise stated)</b>		
Rupee Loan ARC (Refer Note 20)	50,665.56	59,495.98
Non-current maturities of Finance Lease Obligations (Refer Note 36)	58.89	58.89
<b>Unsecured Loan:</b>		
Debentures	7,146.17	6,618.23
Zero Coupon Non Convertible Debentures (Refer Note below)		
<b>Total:</b>	<u>57,870.62</u>	<u>66,173.10</u>

#### Notes:

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

#### Note 20 : Current Borrowings

	As at March 31, 2021	As at March 31, 2020
(₹ in lacs)		
<b>(Secured, unless otherwise stated)</b>		
<b>Term Loans:</b>		
Rupee Loan from Financial Institutions	537.16	—
Rupee Loan from Bodies Corporate (Unsecured)	797.25	797.25
Rupee Loan ARC	245,741.00	243,579.85
<b>Loan Repayable on Demand</b>		
From Banks		
- Demand loan/Cash Credits	29,997.53	31,297.80
- From Bodies Corporate (Unsecured)	8,407.00	4,535.00
<b>Total:</b>	<u>285,479.94</u>	<u>280,209.90</u>

#### Note:

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

- a) Rupee Term Loan from Banks and ARC are secured by 1st charge over the entire fixed assets (both present and future) and 2nd charge over the entire current assets (both present and future) of the Company's units at Ranigunge and Durgapur in the state of West Bengal and Durg in the state of Chattisgarh.

The above loans are further secured as follows :

- i) Personal Guarantees of Promoter Directors of the Company.
- ii) Pledge of equity shares of the Company held by the promoters.

#### 2. Rupee Loan repayable on Demand

##### a) Secured Loan

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





### Notes to financial statements for the year ended March 31, 2021 (Contd.)

been classified as Loans Repayable on Demand from last financial year.

- 2) Cash Credit facilities from banks are secured by pari- passu 1st charge over the entire current assets (both present and future) and 2nd charge over the entire fixed assets (both present and future) of the Company's units at Ranigunge and Durgapur in the state of West Bengal and Durg in the state of Chattisgarh.

The above facilities are further secured as follows.

- (i) Personal Guarantees of Promoter Directors of the Company.
- (ii) Pledge of equity shares of the Company held by the promoters

#### b) Unsecured Loan

- 1) Unsecured Loan from bodies corporate has been received from a promoter group company and Unsecured loan from others are interest bearing which is repayable on demand.

#### Additional Disclosure

##### Default in Repayment of Loans , its assignment/ settlement terms and conditions and its Accounting Treatment :

1. Axis Bank, UCO Bank(lead bank), Allahabad Bank and Union Bank of India have assigned their debts along with all its rights, title and interest in the financing documents, all agreements, deeds and documents related thereto and all primary and collateral and underlying security interests and/or pledges created to secure and/or guarantees issued in respect of the repayment of the loans to Edelweiss Asset Reconstruction Company Limited. For repayment of said debts, company entered into a restructuring agreement with Edelweiss Asset Reconstruction Company Limited and agreed for the repayment of loan by September, 2025. As per terms of settlement, if all the terms & conditions are fully complied by the company, it will result in a debt write off by ₹ 82,126.00 lacs. However, the amount of repayment of loan to Edelweiss Asset Reconstruction Company Limited, upto the Balance Sheet date of ₹ 11,797.00 lacs has been adjusted against the total outstanding loan liability.

Further, the Company had allotted 14,071,500 equity shares of ₹10 each as a price of ₹25.55 (inclusive of share premium amount of ₹15.55 per equity share) to Edelweiss Asset Reconstruction Company Limited during the financial year 2019-20.

2. Bank of India have assigned their debts along with all its rights, title and interest in the financing documents, all agreements, deeds and documents related thereto and all primary and collateral and underlying security interests and/or pledges created to secure and/or guarantees issued in respect of the repayment of the loans to Edelweiss Asset Reconstruction Company Limited. As per terms of settlement, if all the terms & conditions are fully complied by the company, it will result in a debt write off by ₹ 8,289.00 lacs.
3. United Bank of India, State Bank of India, West Bengal Infrastructure Development Finance Corporation Ltd, IDBI Bank, Indian Overseas Bank and Vijaya Bank (Bank of Baroda) have also assigned their entire exposure along with all their rights, title and interest in the financing documents, all agreements, deeds and documents related thereto and all primary and collateral and underlying security interests and /or pledges created to secure and /or guarantees issued in respect of the repayment of the loans for valuable consideration to the Omkara Assets Reconstruction Private Limited (Omkara ARC). On account of non-finalization of repayment and restructuring terms, ₹ 21,717.00 lacs paid to the said ARC up to the balance sheet dates, has been reduced from the loan balance of the respective bank.
4. Oriental Bank of Commerce has approved a One Time settlement offer to the company against their entire dues. During the period under review, Company continued lump sum payments on account and currently applied for further restructuring due to pandemic situation which is under process. On fulfilment of the terms & condition, it will result in a debt reduction by ₹15,238.39 lacs.
5. During the period under review, J. M. Financial Assets Reconstruction Company Limited have assigned their debts along with all its rights, title and interest in the financing documents, all agreements, deeds and documents related thereto and all primary and collateral and underlying security interest and / or pledges created to secure and /or guarantees issued in respect of the repayment of the loans for valuable consideration to Atirath Commercial Privatized Limited. A repayment, restructuring or settlement term of said debt is still pending.



### Notes to financial statements for the year ended March 31, 2021 (Contd.)

6. The details of liability outstanding/Debt assigned to/from various lenders and their status as on the end of the current year are as follows :

(₹ in crore)

Name of the Bank/ARC	Liability outstanding/ Debt Assigned	Payment Upto 31.03.2021	Default
<b>Defaulted</b>			
#Edelweiss Asset Reconstruction Company Limited	1,499.33	117.97	105.59
<b>Regular</b>			
Edelweiss Asset Reconstruction Company Limited	127.20	30.24	No Default
Omkara Assets Reconstruction Pvt. Ltd.	1,448.54	217.17	Not yet restructured/settled, hence payments made to respective ARC are directly considered as on account payment
Atirath Commercial Pvt. Ltd.	5.38	--	Repayment not yet started
#Punjab National Bank (Erstwhile Oriental Bank of Commerce)	264.38	40.31	OTS Restructure under process
<b>Total</b>	<b>3,344.83</b>	<b>405.69</b>	

# Deferment of loan due to Covid 19: The Reserve Bank of India (RBI) has notified Covid-19 Regulatory packages permitting lenders to grant a moratorium period for all installments falling due between March 01, 2020 to August 31, 2020. The Company has not paid installments. The Company has requested all lenders to allow a moratorium period for the payments or re-schedule/restructure the payment of the installments amount not paid and moratorium period or revised schedule is yet to be confirmed.

7. Canara Bank, Corporation Bank and Punjab National Bank have stopped charging interest on debts, since the dues from the Company have been categorized as Non-Performing Asset. The Company is in active discussion/negotiation with those lenders to restructure its debts at a sustainable level including waiver of unpaid interest. In view of the above, pending finalization of any corrective action plan/restructure/settlement with those lenders/ARCs, the Company has stopped providing interest accrued and unpaid with effect from 1st April, 2016 in its books. The amount of such accrued and unpaid interest not provided for the last year ended 31st March, 2021 stands at ₹ 28,020.96 lacs (₹27,383.99 lacs). The accumulated interest not provided till 31st March, 2021 stands at ₹ 1,31,040.76 lacs. Accordingly, the same has not been considered for compilation of results of the said year ended 31st March, 2021. The Statutory Auditors have qualified their Audit Report in respect of this matter.

#### Note 21 : Trade Payables

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
<b>Trade Payables</b>		
- Dues to Micro, and Small Enterprises	670.80	917.05
- Other than Micro, and Small Enterprises	74,362.06	68,122.06
<b>Total:</b>	<b>75,032.86</b>	<b>69,039.11</b>

#### Note :

Under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. In regard to this, the company has received intimation from various parties and details are given refer note no-40



**Notes to financial statements for the year ended March 31, 2021 (Contd.)**

**Note 22 : Other Financial Liabilities**

	(₹ in lacs)	
	As at March 31, 2021	As at March 31, 2020
Interest Accrued and due on Borrowings	5,596.54	4,045.13
Current maturities of Finance Lease Obligations	10.13	10.13
Temporary Book Overdraft	464.72	503.95
Capital Creditors	1,248.53	1,124.37
Due to Employees	2,000.57	1,629.40
Interest Others	12,316.46	11,251.79
Security Deposit	254.73	116.31
Unclaimed Amount	2.86	—
<b>Total:</b>	<u>21,894.54</u>	<u>18,681.08</u>

**Note 23 : Other Current Liabilities**

	(₹ in lacs)	
	As at March 31, 2021	As at March 31, 2020
- Advance from Customer	22,719.47	14,713.78
- Statutory Dues Payable	9,865.08	13,811.16
- Other Miscellaneous	133.15	139.36
<b>Total:</b>	<u>32,717.70</u>	<u>28,664.30</u>

**Note 24 : Current Provisions**

	(₹ in lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>Provision for employee benefits:</b>		
Gratuity (Refer Note 39)	863.04	800.08
Leave Salary	72.38	149.89
<b>Total:</b>	<u>935.42</u>	<u>949.97</u>

**Note 25 : Revenue from Operations**

	(₹ in lacs)	
	Current year ended March 31, 2021	Previous year ended March 31, 2020
<b>Sales of products</b>		
Finished Goods	246,905.03	265,082.13
By Products and Scraps	10,723.10	10,520.32
Raw Materials	15,139.43	6,322.26
<b>Other Operating Revenue</b>		
Conversion Charges	5,538.73	9,061.26
Export Incentives	133.77	234.28
Service and other Charges	78.12	9.97
<b>Revenue from Operations</b>	<u>278,518.18</u>	<u>291,230.22</u>



### Notes to financial statements for the year ended March 31, 2021 (Contd.)

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

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

	Current year ended March 31, 2021	Previous year ended March 31, 2020
Sponge Iron	29,042.80	23,432.23
Pig Iron	66,238.29	68,743.83
Steel Bars/Rods	41,042.72	48,984.86
Billet/MS Ingots	23,305.55	25,493.20
Ferro Alloys	33,924.95	37,294.96
Ductile Iron Pipe	51,352.30	58,263.78
Nut Coke	233.58	—
Coal/Coke	105.48	2,428.65
Managanese Ore (Import)	404.66	—
TMT	17.71	12.89
M.S. Billet	1,236.99	427.72
	<u>246,905.03</u>	<u>265,082.13</u>

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

#### Note 26 : Other Income

	Current year ended March 31, 2021	Previous year ended March 31, 2020
Interest on :		
(a) Fixed Deposits with Banks [Gross, Tax deducted at source ₹10.91 lacs (₹7.46 lacs)]	63.86	74.60
(b) Loans and Advances [Gross, Tax deducted at source ₹4.30 lacs (₹4.26 lacs)]	124.61	572.13
(c) Refund from Income Tax Department [Gross, Tax deducted at source ₹Nil (₹Nil)]	10.00	—
Dividend from long term Investments (other than trade)	—	0.49
Insurance Claims	3.32	45.36
Liabilities no longer required written back	861.99	4,830.96
Profit on sale of long term Investments (other than trade)	—	0.05
Gain on Foreign Exchange Fluctuations (Net)	4.42	—
Miscellaneous Income	14.48	11.34
<b>Total:</b>	<u>1,082.68</u>	<u>5,534.93</u>

#### Note 27 : Cost of Materials Consumed

	Current year ended March 31, 2021	Previous year ended March 31, 2020
Opening Stock	40,146.11	34,713.71
Purchases	217,051.41	229,215.60
	<u>257,197.52</u>	<u>263,929.32</u>
Less: Closing Stock	48,647.23	40,146.11
<b>Raw Materials Consumed</b>	<u>208,550.29</u>	<u>223,783.21</u>



### Notes to financial statements for the year ended March 31, 2021 (Contd.)

#### Consumption of Raw Material :

	(₹ in lacs)	
	Current year ended March 31, 2021	Previous year ended March 31, 2020
Iron Ore / Pellets / Sinter	50,393.54	52,816.82
Manganese Ore	4,755.05	5,241.50
Sponge Iron	8,212.07	5,499.61
Billet/Ingot	31,935.84	29,932.94
Coke/Coal	87,892.26	107,841.74
Magnesium Metal	597.28	800.02
Pig Iron	1,307.70	1,910.89
Steel Scrap & Wastes	5,660.94	4,290.58
Ferro Alloys	7,304.45	10,065.30
Quartzite, Limestone and Dolomite	10,491.16	5,383.80
	<u>208,550.29</u>	<u>223,783.21</u>

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

	(₹ in lacs)	
	Current year ended March 31, 2021	Previous year ended March 31, 2020
TMT	17.23	24.86
Coke (Low Ash)	89.10	1,097.13
Coal	—	1,422.96
Manganese Ore (Imported)	387.47	—
M. S. Billet	1,223.15	435.86
	<u>1,716.95</u>	<u>2,980.81</u>

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

	(₹ in lacs)	
	Current year ended March 31, 2021	Previous year ended March 31, 2020
<b>Opening Stocks :</b>		
Work-in-Process	872.49	838.64
Finished Goods#	7,963.58	6,131.62
By Products and Scrap	3,465.26	2,550.83
	<u>12,301.32</u>	<u>9,521.09</u>
<b>Less:</b>		
<b>Closing Stocks :</b>		
Work-in-Process	1,299.62	872.49
Finished Goods #	12,024.43	7,963.58
By Products and Scrap	2,310.06	3,465.26
	<u>15,634.11</u>	<u>12,301.32</u>
<b>Total</b>	<u>(3,332.79)</u>	<u>(2,780.23)</u>

# Finished goods stock include Trading Stock of ₹21.49 lacs (₹26.37 lacs)





### Notes to financial statements for the year ended March 31, 2021 (Contd.)

Stock of finished goods comprises:

	(₹ in lacs)	
	Current year ended March 31, 2021	Previous year ended March 31, 2020
<b>Opening Stock :</b>		
Sponge Iron	345.64	94.00
Pig Iron	621.76	633.16
Steel Bars/Rods	473.86	388.10
Billet/MS Ingots	459.74	657.26
Ferro Alloys	1,008.80	1,816.85
Ductile Iron Pipe	3,172.87	2,175.75
Coke	1,880.91	366.50
<b>Total:</b>	<u>7,963.58</u>	<u>6,131.62</u>
<b>Closing Stock :</b>		
Sponge Iron	367.57	345.64
Pig Iron	700.44	621.76
Steel Bars/Rods	1,960.82	473.86
Billet/MS Ingot	544.89	459.74
Ferro Alloys	1,590.10	1,008.80
Ductile Iron Pipe	4,471.04	3,172.87
Coke	2,389.58	1,880.91
<b>Total:</b>	<u>12,024.43</u>	<u>7,963.58</u>

### Note 30 : Employee Benefits Expense

	(₹ in lacs)	
	Current year ended March 31, 2021	Previous year ended March 31, 2020
Salaries, Wages, Bonus & Other Benefits	8,115.24	8,295.84
Contribution to Provident Fund & other fund	454.12	446.33
Staff Welfare Expenses	300.33	256.44
<b>Total:</b>	<u>8,869.69</u>	<u>8,998.62</u>

### Note 31 : Finance Costs

	(₹ in lacs)	
	Current year ended March 31, 2021	Previous year ended March 31, 2020
<b>Interest Expenses</b>		
On ARC	5,734.14	6,397.85
On Others	3,013.47	3,786.29
On Income Tax	-	1.02
<b>Finance charges</b>	<u>56.16</u>	<u>93.29</u>
<b>Total:</b>	<u>8,803.77</u>	<u>10,278.45</u>



**Notes to financial statements for the year ended March 31, 2021 (Contd.)**

**Note 32 : Other Expenses**

	(₹ in lacs)	
	Current year ended March 31, 2021	Previous year ended March 31, 2020
Consumption of Stores and Spares	19,183.67	19,883.72
Labour Charges	6,816.09	6,813.40
Power and Fuel	14,278.00	16,268.31
Repairs and Maintenance:		
- Plant and Machinery	465.91	655.27
- Buildings	4.64	6.42
- Others	1,512.13	1,322.73
Water Charges	297.50	406.26
Equipment Hire Charges	3,864.15	2,357.36
Shifting Expenses	45.27	41.68
Freight and Transportation	2,182.99	2,078.62
Rent and Hire	112.81	63.12
Rates and Taxes	85.84	114.91
Insurance	357.66	283.20
Advertisement	130.79	88.13
Brokerage and Commission (Other than Sole Selling Agents)	358.00	311.09
Travelling and Conveyance	433.03	614.23
Telephone and Postage	59.54	60.87
Legal and Professional Charges (Refer Note 48)	327.32	751.65
Director's Fees	1.40	1.65
Provision for Doubtful Debts and Advances	802.32	1,975.05
Irrecoverable Debts and Advances Written off	102.19	53.94
Less: Adjusted against Provisions	—	—
Loss on Foreign Exchange Fluctuations (Net)	—	23.62
Charity and Donations	8.27	21.91
Security and Service Charges	465.27	443.06
Loss on Sale of Property, Plant & Equipment	106.28	19.76
Miscellaneous Expenditure W/off	3.60	3.60
Miscellaneous Expenses	535.53	507.97
Prior period expenses (Net)	635.13	(489.06)
<b>Total:</b>	<u>53,175.34</u>	<u>54,682.46</u>

**Note 33 : Other Comprehensive Income**

	(₹ in lacs)	
	Current year ended March 31, 2021	Previous year ended March 31, 2020
<b>Other Comprehensive Income (Refer note 47)</b>		
(A) Items that will not be reclassified to profit or loss		
(I) Remeasurements of the defined benefit plans	55.00	32.30
	<u>55.00</u>	<u>32.30</u>



### Notes to financial statements for the year ended March 31, 2021 (Contd.)

#### 34A. Contingent liabilities

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an on-going basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

	(₹ in lacs)	
	As at March 31, 2021	As at March 31, 2020
a) Claims against the Company not acknowledged as debts		
i) Excise, Service Tax and GST Demands under dispute/appeal	24,285.68	27,279.00
ii) Custom Demand on imported Coal/Coke	555.60	559.60
iii) Sales Tax /VAT/Entry Tax matters under dispute/appeal	9,073.30	8,791.22
iv) Income Tax matters under dispute/appeal	6.85	6.85
b) Bank Guarantees outstanding	2,399.67	1,554.70
c) Custom Duty on Import of Equipment and spare parts under EPCG Scheme	3,176.00	3,359.00
d) Legal Case matters under dispute/appeal	1,529.74	1,015.38

#### 34B. Capital and other commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for

6,314.42	2,752.26
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35. Due to unfavourable market conditions and other adverse industry scenario the company has incurred net loss during the year ended 31st March, 2021. This has impacted the net worth of the company. However, the management is confident that the improvement in market scenario will help in improving the financial health of the company. The financial statement for the year have been prepared by the management of the Company on a going concern basis as the company is continuing its normal manufacturing during the current year and has not written off Deferred tax Assets amounting to ₹29,085.14 lacs provided upto 31st March, 2015.

#### 36. Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee, because of the lease period of land 90 or more years then the fair value computation for finance lease will have no material difference comparing to its carrying value, so that the company considered as finance lease.

#### The Company as lessee

##### Finance Lease:

Finance Leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss over the period of the lease.



### Notes to financial statements for the year ended March 31, 2021 (Contd.)

(₹ in lacs)

Particulars	Current year ended March 31, 2021	Previous year ended March 31, 2020
Payments recognised as a expenses	10.13	10.13
Future Minimum Lease payments		
Not later than one year	10.13	10.13
Later than one year and not more than five years	50.66	50.66
Later than five years	555.77	565.90

37. During the year, the Company has not recognised any income under the scheme for the following subsidies / incentives receivable from the Government of West Bengal under West Bengal Incentive Scheme aggregating to ` Nil (` Nil): Pre Goods & Service Tax (GST), the company was enjoying certain benefits under Industrial Promotion Scheme of State Government Post GST, pending notifications by the State Government on prudent basis.

(₹ in lacs)

Sl. No.	Particulars	Account to which credited	Current year ended March 31, 2021	Previous year ended March 31, 2020
a)	Industrial Promotion Assistance	Subsidy on Sales Tax / Value Added Tax under Sales & Service	Nil	Nil

38. Loans and Advances includes the following balances

(₹ in lacs)

Name of the Company	As at March 31, 2021	Maximum Amount due at any time during year ended March 31, 2021	As at March 31, 2020	Maximum Amount due at any time during year ended March 31, 2020
Jai Balaji Jyoti Steels Ltd.	Nil	1,357.39	1,357.07	7,573.19

In terms of Regulation 34(3) of the SEBI (LODR) Regulations, 2015

Jai Balaji Jyoti Steels Ltd.	Nil	1,357.39	1,357.07	7,573.19
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### 39. Employee Benefits

#### 1. Disclosures for defined benefit plans based on actuarial reports

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than The Provisions of Payment of Gratuity Act, 1972. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The disclosures required under Indian Accounting Standard 19 'Employee Benefits' notified in the Companies (Accounting Standards) Rules 2006 are given below:

#### I. Expenses recognized in the Statement of Profit & Loss Account are as follows :

(₹ in lacs)

Particulars	Current year ended March 31, 2021	Previous year ended March 31, 2020
Current service cost	168.45	136.65
Interest cost on benefit obligation	49.51	51.79
Expected return on plan assets	-	-
Net actuarial loss/(gain) recognised in the year	-	-
Past Service cost	-	-
<b>Total Expenses</b>	<b>217.96</b>	<b>188.44</b>



### Notes to financial statements for the year ended March 31, 2021 (Contd.)

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

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of Defined Benefits Obligation	(1,009.38)	(902.84)
Fair value of plan assets	146.34	102.76
	(863.04)	(800.08)
Less: Unrecognised past service cost	-	-
<b>Total Expenses</b>	<b>(863.04)</b>	<b>(800.08)</b>

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

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of Defined Benefits Obligation at the beginning of the year	902.84	764.80
Current Service Cost	168.45	136.65
Interest Cost	57.50	57.16
Settlement Cost	-	-
Benefits Paid	(63.24)	(25.45)
Actuarial Loss/(Gain)	(56.17)	(30.32)
Plan Amendments	-	-
<b>Present value of Defined Benefits Obligation at the year end</b>	<b>1,009.38</b>	<b>902.84</b>

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

Particulars	As at March 31, 2021	As at March 31, 2020
Fair Value of Plan Assets at the beginning of the year	102.76	45.86
Expected Return	(1.17)	1.98
Interest Income	8.00	5.37
Contribution by Employer	100.00	75.00
Benefits paid	(63.24)	(25.45)
Actuarial Gains/(Losses)	-	-
<b>Fair Value of Plan Assets at the year end</b>	<b>146.34</b>	<b>102.76</b>

#### V. Expenses recognised in Other Comprehensive Income (OCI) for Current Year (₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Actuarial(Gain)/Losses due to DBO Assumption changes	(22.30)	94.68
Actuarial(Gain)/Losses due to DBO experience	(33.88)	(125.00)
Return on Plan Assets (Greater)/Less than Discount Rate	1.18	(1.98)
<b>Net (Income)/Expense for the period recognized in OCI</b>	<b>(55.00)</b>	<b>(32.30)</b>





### Notes to financial statements for the year ended March 31, 2021 (Contd.)

#### VI. Balance Sheet Reconciliation

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Net defined benefit asset/(liability) at end of prior period	(800.08)	(718.94)
Service cost	(168.45)	(136.65)
Net interest on net defined benefit liability/(asset)	(49.51)	(51.79)
Amount recognised in OCI	55.00	32.30
Employer contribution	100.00	75.00
<b>Amount recognised in Balance Sheet</b>	<b>(863.04)</b>	<b>(800.08)</b>

#### VII. The principal actuarial assumptions as at the Balance Sheet date are set out as below :

(₹ in lacs)

Particulars	Current year ended March 31, 2021	Previous year ended March 31, 2020
<b>Summary of Financial Assumptions</b>		
Discount Rate	6.80%	6.60%
Salary Escalation Rate	7.00%	7.00%
<b>Summary of Demographic Assumptions</b>		
Mortality Table	Indian Assured Life Mortality (2006-08) (modified) Ultimate	Indian Assured Life Mortality (2006-08) (modified) Ultimate
Withdrawal Rate	1.80% to 6.20%	1.80% to 6.20%
Retirement Age	60 Years	60 Years

Particulars	Change in Assumption	Gratuity year ended March 31, 2021	Gratuity year ended March 31, 2020
<b>Sensitivity Analysis</b>			
Changes in Defined Benefit Obligations			
Salary Escalation	1%	116.47	109.08
Salary Escalation	-1%	101.61	94.94
Discount Rates	1%	101.19	94.69
Discount Rates	-1%	119.34	112.14

#### Note:

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

#### II. Charge to the Statement of Profit and Loss on contributions

(₹ in lacs)

Particulars	Current year ended March 31, 2021	Previous year ended March 31, 2020
Contribution to Provident Fund and other Funds	577.52	582.86



### Notes to financial statements for the year ended March 31, 2021 (Contd.)

40. Trade payables includes amount due to Micro and Small Enterprises in terms of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as under: (₹ in lacs)

SL. No.	Particulars	Current year ended March 31, 2021	Previous year ended March 31, 2020
a)	Principal Amount remaining unpaid to the suppliers as at the end of the period	670.80	917.05
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.	-	-

#### 41. Segment Information

- (i) Business Segment : The Company's business activity primarily falls within a single business segment i.e. Iron & Steel Business and hence there are no disclosures to be made under Ind AS-108, other than those already provided in the financial statements.
- (ii) Geographical Segment : The Company's business activity primarily operates in India and therefore the analysis of geographical segment is based on the **Information for Secondary Geographical Segments:**

(₹ in lacs)

Particulars	Current year ended March 31, 2021	Previous year ended March 31, 2020
Domestic Revenues	273,183.37	284,120.56
Export Revenues (Including Export Benefits)	5,334.81	7,109.65
<b>Total Net Revenue</b>	<b>278,518.18</b>	<b>291,230.22</b>

(₹ in lacs)

Particulars	Current year ended March 31, 2021	Previous year ended March 31, 2020
Domestic Trade Receivables	24,063.22	28,257.84
Export Trade Receivables	337.77	181.12
<b>Total</b>	<b>24,400.99</b>	<b>28,438.96</b>



### Notes to financial statements for the year ended March 31, 2021 (Contd.)

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

Particulars	Foreign Currency (FC)	As at March 31, 2021		As at March 31, 2020	
		in FC	₹ in lacs	in FC	₹ in lacs
<b>Receivables</b>					
(a) Trade Receivables	US\$	459,519	337.77	240,406	181.12
(b) Advances	US\$	264,297	192.62	144,856	107.20
<b>Total</b>			<b>530.39</b>		<b>288.32</b>
<b>Payables</b>					
(a) Trade Payables	US\$	650,401	478.08	527,821	372.85
	Euro	30,242	26.04	115,962	96.31
	GBP	1,025	0.83	-	-
(b) Advances	US\$	3,926,996	2,813.10	3,625,113	2,593.04
<b>Total</b>			<b>3,318.05</b>		<b>3,062.20</b>

#### 43. Earnings per share (EPS) :

The following reflects the profit and share data used in the basic and diluted EPS computations :

Sl No.	Particulars		Current year ended March 31, 2021	Previous year ended March 31, 2020
A.	Profit/(Loss) after Tax	₹ in lacs	(7,581.88)	(11,433.59)
B.	Number of shares at the beginning of the year	Nos.	110,450,286	96,386,486
C.	Total equity shares outstanding at the end of the year	Nos.	110,450,286	110,450,286
D.	Weighted average number of equity shares outstanding at the end of the year	Nos.	110,450,286	103,299,196
E.	Nominal Value of each Share	₹	10.00	10.00
F.	Basic Earning per Share	₹	(6.86)	(11.07)
G.	Diluted Earning per Share	₹	(6.86)	(11.07)

#### 44. Related Party Disclosures

a) Name of related parties and related party relationship	
<b>Subsidiary Companies</b>	Jai Balaji Steels (Purulia) Limited (JBSPL) Jai Balaji Energy (Purulia) Limited (JBEPL)
<b>Joint Venture Companies</b>	Rohne Coal Company Private Limited (RCCPL) Andal East Coal Company Private Limited (AECCL)
<b>Key Management Personnel</b>	Mr. Aditya Jajodia, Chairman and Managing Director Mr. Sanjiv Jajodia, Wholetime Director and Chief Financial Officer Mr. Ajay Kumar Tantia, Company Secretary
<b>Relatives of Key Management Personnel</b>	Mr. Rajiv Jajodia, Brother of Wholetime Director Mr. Gaurav Jajodia, Nephew of Wholetime Director
<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>	Chandi Steel Industries Limited (CSIL) Jai Balaji Jyoti Steels Limited (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)



Notes to financial statements for the year ended March 31, 2021 (Contd.)

b. Related Party Transactions:										
Relationship	Party	Sales	Purchases	Rent paid	Interest Received	Director fee	Gross Salary & Perquisites#	Balance Receivable	Balance Payable	Guarantees Obtained ##
(₹ in lacs)										
Key Management Personnel	Aditya Jajodia	-	-	-	-	-	-	-	-	371,357.00
	Sanjiv Jajodia	-	-	-	-	-	-	-	-	(371,357.00)
	Ajay Kumar	-	-	-	-	-	42.37	-	-	371,357.00
	Tantia	-	-	-	-	-	(46.07)	-	-	(371,357.00)
Relatives of Key Management Personnel	Rajiv Jajodia	-	-	-	-	0.20	-	-	-	371,357.00
	Gaurav Jajodia	-	-	-	-	0.15	-	-	-	(371,357.00)
Enterprises owned or significantly influenced by key management personnel or their relatives	CSIL	547.90 (21.89)	52.46 (87.00)	-	-	-	-	10.13	-	-
	JBJSL	50.25 (166.30)	239.62 (9.13)	-	39.40 (528.39)	-	-	2.17 (1,357.07)	-	-
	JSBIPL	304.88 (418.65)	12.08 (28.38)	-	-	-	-	-	243.79	-
	JEPL	-	-	0.80 (0.80)	-	-	-	-	-	-
	ESL	-	-	-	-	-	-	-	651.54 (651.54)	-
	HML	-	-	-	-	-	-	-	432.76 (432.76)	-
	<b>Total</b>	<b>903.03 (606.84)</b>	<b>304.16 (124.51)</b>	<b>0.80 (0.80)</b>	<b>39.40 (528.39)</b>	<b>0.35 (0.40)</b>	<b>42.37 (46.07)</b>	<b>12.30 (1,410.65)</b>	<b>1,328.09 (1,104.41)</b>	<b>371,357.00 (371,357.00)</b>

#The remuneration to the Key Managerial Personnel does not include the provisions made for gratuity as they are determined on an actuarial basis for the company as a whole.  
##Guarantees were jointly obtained from Aditya Jajodia, Sanjiv Jajodia, Rajiv Jajodia & Gaurav Jajodia.



### Notes to financial statements for the year ended March 31, 2021 (Contd.)

#### 45. Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

(₹ in lacs)

SI No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
i)	Equity share capital	11,045.03	11,045.03
ii)	Other equity	(184,344.78)	(176,828.04)
	<b>Total Equity (a)</b>	<b>(173,299.75)</b>	<b>(165,783.02)</b>
i)	Borrowings	343,350.56	346,382.99
ii)	Interest accrued and due on borrowings	5,596.54	4,045.13
iii)	Current maturity of long term debt	-	-
	<b>Total debt (b)</b>	<b>348,947.10</b>	<b>350,428.13</b>
i)	Cash and cash equivalents	2,562.19	1,105.38
	<b>Total cash</b>	<b>2,562.19</b>	<b>1,105.38</b>
	Net debt (b-c)	346,384.91	349,322.74
	Total capital (equity + net debt)	173,085.16	183,539.73
	Net debt to equity ratio/Capital Gearing Ratio	(2.00)	(2.11)

#### 46. Fair Value Measurements

##### a) Financial instruments by category

(₹ in lacs)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
<b>Financial Assets</b>						
Investments	37.52	78.92	-	37.52	78.92	-
Trade receivables	24,400.99	-	-	28,438.96	-	-
Bank balance and other than Cash and cash equivalents	15.50	-	-	1,167.90	-	-
Loans	5,541.35	-	-	5,946.17	-	-
Cash and cash equivalents	2,562.19	-	-	1,105.38	-	-
Other financial assets	1,576.62	-	-	441.17	-	-
<b>Total Financial Assets</b>	<b>34,134.17</b>	<b>78.92</b>	<b>-</b>	<b>37,137.11</b>	<b>78.92</b>	<b>-</b>
<b>Financial Liabilities:</b>						
Non Current Borrowings	57,870.62	-	-	66,173.10	-	-
Current Borrowings	285,479.94	-	-	280,209.89	-	-
Other financial Liabilities	21,894.54	-	-	18,681.08	-	-
Trade payables	75,032.86	-	-	69,039.11	-	-
<b>Total Financial Liabilities</b>	<b>440,277.96</b>	<b>-</b>	<b>-</b>	<b>434,103.18</b>	<b>-</b>	<b>-</b>





### Notes to financial statements for the year ended March 31, 2021 (Contd.)

#### b) Fair value hierarchy

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

- level 1: quoted and unquoted prices (unadjusted) in active markets for identical assets or liabilities.
- level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability.
- level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### Financial Assets and Liabilities measured at fair value as at 31st March, 2021

(₹ in lacs)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Financial Investment	78.92	—	—	78.92
Security deposit			5,276.89	5,276.89
<b>Total</b>	<b>78.92</b>	<b>—</b>	<b>5,276.89</b>	<b>5,355.81</b>
<b>Financial Liabilities</b>				
Borrowings	—	—	57,870.62	57,870.62
<b>Total</b>	<b>—</b>	<b>—</b>	<b>57,870.62</b>	<b>57,870.62</b>

#### Financial Assets and Liabilities measured at fair value as at 31 March, 2020

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Financial Investment	78.92	—	—	78.92
Security deposit			4,355.56	4,355.56
<b>Total</b>	<b>78.92</b>	<b>—</b>	<b>4,355.56</b>	<b>4,434.48</b>
<b>Financial Liabilities</b>				
Borrowings	—	—	66,173.10	66,173.10
<b>Total</b>	<b>—</b>	<b>—</b>	<b>66,173.10</b>	<b>66,173.10</b>

#### Notes:

- (i) Current financial assets and liabilities are stated at amortised cost which is approximately equal to their fair value
- (ii) Non Current financial assets and liabilities measured at amortised cost have same fair value as at 31st March, 2021 and 31st March, 2020.

#### 47. Other Comprehensive Income:

Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as 'Other Comprehensive Income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.



### Notes to financial statements for the year ended March 31, 2021 (Contd.)

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

(₹ in lacs)

Payment to Auditor	Current year ended March 31, 2021		Previous year ended March 31, 2020	
As auditor:				
Audit fee	6.00		6.00	
Limited Review	9.00		9.00	
Tax Audit	0.50		0.50	
Out-of-pocket expenses	—	15.50	—	15.50
In other manner for Certification		0.05		0.23
<b>Total</b>		<b>15.55</b>		<b>15.73</b>

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

#### 49. Interest in Joint Venture:

The Company has interest in following Joint Venture Companies which are in the process of setting up coal mining facilities at respective Coal blocks which they have been allotted.

Name of the Joint Venture Company	Andal East Coal Company Pvt. Ltd.		Rohne Coal Company Pvt Ltd.*	
Company's share in Joint Venture	32.79%	32.79%	6.90%	6.90%
Country of Incorporation	India	India	India	India

\*The Hon'ble Supreme Court vide its Order dated 24th September, 2014 has cancelled number of coal blocks allotted to various companies. These include two coal blocks under development viz. Andal East in West Bengal and Rohne in Jharkhand allocated to the Company jointly with other parties. The company has prudently brought down the value of investment in joint venture companies to nominal value of ₹ 1 per share. However the company had submitted claims w.r.t the cancellation of coal blocks which are still pending.

#### 50. Fair Valuation of Investments:

Ind AS 101 provides an option on transition date to consider fair value of the investment in subsidiaries or joint venture as on the date of transition as the deemed cost as cost for the purpose of Para 10 of Ind AS 27. Accordingly the Company has valued as a deemed cost. The company has prudently brought down the value of its investments in two of its joint ventures viz Andal East Coal Co. Pvt. Ltd. and Rohne Coal Co. Pvt. Ltd. as on 1st April, 2016 with a corresponding impact on Other Equity (Retained earnings) and also fair valued its investment of equity shares of Calcutta Stock Exchange as on 1st April, 2016 to arrive at the book value with a corresponding impact on Other Equity (retained earnings).

#### 51. Details of the Equity Shares pledged by the promoter or persons forming part of the promoter group ('Promoter Group') of the Company as on the balance sheet date:

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Total Number of Equity shares held by the promoter group	56,304,046	56,304,046
Total Number of Equity shares pledged by the promoter group	52,282,233	52,282,233
Percentage of total shares pledged to total shareholding of the promoter group	92.86%	92.86%
Percentage of total shares pledged to total outstanding shares of the Company	47.34%	47.34%



### Notes to financial statements for the year ended March 31, 2021 (Contd.)

#### 52. 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	67,417.25 (67,223.21)	32.33 (30.04)	1,615.80 (2,180.53)	8.42 (10.97)
Indigenous	141,133.05 (156,560.00)	67.67 (69.96)	17,567.87 (17,703.19)	91.58 (89.03)
<b>Total</b>	<b>208,550.30</b> (223,783.21)	<b>100.00</b> (100.00)	<b>19,183.67</b> (19,883.72)	<b>100.00</b> (100.00)

#### 53. Value of Imports (calculated on CIF basis)

(₹ in lacs)

Particulars	Current year ended March 31, 2021	Previous year ended March 31, 2020
Raw materials*	24,466.39	16,493.11
Components & Spare Parts	1,526.21	1,891.38
Capital Goods	1,000.72	1,870.03
<b>Total</b>	<b>26,993.32</b>	<b>20,254.52</b>

\*Including high sea purchase of ₹23,440.33 lacs (₹15,458.96 lacs).

#### 54. Expenditure in Foreign Currency (on accrual basis)

(₹ in lacs)

Particulars	Current year ended March 31, 2021	Previous year ended March 31, 2020
Professional Consultation Fees	30.49	3.26
Interest	—	—
Others	29.06	113.00
<b>Total</b>	<b>59.55</b>	<b>116.26</b>

#### 55. Earnings in Foreign Currency (on accrual basis)

(₹ in lacs)

Particulars	Current year ended March 31, 2021	Previous year ended March 31, 2020
Exports at FOB Value	4,941.47	6,708.12



### Notes to financial statements for the year ended March 31, 2021 (Contd.)

56. Amount remitted in foreign currency on account of dividends

(₹ in lacs)

Particulars	Current year ended March 31, 2021	Previous year ended March 31, 2020
i) Financial Year to which the dividend relates	2019-20	2018-19
ii) No. of non-resident shareholders	64	72
iii) No. of Shares held	9,380,419	9,386,002
iv) Amount remitted as dividend (₹ in lacs)*	Nil	Nil

\*No dividend was declared for the financial year 2020-21 and 2019-20

57. Balances of some parties (including of Trade receivables and Trade payables) and loans and advances are subject to reconciliation/confirmations from the respective parties. The management does not expect any material differences affecting the financial statement for the year.
58. Previous year figures have been reclassified/regrouped wherever necessary to confirm with financial statements prepared under Ind AS.
59. The Company has assessed the possible impact of COVID -19 on its financial statements based on internal and external information available up to the date of approval of these financial results. The Company continues to monitor the future economic conditions.
60. The financial statements are approved by the audit committee at its meeting held on 30th June, 2021 and by the Board of Directors on the same date.

As per our report of even date

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

Chartered Accountants

Firm Regn. No. 306033E/E300272

Sd/-

**CA J. K. Choudhury**

Partner

Membership No. : 009367

Place : Kolkata

Date : 30<sup>th</sup> June, 2021

For and on behalf of the Board of Directors

Sd/-

**Aditya Jajodia**

Chairman & Managing

Director

DIN : 00045114

Sd/-

**Sanjiv Jajodia**

Wholtime Director & Chief

Financial Officer

DIN : 00036339

Sd/-

**Rajiv Jajodia**

Director

DIN : 00045192

Sd/-

**Ajay Kumar Tantia**

Company Secretary



### INDEPENDENT AUDITOR'S REPORT

To The Members of

**JAI BALAJI INDUSTRIES LIMITED**

#### Report on the Audit of the Consolidated Financial Statements

##### Opinion

We have audited the accompanying Consolidated Financial Statements of **JAI BALAJI INDUSTRIES LIMITED** (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and jointly controlled entity which comprise the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us "except for the effects of the matter described in the Basis for Qualified Opinion section" and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries referred to below in the Other Matter section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

##### Basis for Qualified Opinion

We conducted our audit of the Consolidated Financial

Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

*The Company has not provided for interest amounting to Rs.131,040.76 Lacs of which Rs.28,020.96 Lacs pertains to the current financial year on various loans and credit facilities availed from banks and financial institution on the ground that same is being treated as Non-Performing Assets by the lenders. Due to this reason, loss for the current financial year has been understated by Rs.28,020.96 Lacs and accordingly loss for the year ended 31st March, 2021 would've been Rs. 35,602.84 Lacs instead of Rs.7,581.88 Lacs.*

##### Key Audit Matters

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

S. NO.	THE KEY AUDIT MATTERS	HOW THE MATTER WAS ADRESSED IN OUR AUDIT
1.	<b>LOAN CLASSIFIED as Non Performing Assets (NPA), TRANSFERRED TO ASSET RECONSTRUCTION COMPANIES (ARC)</b>	<b>OUR AUDIT PROCEDURES INCLUDE THE FOLLOWING:</b>
	(Refer Note 20 to the Consolidated Financial Statements) i) Rupee Loan from Banks and financial institutions had been classified as NPA. Various Banks have already assigned their entire exposure to the Assets Reconstruction Companies in previous years. The Company had made payments to the above ARC's which has been adjusted against the total outstanding loan liability.	We reviewed the correspondence of the company with the relevant Asset reconstruction companies and we have examined the agreement made with them.





S. NO.	THE KEY AUDIT MATTERS	HOW THE MATTER WAS ADRESSED IN OUR AUDIT
	<p>ii) One time settlement offer with Oriental Bank of Commerce against their entire exposure, is under process.</p> <p>iii) The Company is in active negotiation with Canara Bank, Corporation Bank, Punjab National Bank to restructure its debts. The finalisation of any corrective plan is still pending.</p> <p>iv) The Company has requested all lenders to allow a moratorium period for the payments or re-schedule/restructure the payment of the instalments amount not paid and moratorium period or revised schedule is yet to be confirmed.</p>	<p>We reviewed the proposal of the company with the Bank.</p> <p>We obtained the understanding of these reconstruction schemes through meetings with management and review of the minutes of the Board of Directors.</p> <p>We reviewed the further correspondences of the Company with the relevant Banks/ ARC's.</p>
2.	<p><b>THE COMPANY'S EXPOSURE TO LITIGATION RISK</b></p>	<p><b>OUR AUDIT PROCEDURES INCLUDE THE FOLLOWING:</b></p>
	<p>(Refer Note 34A to the Consolidated Financial Statements)</p> <p>The Company is exposed to different laws, regulations and interpretations thereof and hence, there is a litigation risk.</p> <p>Consequently, the Company has significant litigation cases pending with Custom Authorities, Excise Authorities, Service tax Authorities and Income tax Authorities.</p> <p>Given the nature and amounts involved in such cases and the appellate forums at which these are pending, the ultimate outcome and the resultant accounting in the financial statements is subject to significant judgement, which can change over time as new facts emerge and each legal case progresses, and therefore, we have identified this as key audit matter.</p>	<ol style="list-style-type: none"> <li>1. We obtained details of completed tax assessments and demands for the year ended March 31, 2021 from management.</li> <li>2. We examined the assumptions used in estimating the tax provision and the possible outcome of the disputes.</li> <li>3. We considered legal precedence and other rulings in evaluating management's position on these tax positions.</li> </ol>

### Emphasis of Matter

1. We draw attention to Note - 35 of the financial statements, the Company has been incurring losses and its net worth has completely eroded, also its current liability exceeds current assets by Rs.2,85,974.84 Lacs. However, the financial statements of the Company have been prepared on a going concern basis because the management is confident that the improvement in market scenario will help in improving the financial health of the company and accordingly Deferred Tax Assets amounting to Rs.29,085.14 Lacs created up to 31st March 2015 have been carried forward.
2. We also draw attention to Note No.20 of the accompanying Consolidated Financial Statements in respect of treatment in the books of accounts of the assignment / settlement of Debts of various Banks and the Financial Institutions.
3. We draw attention to Note No.51 to the financial statements in relation to outstanding balances of trade receivables, trade

- payables and loans and advances which are subject to confirmation and subsequent adjustments, if any.
4. As explained in Note - 2(b)(vi) of the consolidated financial statement, consolidation of two jointly controlled entities viz. Andal East Coal Company Pvt Ltd. & Rohme Coal Company Pvt Ltd. has not been carried out because of the following reasons:
  - a. In case of Rohme Coal Company Pvt Ltd. financial statement of the entity has not been received.
  - b. In case of Andal East Coal Company Pvt Ltd there is a severe long-term restriction on transfer of funds by the entity to the Holding company.

Our opinion is not qualified in respect of above matters.
5. We draw attention to Note No.53 to the financial statement which describes the uncertainties and potential impact of the



*Covid -19 pandemic on the Company's operations and results as assessed by the management, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our report is not modified in respect of this matter.*

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

The Parent's Board of Directors is responsible for the other information. The other information comprises Board's Report, Report on Corporate governance and Business Responsibility report but does not include the Consolidated Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the financial statement of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.

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

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

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its subsidiaries for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due

to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material



uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities or business activities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's

report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs.1.96 lacs as at 31st March, 2021, total revenues of Rs. Nil and net cash outflows amounting to Rs.0.33 lacs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors. Our opinion on the Consolidated Financial Statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on separate financial statements of subsidiary companies and jointly controlled entity incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
  - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors of the Parent as on 31st March,



2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled entity none of the directors of the Group company is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent and subsidiary companies and jointly controlled entity incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of

the Companies (Audit and Auditor's) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer Note 34A to the Consolidated Ind AS Financial Statements.
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no such sum which needs to be transferred to the Investor Education and Protection Fund by the Company.

For **S. K. Agrawal & Co. Chartered Accountants LLP**

*Chartered Accountants*

Firm's Registration Number-306033E/E300272

**Sd/-**

**J. K. Choudhury**

*Partner*

Place: Kolkata

Date: June 30, 2021

Membership No: 009367

UDIN: 21009367AAAAB14333





## Annexure “A” To The Independent Auditor’s Report

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

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

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31st March, 2021, we have audited the internal financial controls over financial reporting of **Jai Balaji Industries Limited** (“the Company” or “the Parent”) and its subsidiary companies and its jointly controlled entity, which are incorporated in India, as of that date.

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

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

### **Auditor’s Responsibility**

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and jointly controlled entity, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company, its subsidiary companies and jointly controlled entity, which are companies incorporated in India.

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

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

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





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

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and jointly controlled entity, which are companies incorporated in India,

have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the criteria for internal control over financial reporting established by the respective companies considering the essential components

For **S. K. Agrawal & Co. Chartered Accountants LLP**

*Chartered Accountants*

Firm's Registration Number-306033E/E300272

**Sd/-**

**J. K. Choudhury**

*Partner*

Place: Kolkata

Date: June 30, 2021

Membership No: 009367

UDIN: 21009367AAAAB14333



### Consolidated Balance Sheet as at March 31, 2021

(₹ in lacs)

	Notes	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant and equipment	3	117,657.66	123,318.85
Right-of use asset	3A	464.68	473.35
Capital Work in Progress and Pre-Operative Expenditure	4	10,195.51	9,768.61
Pending Allocation			
Intangible Assets	4A	24.76	27.85
<b>Financial Assets</b>			
i) Investments	5	106.44	106.44
ii) Loans	6	2,636.95	1,534.90
iii) Others	7	1,556.33	437.66
Deferred Tax Assets (Net)	8	29,085.14	29,085.14
Other Non Current Assets	9	8,808.24	8,789.25
<b>Sub Total</b>		<b>170,535.71</b>	<b>173,542.05</b>
<b>Current Assets</b>			
Inventories	10	69,916.49	57,858.89
<b>Financial Assets</b>			
i) Trade Receivable	11	24,400.99	28,438.96
ii) Cash and cash equivalents	12	2,564.15	1,107.67
iii) Bank balance (other than Cash and cash equivalents)	13	15.50	1,167.90
iv) Loans	14	2,904.40	4,411.27
v) Others	15	20.29	3.51
Other Current Assets	16	30,265.76	31,396.47
<b>Sub Total</b>		<b>130,087.58</b>	<b>124,384.67</b>
<b>TOTAL ASSETS</b>		<b>300,623.29</b>	<b>297,926.72</b>
<b>EQUITY AND LIABILITIES</b>			
Equity Share Capital	17	11,045.03	11,045.03
Other Equity	18	(184,352.93)	(176,835.91)
<b>Sub Total</b>		<b>(173,307.90)</b>	<b>(165,790.88)</b>
<b>Non Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	19	57,870.62	66,173.10
<b>Sub Total</b>		<b>57,870.62</b>	<b>66,173.10</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
i) Borrowings	20	285,479.94	280,209.90
ii) Trade Payables	21		
a) total outstanding dues of micro and small enterprises		670.80	917.05
b) total outstanding dues other than micro and small enterprises		74,362.17	68,122.20
iii) Others	22	21,894.54	18,681.09
Other Current Liabilities	23	32,717.70	28,664.29
Provisions	24	935.42	949.97
<b>Sub Total</b>		<b>416,060.57</b>	<b>397,544.50</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>300,623.29</b>	<b>297,926.72</b>
<b>Significant Accounting Policies</b>	2		

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

As per our report of even date

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

Chartered Accountants

Firm Regn. No. 306033E/E300272

Sd/-

**CA J. K. Choudhury**

Partner

Membership No. : 009367

Place : Kolkata

Date : 30<sup>th</sup> June, 2021

For and on behalf of the Board of Directors

Sd/-

**Aditya Jajodia**

Chairman & Managing

Director

DIN : 00045114

Sd/-

**Sanjiv Jajodia**

Wholetime Director & Chief

Financial Officer

DIN : 00036339

Sd/-

**Rajiv Jajodia**

Director

DIN : 00045192

Sd/-

**Ajay Kumar Tantia**

Company Secretary



### Consolidated Statement of Profit and Loss for the year ended March 31, 2021

(₹ in lacs)

	Notes	Current year ended March 31, 2021	Previous year ended March 31, 2020
<b>INCOME</b>			
Revenue from Operations	25	278,518.18	291,230.22
Other Income	26	1,082.68	5,534.93
<b>Total Income (I)</b>		<b>279,600.86</b>	<b>296,765.15</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	27	208,550.29	223,783.21
Purchase of Stock in Trade	28	1,716.95	2,980.81
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	29	(3,332.79)	(2,780.23)
Employee Benefits Expense	30	8,869.69	8,998.62
Finance Cost	31	8,803.77	10,278.45
Depreciation and Amortisation Expense	3, 3A & 4A	9,399.49	9,678.63
Other Expenses	32	53,175.66	54,682.81
<b>Total Expenses (II)</b>		<b>287,183.06</b>	<b>307,622.30</b>
<b>Profit / (Loss) before exceptional items and Tax (I-II)</b>		<b>(7,582.20)</b>	<b>(10,857.15)</b>
<b>Exceptional Item</b>		<b>—</b>	<b>576.79</b>
<b>Profit / (Loss) before Tax (I-II)</b>		<b>(7,582.20)</b>	<b>(11,433.94)</b>
<b>Tax Expenses:</b>			
Current Tax		—	—
Less : MAT Credit Entitlement		—	—
Provision (Write back) relating to earlier years		—	—
Deferred tax charge / (credit)		—	—
<b>Total tax expense / (credit)</b>		<b>—</b>	<b>—</b>
<b>Profit/(Loss) for the period</b>		<b>(7,582.20)</b>	<b>(11,433.94)</b>
<b>Other Comprehensive Income:</b>			
Items that will not be reclassified subsequently to profit & Loss:	33		
Remeasurement (Gain)/Loss on net defined benefit Plans		55.00	32.30
		<b>55.00</b>	<b>32.30</b>
<b>Total Comprehensive income for the period</b>		<b>(7,527.20)</b>	<b>(11,401.64)</b>
<b>Earnings per Equity Share (Nominal Value per Share ₹10)</b>			
Basic & Diluted	43	<b>(6.86)</b>	(11.07)
<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. LLP**  
Chartered Accountants  
Firm Regn. No. 306033E/E300272  
**Sd/-**  
**CA J. K. Choudhury**  
Partner  
Membership No. : 009367  
Place : Kolkata  
Date : 30<sup>th</sup> June, 2021

For and on behalf of the Board of Directors

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

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

**Sd/-**  
**Rajiv Jajodia**  
Director  
DIN : 00045192

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



### Consolidated Statement of changes in equity for the year ended March 31, 2021

#### A. Equity Share Capital :

(₹ in lacs)

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	(₹ in lacs)	No. of Shares	(₹ in lacs)
Balance at the beginning of the year	110,450,286	11,045.03	96,386,486	9,638.26
Changes in equity share capital during the year	-	-	14,063,800	1,406.77
Balance at the end of the year	<u>110,450,286</u>	<u>11,045.03</u>	<u>110,450,286</u>	<u>11,045.03</u>

#### B. Other Equity :

(₹ in lacs)

Particulars	Reserve & Surplus					Equity Instrument through OCI	Total
	Capital Reserve	Amalgamation Reserve	Securities Premium Account	General Reserve	Retained Earnings		
Balance as at 01.04.2020	6,408.50	4,400.00	52,206.01	10,325.00	(250,318.44)	143.01	(176,835.91)
Profit for the period	-	-	-	-	(7,582.20)	-	(7,582.20)
Remeasurements of the net defined benefit Plans	-	-	-	-	55.00	-	55.00
Movement during the year	-	-	-	-	10.18	-	10.18
Total comprehensive income/(loss) for the period 31.03.21	-	-	-	-	-7,517.02	-	(7,517.02)
Balance as at 31.03.2021	6,408.50	4,400.00	52,206.01	10,325.00	(257,835.46)	143.01	(184,352.93)

As per our report of even date

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

Chartered Accountants

Firm Regn. No. 306033E/E300272

Sd/-

**CA J. K. Choudhury**

Partner

Membership No. : 009367

Place : Kolkata

Date : 30<sup>th</sup> June, 2021

For and on behalf of the Board of Directors

Sd/-

**Aditya Jajodia**

Chairman & Managing

Director

DIN : 00045114

Sd/-

**Sanjiv Jajodia**

Wholetime Director & Chief

Financial Officer

DIN : 00036339

Sd/-

**Rajiv Jajodia**

Director

DIN : 00045192

Sd/-

**Ajay Kumar Tantia**

Company Secretary



### Consolidated Cash Flow Statement for the year ended March 31, 2021

	(₹ in lacs)	
	Current year ended March 31, 2021	Previous year ended March 31, 2020
<b>A. Cash Flow From Operating Activities</b>		
Profit / (Loss) before Tax and after exceptional items	(7,582.20)	(11,433.94)
Adjustments For :		
Depreciation / Amortisation (Net)	9,399.49	9,678.63
(Profit)/Loss on Sale of Property, Plant & Equipment	106.28	19.76
Irrecoverable Debts and Advances Written off	102.19	53.94
Liabilities no longer required written back	(861.99)	(4,830.96)
Interest on Term Loans and Others	8,747.61	10,184.14
Provision for doubtful debts	802.32	1,975.05
Impairment Losses	-	576.79
Dividend from long term Non Trade Investments	-	(0.49)
Profit on sale of long term Investments	-	(0.05)
Prior Period Expenditure (net)	635.13	(489.06)
Miscellaneous Expenditure w/off	3.60	3.60
Financial Lease Payment	10.13	10.13
Remeasurement (Gain)/Loss on net defined benefit Plans	55.00	32.30
(Profit) / Loss on Foreign Exchange Fluctuations (Net)	(4.42)	23.62
Interest Income	(198.46)	(646.73)
<b>Operating Profit / (Loss) Before Working Capital Changes</b>	<b>11,214.67</b>	<b>5,156.75</b>
Movements in Working Capital :		
Decrease / (Increase) in Trade Receivables	11,232.52	13,951.91
Increase in Loans and Advances and Other Current / Non Current Assets	1,582.77	14,135.85
Decrease / (Increase) in Inventories	(12,057.59)	(8,257.81)
Decrease in Trade Payables, Other Liabilities and Provisions	3,475.37	4,271.56
<b>Cash generated from Operating Activities</b>	<b>15,447.74</b>	<b>29,258.26</b>
Direct Taxes paid (net of refunds)	(37.26)	(201.95)
<b>Net Cash generated from Operating Activities</b>	<b>15,410.48</b>	<b>29,056.31</b>
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Property, Plant and Equipment	(4,216.58)	(3,700.70)
Proceeds from Sale of Property, Plant and Equipment	58.43	6.80
Proceeds from sale of long term Investments	-	0.06
Proceeds from maturity of fixed deposits	40.89	(643.00)
Dividend from long term Investments (other than Trade)	-	0.49
Interest received	164.53	638.48
<b>Net Cash generated (used in) Investing Activities</b>	<b>(3,952.73)</b>	<b>(3,697.87)</b>





### Consolidated Cash Flow Statement for the year ended March 31, 2021 (Contd.)

	(₹ in lacs)	
	Current year ended March 31, 2021	Previous year ended March 31, 2020
<b>C. Cash Flow From Financing Activities</b>		
Proceeds from issue of equity share capital (including premium)	—	3,595.26
Proceeds from Non Current / Current Borrowings	2,808.91	2,846.66
Repayment of Non Current / Current Borrowings	(711.79)	(4,629.02)
Payment to Assets Reconstruction Company	(5,420.00)	(16,156.60)
Financial Lease Payment	(10.13)	(10.13)
Interest Paid	(6,668.26)	(10,611.82)
<b>Net Cash generated from (used in) Financing Activities</b>	<b>(10,001.27)</b>	<b>(24,965.65)</b>
<b>Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)</b>	<b>1,456.48</b>	<b>392.79</b>
<b>Cash and Cash Equivalents as at the beginning of the year</b>	<b>1,107.67</b>	<b>714.88</b>
<b>Cash and Cash Equivalents as at the end of the year</b>	<b>2,564.15</b>	<b>1,107.67</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	74.91	52.97
Cheques in hand	181.46	76.87
Balance with Scheduled Banks on:		
Current Account	2,179.78	977.83
Fixed Deposit Account	128.00	—
<b>Cash and Cash Equivalents as at 31st March, 2021 (Refer Note 12)</b>	<b>2,564.15</b>	<b>1,107.67</b>

#### Notes:

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

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

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

As per our report of even date  
For **S. K. Agrawal & Co. LLP**  
Chartered Accountants  
Firm Regn. No. 306033E/E300272  
**Sd/-**  
**CA J. K. Choudhury**  
Partner  
Membership No. : 009367  
Place : Kolkata  
Date : 30<sup>th</sup> June, 2021

For and on behalf of the Board of Directors

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

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

**Sd/-**  
**Rajiv Jajodia**  
Director  
DIN : 00045192

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



### Significant Accounting Policies and Notes to Consolidated financial statements for the year ended March 31, 2021

#### 1. Corporate Information

These consolidated financial statements comprise the company and its subsidiaries (referred to collectively as the 'Jai Balaji Group') and the group's interest in Joint Venture Companies. The Company is one of the largest steel producers in the private sector in Eastern India. JBIL is an Integrated Steel Plant with five manufacturing facilities located in Durgapur and Raniganj in West Bengal and Durg in Chhattisgarh manufacturing different products in steel sector such as Sponge Iron, Pig Iron, Ductile Iron Pipe, Ferro Chrome, Billet, TMT, Coke and Sinter with captive power plant.

#### 2. Significant Accounting Policies

##### a. Basis of Preparation of financial statements

###### a) Statement of Compliance

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

This Note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied for the year ended March 31, 2021.

###### b) Basis of Consolidation

- i) The Consolidated Financial Statements which relate to Jai Balaji Industries Limited ("the Company") and its subsidiaries (collectively referred as "the Group") have been prepared on the following basis:
- ii) The Subsidiary Companies considered in the financial statements are as follows:

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership/Interest	
		As at March 31, 2021	As at March 31, 2020
Jai Balaji Steels (Purulia) Limited	India	100%	100%
Jai Balaji Energy (Purulia) Limited	India	100%	100%

- iii) In terms of Indian Accounting Standard 110- 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India, the financial statements of the Company and its Subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenditure, after fully eliminating intra-group

balances, intra-group transactions and any unrealized profit/loss included therein. The difference of the cost to the Company its investment in Subsidiary as at the date of acquisition of stake is recognized in the financial statements as Goodwill or Capital reserve, as the case may be. Any such difference arising subsequently is adjusted against Statement of Profit and Loss.

- iv) The difference of the cost to the Company of its investment in Subsidiary as at the date of acquisition of stake is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be. Any such difference arising subsequently is adjusted against Statement of Profit and Loss.
- v) The Joint Venture Companies considered in the financial statements are as follows:

Name of the Joint Venture Company	Country of Incorporation	Proportion of Ownership/Interest	
		As at March 31, 2021	As at March 31, 2020
Rohne Coal Company Private Ltd.*	India	6.90%	6.90%
Andal East Coal Company Private Ltd.*	India	32.79%	32.79%

\* Refer Note no 2 (b)(vi) below

- vi) In terms of Indian Accounting Standard 27 - 'Financial Reporting of Interests in Joint Venture' issued by the Institute of Chartered Accountants of India, the Company has prepared these consolidated financial statements by including the Company's proportionate interest in the Joint Venture's assets, liabilities, income and expenditure etc in the consolidated financial statements in respective line items. However, the management of the holding company believes that it is inappropriate to follow the principles of proportionate consolidation of assets, liabilities, income and expenditure to the extent of companies interest in M/s Andal East Coal Company Pvt Ltd, one of the Joint Venture Companies which is under liquidation in which the company holds 32.79% equity shares, as the above Accounting Standard imposes restriction on consolidation in case the joint venture is under severe long term restriction to transfer funds to the venturer.

Further, figure of current year of the another Joint venture company, M/s. Rohne Coal Company Pvt Ltd (RCCPL) in which the company holds 6.90% equity shares, could not



### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

be incorporated as the Financial Statement of RCCPL were not received by the Company.

vii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and are presented, to the extent possible, in the same manner as the Company's separate financial statements.

viii) The financial statements of the entities used for the purpose of consolidation are drawn up for the same reporting period i.e year ending 31st March, 2021.

#### c) **Historical Cost Convention**

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

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

#### b. **Use of estimates**

In preparing the financial statements in conformity with Ind AS, management has made estimates, judgments and assumptions which affect the application of accounting policies and the reported amounts of assets and liabilities as at the date of financial statements and the reported amounts of revenues and expenses during the period. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting are recognized prospectively. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to financial statements.

#### **Critical estimates and judgments**

The areas involving critical estimates or judgments are as follows:

##### ● **Estimated fair value of unlisted securities**

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

##### ● **Estimation of defined benefit obligation**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the

determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

##### ● **Recognition of deferred tax assets for carried forward tax losses**

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

##### ● **Recognition and measurement of provisions and contingencies**

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

##### ● **Impairment of trade receivables**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The management uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

##### ● **Impairment losses of property, plant and equipment**

In addition to amortisation and depreciation on intangible assets and property, plant and equipment, impairment losses are also recognised on the balance sheet date if the asset's recoverable amount has fallen below its carrying amount. The recoverable amount is determined as the higher of an asset's fair value less costs to sell, and the present value of the estimated net future cash flows from continued use of the asset.

##### ● **Measurement of Lease liabilities and Right of Use Asset (ROUA) Refer note "e".**

#### **Estimation of Uncertainties relating to the global health pandemic from Corona Virus (COVID-19)**

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Companies operations and revenue during the period were impacted due to COVID-19. The



### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

Company has taken into account the possible impact of COVID-19 in preparation of the Audited Consolidated Financial results, including its assessment of recoverable value of its assets based on internal and external information upto the date of approval of these Audited Consolidated Financial results and current indicators of future economic conditions.

#### c. Current and Non-Current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The company classifies all other liabilities as non-current.

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

#### d. Revenue from Contracts with Customers

Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations. Specifically, the standard introduces a 5-step approach to revenue recognition.

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

Disaggregate revenue information:

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

Refer Note No. 25 for Disaggregate revenue information.

#### **Other income**

Other income is comprised primarily of interest income, dividend income, gain/loss on investments and exchange gain.

#### **A. Conversion Income**

Revenue from sale of service is recognized when control has been transferred to the buyer usually when the delivery of goods after due process of conversion takes place, revenue is booked when all the performance obligations are satisfied.

#### **B. Export Incentives**

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

#### **C. Interest Income**

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

#### **D. Dividends**

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

#### e. Implementation of IND AS 116: Lease

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognized on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

The Company's lease asset classes primarily consist of lease for Land. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is or contains a lease, at inception of a contract. A contract is, contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- i. the contract involves the use of an identified asset.
- ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and





### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

- iii. the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for an lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line-basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. There measurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### f. Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the company. Free hold land is carried at historical cost.

All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

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

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

If significant parts of an item of property, plant and equipment have different useful lives, then they are

accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. When a major inspection is performed, its cost is not recognised in the carrying amount of the plant and equipment as a replacement. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred. Property, plant and equipment includes spare parts, stand by equipments and servicing equipment which are expected to be used for a period more than twelve months and meets the recognition criteria of property, plant and equipment.

On transition to Ind AS, the company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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

- Building : 5 - 60 years
- Office Equipments : 5 years
- Furniture and Fixtures : 10 years
- Lease hold Land : over the period of Lease
- Vehicle : 8 years
- Plant and equipments : 15 - 25 tyears
- Computers : 3 - 6 years

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

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance





### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

#### g. Intangible Assets

##### Purchase Software

Software licences are carried at cost less accumulated amortization and impairment. Software is amortised over its useful life on a straight line basis.

Item	Useful life
Computer Software	5 years

#### h. Provisions

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

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

#### i. Inventories

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

- i. Raw materials: Cost includes cost of purchase and other costs incurred in bringing the

inventories to their present location and condition. Cost is determined on a weighted average basis.

- ii. Finished goods and work in progress: Cost of finished goods and work-in-progress comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Trading stock valued at cost.
- iii. Stores and spares: Cost is determined on weighted average basis.
- iv. Scrap and By Products: At net realizable value.

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

#### j. Earnings per share

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

Diluted earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### k. Operating Segment

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

#### l. Cash and bank balances

Cash and bank balances consist of:

##### 1. Cash and cash equivalent

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



### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

#### 2. Other bank balances

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

#### m. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest costs.

#### n. Leases

##### As a lessee

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

##### Finance Leases

Assets held under finance leases are recognised as assets at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the statement of financial performance.

##### Finance Leases-Lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease. Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of

the liability. Any contingent rent is expensed in the period in which they are incurred.

#### o. Government grants and subsidies

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

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

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

Government grants of the nature of promoter's contribution are credited to capital reserve and treated as a part of shareholder's funds.

#### p. Financial Instruments

##### Initial Recognition

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

##### Subsequent Measurement

#### a. Non-derivative financial instruments

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

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

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



### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

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

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

- (iv) Financial liabilities:

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

Loans and Borrowings- After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account

any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

#### Derecognition of Financial Instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

#### Fair Value of Financial Instruments

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

#### Offsetting of financial instruments

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

#### q. Impairment

- a. Financial assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an



### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

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

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

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

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

#### b. Non-financial assets

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

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment

loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation). Impairment loss been recognized for the asset in the current years which is shown under exceptional item.

#### r. Foreign currencies

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

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

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

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

- equity instruments at fair value through OCI (FVOCI);
  - a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
  - Qualifying cash flow hedges to the extent that the hedges are effective.
- a) Transactions in foreign exchange covered by forward contracts are accounted for at the contracted rates.
  - b) Transactions other than those covered by forward contracts are recognized at the exchange rates prevailing on the date of their occurrence.
  - c) Monetary assets and liabilities in foreign currency that are outstanding at the year end and not covered by forward contracts are translated at the year-end exchange rates.
  - d) The exchange differences arising from long term foreign currency monetary items relating to the



### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

acquisition of a depreciable asset are added to or deducted from the cost of the depreciable capital assets. Other exchange differences arising from long-term foreign currency monetary items are transferred to "Foreign currency monetary item translation difference account" to be amortized over the life of such monetary items but not beyond 31st March 2021. Other exchange differences are recognized as income or expense in the profit and loss account.

#### s. Fair value measurement

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

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

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

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

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

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

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

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

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

#### t. Employee benefits

##### i. Short term obligations

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

##### ii. Post-employment obligations

The company operates the following post-employment schemes:

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

##### *Gratuity obligations*

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

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





### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

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

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

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

#### *Defined contribution plans*

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

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

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

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

#### **iv. Bonus plans**

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

#### **v. Update on the Code on Social Security, 2020 ('Code')**

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

#### **u. Taxes**

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

#### **● Current tax**

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

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

#### **● Deferred tax**

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

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects



### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

neither accounting nor taxable profit or loss at the time of the transaction;

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized using liability method, to the extent that it is probable that future taxable profits will be available against which they can be used. The company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that

it is probable/ no longer probable respectively that the related tax benefit will be realized.

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

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

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

Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

Note 3 : Property, plant and equipment

Particulars	(₹ in lacs)										Total
	Freehold Land	Factory Buildings	Railway Siding	Plant and Machinery	Electrical Installation	Furniture and Fixture	Office Equipment	Vehicle			
Gross carrying value as on April 1, 2020	4,103.89	40,592.62	4,354.18	177,161.80	24,283.63	132.87	1,127.06	120.38			251,876.42
Additions	-	186.73	-	3,444.53	153.65	11.39	90.53	-			3,886.83
Disposal	-	-	-	434.69	56.89	-	-	-			491.58
Impairment Losses	-	-	-	-	-	-	-	-			-
Gross carrying value as on March 31, 2021	4,103.89	40,779.35	4,354.18	180,171.64	24,380.39	144.26	1,217.59	120.38			255,271.67
Accumulated depreciation as on April 1, 2020	-	12,846.64	3,083.74	90,417.81	21,049.57	108.02	937.68	114.12			128,557.58
Depreciation for the period	-	1,162.50	319.85	6,851.24	975.85	4.38	68.16	0.08			9,382.06
Disposal/Adjustment	-	-	-	271.58	54.05	-	-	-			325.63
Impairment Losses	-	-	-	-	-	-	-	-			-
Accumulated depreciation as on March 31, 2021	-	14,009.14	3,403.59	96,997.47	21,971.37	112.40	1,005.84	114.20			137,614.01
Carrying value as on March 31, 2021	4,103.89	26,770.21	950.59	83,174.17	2,409.02	31.86	211.75	6.18			117,657.66
Carrying value as on April 1, 2020	4,103.89	27,745.98	1,270.44	86,743.99	3,234.06	24.85	189.38	6.26			123,318.85

Particulars	(₹ in lacs)										Total
	Freehold Land	Factory Buildings	Railway Siding	Plant and Machinery	Electrical Installation	Furniture and Fixture	Office Equipment	Vehicle			
Gross carrying value as on April 1, 2019	4,103.89	40,924.73	4,354.18	176,657.91	24,741.26	125.91	1,023.63	134.04			252,065.55
Additions	-	-	-	1,532.54	24.77	6.96	108.18	-			1,672.45
Disposal	-	-	-	35.45	-	-	-	13.66			49.11
Impairment Losses	-	332.11	-	993.20	482.40	-	4.75	-			1,812.46
Gross carrying value as on March 31, 2020	4,103.89	40,592.62	4,354.18	177,161.80	24,283.63	132.87	1,127.06	120.38			251,876.43
Accumulated depreciation as on April 1, 2019	-	11,835.43	2,763.89	84,215.67	20,227.23	103.51	884.20	124.78			120,154.71
Depreciation for the period	-	1,172.31	319.85	6,823.50	1,280.62	4.51	57.99	2.31			9,661.09
Disposal/Adjustment	-	-	-	9.58	-	-	-	12.97			22.55
Impairment Losses	-	161.10	-	611.78	458.28	-	4.51	-			1,235.67
Accumulated depreciation as on March 31, 2020	-	12,846.64	3,083.74	90,417.81	21,049.57	108.02	937.68	114.12			128,557.58
Carrying value as on March 31, 2020	4,103.89	27,745.98	1,270.44	86,743.99	3,234.06	24.85	189.38	6.26			123,318.85
Carrying value as on April 1, 2019	4,103.89	29,089.30	1,590.29	92,442.24	4,514.03	22.40	139.43	9.26			131,910.84



### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

Note 3A : The details of right-of use asset held by the company is as follows:

(₹ in lacs)

Particulars	Leasehold Land
Gross carrying value as on April 1, 2020	871.86
Additions	-
Disposal	-
Gross carrying value as on March 31, 2021	871.86
Accumulated depreciation as on April 1, 2020	398.51
Depreciation for the period	8.67
Disposal/ Adjustment	-
Accumulated depreciation as on March 31, 2021	407.18
Carrying value as on March 31, 2021	464.68
Carrying value as on April 1, 2020	473.35

Particulars	Leasehold Land
Gross carrying value as on April 1, 2019	871.86
Additions	-
Disposal	-
Gross carrying value as on March 31, 2020	871.86
Accumulated depreciation as on April 1, 2019	389.84
Depreciation for the period	8.67
Disposal/ Adjustment	-
Accumulated depreciation as on March 31, 2020	398.51
Carrying value as on March 31, 2020	473.35
Carrying value as on April 1, 2019	482.02

Net book value of leasehold land for the year ended March 31, 2021 were under finance lease

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

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
<b>A. Capital Work-in-Progress</b>		
Buildings*	1,255.18	1,229.12
Road	193.00	53.46
Railway Siding	359.01	359.01
Plant and Machinery*	5,780.42	3,841.29
Electrical Installations	617.16	379.17
Land	1,158.81	1,158.81
Computer	-	0.15
Intangible Assets under development	20.80	20.80
<b>Sub Total</b>	<b>9,384.38</b>	<b>7,041.81</b>
Less : Transferred to Fixed Assets	3,409.91	1,261.17
<b>Total A :</b>	<b>5,974.47</b>	<b>5,780.64</b>
<b>B. Pre-operative Expenditure Pending Allocation</b>		
Opening Balance	3,987.97	3,961.94
Additions		
Rent and Hire	2.30	31.22
Miscellaneous Expenses	333.38	67.33
	335.68	98.55
Less : Transferred to Fixed Assets	102.61	72.52
<b>Total B :</b>	<b>4,221.04</b>	<b>3,987.97</b>
<b>Grand Total (A+B)</b>	<b>10,195.51</b>	<b>9,768.61</b>

\*Plant & Machinery includes DIP Mould of ₹63.76 lacs (₹126.85 lacs), Blast Furnace Division of ₹4.17 lacs (₹1.62 lacs), Sinter Division of ₹106.80 lacs (Nil) and DIP Division of ₹17.33 lacs (Nil) lying in transit.

\*Factory Building includes Rolling Mill Division of ₹1.93 lacs and Sponge Division of ₹7.35 lacs lying in transit.



### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

#### Note 4A : Intangible Assets

	(₹ in lacs)
<b>Particulars</b>	<b>Software</b>
Gross carrying value as on April 1, 2020	117.85
Additions	5.67
Disposal	-
Impairment Losses	-
Gross carrying value as on March 31, 2021	<u>123.52</u>
Accumulated depreciation as on April 1, 2020	90.00
Depreciation for the period	8.76
Disposal/ Adjustment	-
Impairment Losses	-
Accumulated depreciation as on March 31, 2021	<u>98.76</u>
Carrying value as on March 31, 2021	<u>24.76</u>
Carrying value as on April 1, 2020	<u>27.85</u>

	(₹ in lacs)
<b>Particulars</b>	<b>Software</b>
Gross carrying value as on April 1, 2019	101.95
Additions	16.15
Disposal	-
Impairment Losses	0.25
Gross carrying value as on March 31, 2020	<u>117.85</u>
Accumulated depreciation as on April 1, 2019	81.38
Depreciation for the period	8.87
Disposal/ Adjustment	-
Impairment Losses	0.25
Accumulated depreciation as on March 31, 2020	<u>90.00</u>
Carrying value as on March 31, 2020	<u>27.85</u>
Carrying value as on April 1, 2019	<u>20.57</u>

#### Note 5 : Non Current Investment

	(₹ in lacs)			
	Number of shares	Face Value Per Share	As at March 31, 2021	As at March 31, 2020
<b>Trade Investment</b>				
<b>In Subsidiaries Companies</b>				
<b>Unquoted, Fully Paid up</b>				
<b>Investment in Equity Shares</b>				
<b>In Joint Venture Companies#</b>				
Andal East Coal Company Private Limited	319,290	10	3.19	3.19
Rohne Coal Company Private Limited	69,000	10	0.69	0.69
<b>Investment in Preference Shares</b>				
<b>In a Joint Venture Company#</b>				
1% Redeemable Preference Shares of Rohne Coal Company Private Limited	2,363,914	10	23.64	23.64
			<u>27.52</u>	<u>27.52</u>





### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

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

(₹ in lacs)

	Number of shares	Face Value Per Share	As at March 31, 2021	As at March 31, 2020
Aggregate Value of Investments				
- Quoted			-	-
- Unquoted			27.52	27.52
<b>#Refer note 49</b>				
<b>(At Fair value through Other Comprehensive Income)</b>				
<b>Non Trade Investment</b>				
<b>Unquoted, Fully Paid up</b>				
<b>Investment in Equity Shares</b>				
Calcutta Stock Exchange Limited#	2,726	1	71.60	71.60
<b>In Government Securities</b>				
National Saving Certificate (Deposited with Third Parties)			7.32	7.32
			<u>78.92</u>	<u>78.92</u>
Aggregate Value of Investments				
- Quoted			-	-
- Unquoted			78.92	78.92
<b>#Refer note 50</b>				

#### Note 6 : Non Current Loans

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Security Deposits	2,636.95	1,534.90
<b>Total:</b>	<u>2,636.95</u>	<u>1,534.90</u>

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

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Margin Money with Banks with maturities more than 12 months	1,539.51	428.00
Interest Receivable on Deposits	16.82	9.66
<b>Total</b>	<u>1,556.33</u>	<u>437.66</u>



### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

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

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
<b>Deferred Tax Asset</b>		
Unabsorbed Depreciation and carry forward Business Losses	74,956.38	75,012.36
Expenses Allowed On Payment Basis/Other Timing Differences	7,967.62	7,728.93
<b>Sub Total (A)</b>	<u>82,924.00</u>	<u>82,741.29</u>
<b>Deferred Tax Liability</b>		
Timing Difference on Depreciable assets	20,107.79	19,421.93
<b>Sub Total (B)</b>	<u>20,107.79</u>	<u>19,421.93</u>
<b>Deferred Tax Assets / (Liabilities) (Net) (A-B)</b>	<u>62,816.21</u>	<u>63,319.36</u>
<b>Less: Deferred Tax Assets not recognised (refer note below)</b>	<b>(33,731.06)</b>	<b>(34,234.21)</b>
<b>Total</b>	<u>29,085.14</u>	<u>29,085.14</u>

#### Note :

As the Group has made substantial losses for the past few years as well as for this year, no Deferred Tax Assets for the year has been accounted for. However the figure upto 31.03.2015 has been carried forward because the management is taking corrective action to improve the working so as to enable them realise the above figure.

#### Note 9 : Other Non Current Assets

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Capital Advances	4,087.73	4,065.14
Miscllaneous Expenditure	10.80	14.40
MAT Credit Entitlement	4,709.71	4,709.71
<b>Total:</b>	<u>8,808.24</u>	<u>8,789.25</u>

#### Note 10 : Inventories

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Raw Materials	48,647.23	40,146.11
[Including in transit ₹13,006.54 lacs (₹4,823.68 lacs)]		
Stores and Spares	5,635.15	5,411.46
[Including in transit ₹263.98 lacs (₹123.98 lacs)]		
Work - in - Process	1,299.62	872.49
Finished Goods	12,002.94	7,937.20
Trading Goods	21.49	26.37
By Products and Scrap	2,310.06	3,465.26
<b>Total:</b>	<u>69,916.49</u>	<u>57,858.89</u>



**Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)**

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

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	24,400.99	28,438.96
Unsecured, considered doubtful	24,100.54	23,298.22
	<u>48,501.53</u>	<u>51,737.18</u>
Less: Allowance for Doubtful Debts (Refer note below)	24,100.54	23,298.22
<b>Total:</b>	<u>24,400.99</u>	<u>28,438.96</u>

**Note:**

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

**Note 12 : Cash and Cash Equivalents**

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Balance with Banks :-		
On Current Accounts	2,179.78	977.83
Deposits with Original Maturity of Less than 3 months	128.00	-
Cash on hand	74.91	52.97
Cheques in hand	181.46	76.87
<b>Total:</b>	<u>2,564.15</u>	<u>1,107.67</u>

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

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Margin Money with Banks with maturities less than 12 months	15.50	1,167.90
<b>Total:</b>	<u>15.50</u>	<u>1,167.90</u>

**Note 14 : Current Loans**

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Security Deposits	2,639.94	2,820.66
<b>Loans and advances to Related parties#</b>		
Loans to Body Corporate	-	811.21
Advances to a Body Corporate	-	545.86
	<u>-</u>	<u>1,357.07</u>
Advance recoverable in cash or in kind or for value to be received	264.46	233.54
<b>Total:</b>	<u>2,904.40</u>	<u>4,411.27</u>

#Refer note 38



**Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)**

**Note 15 : Other Current Financial Assets**

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Interest Receivable on Deposits	20.29	3.51
<b>Total</b>	<b>20.29</b>	<b>3.51</b>

**Note 16 : Other Current Assets**

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
<b>Advances recoverable in cash or kind</b>		
Advances recoverable in cash or in kind or for value to be received [Net of Provision for Doubtful Advances ₹764.38 lacs (₹764.38 lacs)]	16,951.13	18,608.46
<b>Sub Total:</b>	<b>16,951.13</b>	<b>18,608.46</b>
<b>Other Loans and Advances</b>		
Balance with Government Authorities	790.97	311.61
Advance income tax [Net of Provisions ₹ Nil (₹ Nil)]	389.88	342.62
Subsidies and Incentives Receivable	11,902.86	11,902.86
Sales Tax and Other Refunds Receivable	230.92	230.92
<b>Sub Total:</b>	<b>13,314.63</b>	<b>12,788.01</b>
<b>Total:</b>	<b>30,265.76</b>	<b>31,396.47</b>

**Note 17 : Share Capital**

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
<b>Authorised capital</b>		
125,000,000 (125,000,000) Equity Shares of ₹ 10/- each	12,500.00	12,500.00
<b>Issued, subscribed and fully paid-up capital</b>		
11,04,50,286 (11,04,50,286) Equity Shares of ₹ 10/- each	11,045.03	11,045.03
Less: Calls unpaid (Due from other than directors or officers)	-	-
<b>Total:</b>	<b>11,045.03</b>	<b>11,045.03</b>

**Reconciliation of the number of shares**

**Equity Shares :**

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	(₹ in lacs)	No. of Shares	(₹ in lacs)
Equity Shares of Rs 10/- each				
At the beginning of the period	110,457,986	11,045.03	96,386,486	9,638.26
Issued during the period	-	-	14,071,500	1,407.15
Forfeited of shares during the period	-	-	-7,700	-0.38
At the end of the period	<b>110,457,986</b>	<b>11,045.03</b>	<b>110,457,986</b>	<b>11,045.03</b>

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

The Company has only one class of ordinary shares (equity shares) having at par value of ₹10/- each. Each shareholder of ordinary shares (equity shareholders) is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the 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.

**Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)**

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

	As at March 31, 2021		As at March 31, 2020	
	No of Shares	% holding in the class	No of Shares	% holding in the class
Enfield Suppliers Ltd.	11,221,233	10.16	11,221,233	10.16
Hari Management Ltd.	7,044,000	6.38	7,044,000	6.38
Jai Salasar Balaji Industries (P) Ltd	25,115,157	22.74	25,115,157	22.74
Edelweiss Asset Reconstruction Co. Ltd. (for and on behalf of EARC trust SC 301)	8,005,706	7.25	8,005,706	7.25
Mahesh Kumar Keyal	6,500,000	5.89	6,500,000	5.89
	<u>57,886,096</u>	<u>52.42</u>	<u>57,886,096</u>	<u>52.42</u>

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

**Note 18 : Other Equity**

(₹ in lacs)

Particulars	Reserve & Surplus					Equity Instrument through OCI	Total
	Capital Reserve	Amalgamation Reserve	Securities Premium Account	General Reserve	Retained Earnings		
Balance as at 01.04.2020	6,408.50	4,400.00	52,206.01	10,325.00	(250,318.44)	143.01	(176,835.91)
Profit for the period	–	–	–	–	(7,582.20)	–	(7,582.20)
Remeasurements of the net defined benefit plans	–	–	–	–	55.00	–	55.00
Movement during the period	–	–	–	–	10.18	–	10.18
Total comprehensive income/(loss) for the period 31.03.21	–	–	–	–	(7,517.02)	–	(7,517.02)
Balance as at 31.03.2021	6,408.50	4,400.00	52,206.01	10,325.00	(257,835.46)	143.01	(184,352.93)

**Nature and purpose of reserves:**

- (a) **Capital Reserve:** Amount received from West Bengal Industrial Development Corporation as a Capital Subsidy and amount forfeited against equity warrant application money is treated as a capital reserve.
- (b) **Amalgamation Reserve:** Amount arisen on Amalgamation of erstwhile Shri Ramrupai Balaji Steels Limited treated as a Amalgamation Reserve.
- (c) **Securities Premium Account:** The amount received in excess of face value of securities and forfeited of shares is recognised in Securities Premium Account.
- (d) **General Reserve:** The Company has transferred a portion of the net profit of the company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
- (e) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date.
- (f) **Equity Instruments through Other Comprehensive Income:** The fair value change of the equity instrument measured at fair value through other comprehensive income is recognised in Equity instruments through Other Comprehensive Income.
- (g) **Remeasurements of Net Defined Benefit Plans:** Differences between the interest income on plan assets and the return actually received and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.





### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

#### Note 19 : Non Current Borrowings

	(₹ in lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>(Secured, unless otherwise stated)</b>		
Rupee Loan ARC (Refer Note 20)	50,665.56	59,495.98
Non-current maturities of Finance Lease Obligations (Refer Note 36)	58.89	58.89
Debentures	7,146.17	6,618.23
Zero Coupon Non Convertible Debentures (Refer Note below)		
<b>Total:</b>	<u>57,870.62</u>	<u>66,173.10</u>

#### Notes:

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

#### Note 20 : Current Borrowings

	(₹ in lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>(Secured, unless otherwise stated)</b>		
<b>Term Loans:</b>		
Rupee Loan from Financial Institutions	537.16	—
Rupee Loan from Bodies Corporate (Unsecured)	797.25	797.25
Rupee Loan ARC	245,741.00	243,579.85
<b>Loan Repayable on Demand</b>		
From Banks		
- Demand loan/Cash Credits	29,997.53	31,297.80
- From Bodies Corporate (Unsecured)	8,407.00	4,535.00
<b>Total:</b>	<u>285,479.94</u>	<u>280,209.90</u>

#### Note:

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

- Rupee Term Loan from Banks and ARC are secured by 1st charge over the entire fixed assets (both present and future) and 2nd charge over the entire current assets (both present and future) of the Company's units at Ranigunge and Durgapur in the state of West Bengal and Durg in the state of Chattisgarh.

The above loans are further secured as follows :

- Personal Guarantees of Promoter Directors of the Company.
- Pledge of equity shares of the Company held by the promoters.



### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

#### 2. Rupee Loan repayable on Demand

##### a) Secured Loan

- 1) Rupee term loan from bank has been turned into NPA. As per the routine compliance, lenders have initiated the recovery measure and already serve the call up notice for their exposure. Resulting in entire exposure of the banks/financial institution due on immediate demand basis. All the Term Loans and Cash Credit from Banks have been classified as Loans Repayable on Demand from last financial year.
- 2) Cash Credit facilities from banks are secured by pari- passu 1st charge over the entire current assets (both present and future) and 2nd charge over the entire fixed assets (both present and future) of the Company's units at Ranigunge and Durgapur in the state of West Bengal and Durg in the state of Chattisgarh.

The above facilities are further secured as follows.

- (i) Personal Guarantees of Promoter Directors of the Company.
- (ii) Pledge of equity shares of the Company held by the promoters

##### b) Unsecured Loan

- 1) Unsecured Loan from bodies corporate has been received from a promoter group company and Unsecured loan from others are interest bearing which is repayable on demand.

#### Additional Disclosure

##### Default in Repayment of Loans, its assignment/settlement terms and conditions and its Accounting Treatment:

1. Axis Bank,UCO Bank(lead bank), Allahabad Bank and Union Bank of India have assigned their debts along with all its rights, title and interest in the financing documents, all agreements, deeds and documents related thereto and all primary and collateral and underlying security interests and/or pledges created to secure and/or guarantees issued in respect of the repayment of the loans to Edelweiss Asset Reconstruction Company Limited. For repayment of said debts, company entered into a restructuring agreement with Edelweiss Asset Reconstruction Company Limited and agreed for the repayment of loan by September 2025. As per terms of settlement, if all the terms & condition are fully complied by the company, it will result in a debt write off by ` 82,126.00 lacs. However, the amount of repayment of loan to Edelweiss Asset Reconstruction Company Limited, upto the Balance Sheet date of ` 11,797.00 lacs has been adjusted against the total outstanding loan liability.

Further, the Company had allotted 14,071,500 equity shares of ` 10 each as a price of ` 25.55 (inclusive of share premium amount of ` 15.55 per equity share) to Edelweiss Asset Reconstruction Company Limited during the financial year 2019-20.

2. Bank of India have assigned their debts along with all its rights, title and interest in the financing documents, all agreements, deeds and documents related thereto and all primary and collateral and underlying security interests and/or pledges created to secure and/or guarantees issued in respect of the repayment of the loans for valuable consideration to Edelweiss Asset Reconstruction Company Limited. As per terms of settlement, if all the terms & condition are fully complied by the company, it will result in a debt write off by ` 8,289.00 lacs.
3. United Bank of India, State Bank of India, West Bengal Infrastructure Development Finance Cotrpoartion Ltd, IDBI Bank, Indian Overseas Bank and Vijaya Bank (Bank of Baroda) are also assigned their entire exposure along with all its rights, title and interest in the financing documents, all agreements, deeds and documents related thereto and all primary and collateral and underlying security interests and /or pledges created to secure and /or guarantees issued in respect of the repayment of the loans for valuable consideration to the Omkara Assets Reconstruction Private Limited (Omkara ARC). On account of non-finalization of repayment and restructuring terms, ` 21,717.00 lacs paid to the said ARC up to the balance sheet dates, has been reduced from the loan balance of the respective bank.
4. Oriental Bank of Commerce has approved a One Time settlement offer to the company against their entire dues. During the period under review, Company continued lump sum payments on account and currently applied for further restructuring due to pandemic situation which is under process. On fulfilment of the terms & condition, it will result in a debt reduction by ` 15,238.39 lacs.
5. During the period under review, J. M. Financial Assets Reconstruction Company Limited have assigned their debts along



### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

with all its rights, title and interest in the financing documents, all agreements, deeds and documents related thereto and all primary and collateral and underlying security interest and / or pledges created to secure and / or guarantees issued in respect of the repayment of the loans for valueable consideration to Atirath Commercial Private Limited. A repayment, restructuring or settlement term of said debt is still pending.

6. The details of liability outstanding/Debt assigned to/from various lenders and their status as on the end of the current year are as follows:

(₹ in Crore)

Name of the Bank/ARC	Liability Outstanding/Debt Assigned	Payment Upto 31.03.2021	Default
<b>Default</b>			
#Edelweiss Asset Reconstruction Company Limited	1,499.33	117.97	105.59
<b>Regular</b>			
#Edelweiss Asset Reconstruction Company Limited	127.20	30.24	No Default
Omkara Assets Reconstruction Pvt. Ltd.	1,448.54	217.17	Not yet restructured/ settled, hence payments made to respective ARC are directly considered as on account payment
Atirath Commercial Pvt. Ltd.	5.38	–	Repayment not yet started
#Punjab National Bank (Erstwhile Oriental Bank of Commerce)	264.38	40.31	OTS Restructure under process
<b>Total:</b>	<b>3,344.83</b>	<b>405.69</b>	

# Deferment of loan due to Covid 19: The Reserve Bank of India (RBI) has notified Covid-19 Regulatory packages permitting lenders to grant a moratorium period for all installments falling due between March 01, 2020 to August 31, 2020. The Company has not paid installments. The Company has requested all lenders to allow a moratorium period for the payments or re-schedule/restructure the payment of the installments amount not paid and moratorium period or revised schedule is yet to be confirmed.

7. Canara Bank, Corporation Bank and Punjab National Bank have stopped charging interest on debts, since the dues from the Company have been categorized as Non-Performing Asset. The Company is in active discussion/negotiation with those lenders to restructure its debts at a sustainable level including waiver of unpaid interest. In view of the above, pending finalization of the any corrective action plan/restructure/settlement with those lenders/ ARCs, the Company has stopped providing interest accrued and unpaid effective from 1st April, 2016 in its book. The amount of such accrued and unpaid interest not provided for the last year ended 31st March, 2021 stands at ` 28,020.96 lacs (` 27,383.99 lacs). The accumulated interest not provided till 31st March, 2021 stands at ` 1,31,040.76 lacs. Accordingly, the same has not been considered for compilation of results of the said year ended 31st March, 2021. The Statutory Auditors have qualified their Audit Report in respect of this matter.



### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

#### Note 21 : Trade Payables

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
<b>Trade Payables</b>		
- Dues to Micro, and Small Enterprises	670.80	917.05
- Other than Micro, and Small Enterprises	74,362.17	68,122.20
<b>Total:</b>	<u>75,032.97</u>	<u>69,039.25</u>

#### Note :

Under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. In regard to this, the company has received intimation from various parties and details are given refer note no-40.

#### Note 22 : Other Financial Liabilities

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Interest Accrued and due on Borrowings	5,596.54	4,045.13
Current maturities of Finance Lease Obligations	10.13	10.13
Temporary Book Overdraft	464.72	503.95
Capital Creditors	1,248.53	1,124.38
Due to Employees	2,000.57	1,629.40
Interest Others	12,316.46	11,251.80
Security Deposit	254.73	116.30
Unclaimed Amount	2.86	-
<b>Total:</b>	<u>21,894.54</u>	<u>18,681.09</u>

#### Note 23 : Other Current Liabilities

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
- Advance from Customer	22,719.47	14,713.78
- Statutory Dues Payable	9,865.08	13,811.16
- Other Miscellaneous	133.15	139.35
<b>Total:</b>	<u>32,717.70</u>	<u>28,664.29</u>

#### Note 24 : Current Provisions

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
<b>Provision for employee benefits:</b>		
Gratuity (Refer Note 39)	863.04	800.08
Leave Salary	72.38	149.89
<b>Total:</b>	<u>935.42</u>	<u>949.97</u>



**Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)**

**Note 25 : Revenue from Operations**

(₹ in lacs)

	Current year ended March 31, 2021	Previous year ended March 31, 2020
<b>Sales of products</b>		
Finished Goods	246,905.03	265,082.13
By Products and Scraps	10,723.10	10,520.32
Raw Materials	15,139.43	6,322.26
<b>Other Operating Revenue</b>		
Conversion Charges	5,538.73	9,061.26
Export Incentives	133.77	234.28
Service and other Charges	78.12	9.97
<b>Revenue from Operations</b>	<u>278,518.18</u>	<u>291,230.22</u>

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

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

(₹ in lacs)

	Current year ended March 31, 2021	Previous year ended March 31, 2020
Sponge Iron	29,042.80	23,432.23
Pig Iron	66,238.29	68,743.83
Steel Bars/Rods	41,042.72	48,984.86
Billet/MS Ingots	23,305.55	25,493.20
Ferro Alloys	33,924.95	37,294.96
Ductile Iron Pipe	51,352.30	58,263.78
Nut Coke	233.58	-
Coal/Coke	105.48	2,428.65
Managanese Ore (Import)	404.66	-
TMT	17.71	12.89
M.S. Billet	1,236.99	427.72
	<u>246,905.03</u>	<u>265,082.13</u>

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





### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

#### Note 26 : Other Income

(₹ in lacs)

	Current year ended March 31, 2021	Previous year ended March 31, 2020
Interest on :		
(a) Fixed Deposits with Banks [Gross, Tax deducted at source ₹10.91 lacs (₹7.46 lacs lacs)]	63.86	74.60
(b) Loans and Advances [Gross, Tax deducted at source ₹4.30 lacs (₹4.26 lacs)]	124.61	572.13
(c) Refund from Income Tax Department	10.00	—
Dividend from long term Investments (other than trade)	—	0.49
Insurance Claims	3.32	45.36
Liabilities no longer required written back	861.99	4,830.96
Profit on sale of long term Investments (other than trade)	—	0.05
Gain on Foreign Exchange Fluctuations (Net)	4.42	—
Miscellaneous Income	14.48	11.34
<b>Total:</b>	<b>1,082.68</b>	<b>5,534.93</b>

#### Note 27 : Cost of Materials Consumed

(₹ in lacs)

	Current year ended March 31, 2021	Previous year ended March 31, 2020
Opening Stock	40,146.11	34,713.71
Purchases	217,051.41	229,215.60
	257,197.52	263,929.32
Less: Closing Stock	48,647.23	40,146.11
<b>Raw Materials Consumed</b>	<b>208,550.29</b>	<b>223,783.21</b>

#### Consumption of Raw Material :

(₹ in lacs)

	Current year ended March 31, 2021	Previous year ended March 31, 2020
Iron Ore /Pellets /Sinter	50,393.54	52,816.82
Manganese Ore	4,755.05	5,241.50
Sponge Iron	8,212.07	5,499.61
Billet/Ingot	31,935.84	29,932.94
Coke/Coal	87,892.26	107,841.74
Magnesium Metal	597.28	800.02
Pig Iron	1,307.70	1,910.89
Steel Scrap & Wastes	5,660.94	4,290.58
Ferro Alloys	7,304.45	10,065.30
Quartzite, Limestone and Dolomite	10,491.16	5,383.80
	<b>208,550.29</b>	<b>223,783.21</b>



**Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)**

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

(₹ in lacs)

	<b>Current year ended March 31, 2021</b>	<b>Previous year ended March 31, 2020</b>
Coal	–	1,422.96
M. S. Billet	<b>1,223.15</b>	435.86
Coke (Low Ash)	<b>89.10</b>	1,097.13
TMT	<b>17.23</b>	24.86
Manganese Ore (Imported)	<b>387.47</b>	–
	<b><u>1,716.95</u></b>	<b><u>2,980.81</u></b>

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

(₹ in lacs)

	<b>Current year ended March 31, 2021</b>	<b>Previous year ended March 31, 2020</b>
<b>Opening Stocks :</b>		
Work-in-Process	<b>872.49</b>	838.64
Finished Goods#	<b>7,963.58</b>	6,131.62
By Products and Scrap	<b>3,465.26</b>	2,550.83
	<b><u>12,301.32</u></b>	<u>9,521.09</u>
<b>Less:</b>		
<b>Closing Stocks :</b>		
Work-in-Process	<b>1,299.62</b>	872.49
Finished Goods #	<b>12,024.43</b>	7,963.58
By Products and Scrap	<b>2,310.06</b>	3,465.26
	<b><u>15,634.11</u></b>	<u>12,301.32</u>
<b>Total</b>	<b><u>(3,332.79)</u></b>	<b><u>(2,780.23)</u></b>

# Finished goods stock include Trading Stock of ₹21.49 lacs (₹26.37 lacs)



### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

Stock of finished goods comprises:

	(₹ in lacs)	
	Current year ended March 31, 2021	Previous year ended March 31, 2020
<b>Opening Stock :</b>		
Sponge Iron	345.64	94.00
Pig Iron	621.76	633.16
Steel Bars/Rods	473.86	388.10
Billet/MS Ingots	459.74	657.26
Ferro Alloys	1,008.80	1,816.85
Ductile Iron Pipe	3,172.87	2,175.75
Coke	1,880.91	366.50
<b>Total:</b>	<u>7,963.58</u>	<u>6,131.62</u>
<b>Closing Stock :</b>		
Sponge Iron	367.57	345.64
Pig Iron	700.44	621.76
Steel Bars/Rods	1,960.82	473.86
Billet/MS Ingot	544.89	459.74
Ferro Alloys	1,590.10	1,008.80
Ductile Iron Pipe	4,471.04	3,172.87
Coke	2,389.58	1,880.91
<b>Total:</b>	<u>12,024.43</u>	<u>7,963.58</u>

Note 30 : Employee Benefits Expense

	(₹ in lacs)	
	Current year ended March 31, 2021	Previous year ended March 31, 2020
Salaries, Wages, Bonus & Other Benefits	8,115.24	8,295.84
Contribution to Provident Fund & other fund	454.12	446.33
Staff Welfare Expenses	300.33	256.44
<b>Total:</b>	<u>8,869.69</u>	<u>8,998.62</u>

Note 31 : Finance Costs

	(₹ in lacs)	
	Current year ended March 31, 2021	Previous year ended March 31, 2020
<b>Interest Expenses</b>		
On ARC	5,734.14	6,397.85
On Others	3,013.47	3,786.29
On Income Tax	-	1.02
<b>Finance charges</b>	<u>56.16</u>	<u>93.29</u>
<b>Total:</b>	<u>8,803.77</u>	<u>10,278.45</u>



### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

#### Note 32 : Other Expenses

	(₹ in lacs)	
	Current year ended March 31, 2021	Previous year ended March 31, 2020
Consumption of Stores and Spares	19,183.67	19,883.72
Labour Charges	6,816.09	6,813.40
Power and Fuel	14,278.00	16,268.31
Repairs and Maintenance:		
- Plant and Machinery	465.91	655.27
- Buildings	4.64	6.42
- Others	1,512.13	1,322.73
Water Charges	297.50	406.26
Equipment Hire Charges	3,864.15	2,357.36
Shifting Expenses	45.27	41.68
Freight and Transportation	2,182.99	2,078.62
Rent and Hire	112.81	63.12
Rates and Taxes	85.89	115.00
Insurance	357.66	283.20
Advertisement	130.79	88.13
Brokerage and Commission (Other than Sole Selling Agents)	358.00	311.09
Travelling and Conveyance	433.03	614.23
Telephone and Postage	59.54	60.87
Legal and Professional Charges (Refer Note 48)	327.58	751.86
Director's Fees	1.40	1.65
Provision for Doubtful Debts and Advances	802.32	1,975.05
Irrecoverable Debts and Advances Written off	102.19	53.94
Less: Adjusted against Provisions	—	—
Loss on Foreign Exchange Fluctuations (Net)	—	23.62
Charity and Donations	8.27	21.91
Security and Service Charges	465.27	443.06
Loss on Sale of Property, Plant & Equipment	106.28	19.76
Miscellaneous Expenditure W/off	3.60	3.60
Miscellaneous Expenses	535.55	508.01
Prior period expenses (Net)	635.13	(489.06)
<b>Total:</b>	<u>53,175.66</u>	<u>54,682.81</u>

#### Note 33 : Other Comprehensive Income

	(₹ in lacs)	
	Current year ended March 31, 2021	Previous year ended March 31, 2020
<b>Other Comprehensive Income (Refer note 47)</b>		
(A) Items that will not be reclassified to profit or loss		
(I) Remeasurements of the defined benefit plans	55.00	32.30
	<u>55.00</u>	<u>32.30</u>



### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

#### 34A. Contingent liabilities

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an on-going basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows :

	(₹ in lacs)	
	As at March 31, 2021	As at March 31, 2020
a) Claims against the Company not acknowledged as debts		
i) Excise and Service Tax Demands under dispute/appeal	24,285.68	27,279.00
ii) Custom Demand on imported Coke/Coal	555.60	559.60
iii) Sales Tax /VAT Tax matters under dispute/appeal	9,073.30	8,791.22
iv) Income Tax matters under dispute/appeal	6.85	6.85
b) Bank Guarantees outstanding	2,399.67	1,554.70
c) Custom Duty on Import of Equipment and spare parts under EPCG Scheme	3,176.00	3,359.00
d) Lagal Case matters under dispute/appeal	1,529.74	1,015.38

#### 34B. Capital and other commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for	6,314.42	2,572.26
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35. Due to unfavourable market conditions and other adverse industry scenario the company has incurred net loss during the year ended 31 st March, 2021. This has impacted the net worth of the company. However, the management is confident that the improvement in market scenario will help in improving the financial health of the company. The financial statement for the year have been prepared by the management of the Company on a going concern basis as the company is continuing its normal manufacturing during the current year and has not written off Deferred tax Assets amounting to ₹29,085.14 lacs provided upto 31 st March, 2015.

#### 36. Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee, because of the lease period of land 90 or more years then the fair value computation for finance lease will have no material difference comparing to its carrying value, so that the company considered as finance lease.

##### The Company as lessee

##### Finance Lease:

Finance Leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss over the period of the lease.





### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

(₹ in lacs)

Particulars	Current year ended March 31, 2021	Previous year ended March 31, 2020
Payments recognised as a expenses	10.13	10.13
Future Minimum Lease payments		
Not later than one year	10.13	10.13
Later than one year and not more than five years	50.66	50.66
Later than five years	555.77	565.90

37. During the year, the Company has not recognised any income under the scheme for the following subsidies / incentives receivable from the Government of West Bengal under West Bengal Incentive Scheme aggregating to ₹ Nil (₹ Nil): Pre Goods & Service Tax (GST), the company was enjoying certain benefits under Industrial Promotion Scheme of State Government Post GST, pending notifications by the State Government on prudent basis.

(₹ in lacs)

Sl. No.	Particulars	Account to which credited	Current year ended March 31, 2021	Previous year ended March 31, 2020
a)	Industrial Promotion Assistance	Subsidy on Sales Tax / Value Added Tax under Sales & Service	Nil	Nil

38. Loans and Advances includes the following balances

(₹ in lacs)

Name of the Company	As at March 31, 2021	Maximum Amount due at any time during year ended March 31, 2021	As at March 31, 2020	Maximum Amount due at any time during year ended March 31, 2020
Jai Balaji Jyoti Steels Ltd.	Nil	1,357.39	1,357.07	7,573.19

In terms of Regulation 34(3) of the SEBI (LODR) Regulations, 2015

Jai Balaji Jyoti Steels Ltd.	Nil	1,357.39	1,357.07	7,573.19
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### 39. Employee Benefits

#### I. Disclosures for defined benefit plans based on actuarial reports

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than The Provisions of Payment of Gratuity Act, 1972. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The disclosures required under Indian Accounting Standard 19 'Employee Benefits' notified in the Companies (Accounting Standards) Rules 2006 are given below:

i) Expenses recognized in the Statement of Profit & Loss Account are as follows :

(₹ in lacs)

Particulars	Current year ended March 31, 2021	Previous year ended March 31, 2020
Current service cost	168.45	136.65
Interest cost on benefit obligation	49.51	51.79
Expected return on plan assets	-	-
Net actuarial loss/(gain) recognised in the year	-	-
Past Service cost	-	-
<b>Total Expenses</b>	<b>217.96</b>	<b>188.44</b>



### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

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

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of Defined Benefits Obligation	(1,009.38)	(902.84)
Fair value of plan assets	146.34	102.76
	(863.04)	(800.08)
Less: Unrecognised past service cost	-	-
<b>Total Expenses</b>	<b>(863.04)</b>	<b>(800.08)</b>

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

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of Defined Benefits Obligation at the beginning of the year	902.84	764.80
Current Service Cost	168.45	136.65
Interest Cost	57.50	57.16
Settlement Cost	-	-
Benefits Paid	(63.24)	(25.45)
Actuarial Loss/(Gain)	(56.17)	(30.32)
Plan Amendments	-	-
<b>Present value of Defined Benefits Obligation at the year end</b>	<b>1,009.38</b>	<b>902.84</b>

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

Particulars	As at March 31, 2021	As at March 31, 2020
Fair Value of Plan Assets at the beginning of the year	102.76	45.86
Expected Return	(1.17)	1.98
Interest Income	8.00	5.37
Contribution by Employer	100.00	75.00
Benefits paid	(63.24)	(25.45)
Actuarial Gains/(Losses)	-	-
<b>Fair Value of Plan Assets at the year end</b>	<b>146.34</b>	<b>102.76</b>

v) Expenses recognised in Other Comprehensive Income (OCI) for Current Year (₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Actuarial(Gain)/Losses due to DBO Assumption changes	(22.30)	94.68
Actuarial(Gain)/Losses due to DBO experience	(33.88)	(125.00)
Return on Plan Assets(Greater)/Less than Discount Rate	1.18	(1.98)
<b>Net (Income)/Expense for the period recognized in OCI</b>	<b>(55.00)</b>	<b>(32.30)</b>



### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

#### vi) Balance Sheet Reconciliation

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Net defined benefit asset/(liability) at end of prior period	(800.08)	(718.94)
Service cost	(168.45)	(136.65)
Net interest on net defined benefit liability/(asset)	(49.51)	(51.79)
Amount recognised in OCI	55.00	32.30
Employer contribution	100.00	75.00
<b>Amount recognised in Balance Sheet</b>	<b>(863.04)</b>	<b>(800.08)</b>

#### vii) The principal actuarial assumptions as at the Balance Sheet date are set out as below :

(₹ in lacs)

Particulars	Current year ended March 31, 2021	Previous year ended March 31, 2020
<b>Summary of Financial Assumptions</b>		
Discount Rate	6.80%	6.60%
Salary Escalation Rate	7.00%	7.00%
<b>Summary of Demographic Assumptions</b>		
Mortality Table	Indian Assured Life Mortality (2006-08) (modified) Ultimate	Indian Assured Life Mortality (2006-08) (modified) Ultimate
Withdrawal Rate	1.80% to 6.20%	1.80% to 6.20%
Retirement Age	60 Years	60 Years

Particulars	Change in Assumption	Gratuity year ended March 31, 2021	Gratuity year ended March 31, 2020
<b>Sensitivity Analysis</b>			
Changes in Defined Benefit Obligations			
Salary Escalation	1%	116.47	109.08
Salary Escalation	-1%	101.61	94.94
Discount Rates	1%	101.19	94.69
Discount Rates	-1%	119.34	112.14

#### Note:

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

#### II. Charge to the Statement of Profit and Loss on contributions

(₹ in lacs)

Particulars	Current year ended March 31, 2021	Previous year ended March 31, 2020
Contribution to Provident Fund and other Funds	577.52	582.86



### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

40. Trade payables includes amount due to Micro and Small Enterprises in terms of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED):

Sl No.	Particulars	Current year ended March 31, 2021	Previous year ended March 31, 2020
a)	Principal Amount remaining unpaid to the suppliers as at the end of the period	670.80	917.05
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.	-	-

#### 41. Segment Information

- (i) Business Segment : The Company's business activity primarily falls within a single business segment i.e. Iron & Steel Business and hence there are no disclosures to be made under Ind AS-108, other than those already provided in the financial statements.
- (ii) Geographical Segment : The Company's business activity primarily operates in India and therefore the analysis of geographical segment is based on the areas in which customers of the Company are located.

#### Information for Secondary Geographical Segments:

(₹ in lacs)

Particulars	Current year ended March 31, 2021	Previous year ended March 31, 2020
Domestic Revenues	273,183.37	284,120.56
Export Revenues (Including Export Benefits)	5,334.81	7,109.65
<b>Total Net Revenue</b>	<b>278,518.18</b>	<b>291,230.22</b>

(₹ in lacs)

Particulars	Current year ended March 31, 2021	Previous year ended March 31, 2020
Domestic Trade Receivables	24,063.22	28,257.84
Export Trade Receivables	337.77	181.12
<b>Total</b>	<b>24,400.99</b>	<b>28,438.96</b>



### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

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

Particulars	Foreign Currency (FC)	As at March 31, 2021		As at March 31, 2020	
		in FC	₹ in lacs	in FC	₹ in lacs
<b>Receivables</b>					
(a) Trade Receivables	US\$	459,519	337.77	240,406	181.12
(b) Advances	US\$	264,297	192.62	144,856	107.20
<b>Total</b>			<b>530.39</b>		<b>288.32</b>
<b>Payables</b>					
(a) Trade Payables	US\$	650,401	478.08	527,821	372.85
	Euro	30,242	26.04	115,962	96.31
	GBP	1,025	0.83		
(b) Advances	US\$	3,926,996	2,813.10	3,625,113	2,593.04
<b>Total</b>			<b>3,318.05</b>		<b>3,062.20</b>

#### 43. Earnings per share (EPS) :

The following reflects the profit and share data used in the basic and diluted EPS computations :

Sl No.	Particulars		Current year ended March 31, 2021	Previous year ended March 31, 2020
A.	Profit/(Loss) after Tax	₹ in lacs	(7,582.20)	(11,433.94)
B.	Number of shares at the beginning of the year	Nos.	110,450,286	96,386,486
C.	Total equity shares outstanding at the end of the year	Nos.	110,450,286	110,450,286
D.	Weighted average number of equity shares outstanding at the end of the year	Nos.	110,450,286	103,299,196
E.	Nominal Value of each Share	₹	10.00	10.00
F.	Basic Earning per Share	₹	(6.86)	(11.07)
G.	Diluted Earning per Share	₹	(6.86)	(11.07)

#### 44. Related Party Disclosures

##### a) Name of related parties and related party relationship

<b>Key Management Personnel</b>	Mr. Aditya Jajodia, Chairman and Managing Director Mr. Sanjiv Jajodia, Wholetime Director and Chief Financial Officer Mr. Ajay Kumar Tantia, Company Secretary
<b>Relatives of Key Management Personnel</b>	Mr. Rajiv Jajodia, Brother of Wholetime Director Mr. Gaurav Jajodia, Nephew of Wholetime Director
<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>	Chandi Steel Industries Limited (CSIL) Jai Balaji Jyoti Steels Limited (JBJSL) Jai Salasar Balaji Industries Private Limited (JSBIPL) Balaji Ispat Udyog (BIU) Enfield Suppliers Limited (ESL) Hari Management Limited (HML) Jajodia Estate Private Limited (JEPL)





Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

b. Related Party Transactions:		(₹ in lacs)									
Relationship	Party	Sales	Purchases	Rent paid	Interest Received	Director fee	Gross Salary & Perquisites#	Balance Receivable	Balance Payable	Guarantees Obtained #	
Key Management Personnel	Aditya Jajodia	-	-	-	-	-	-	-	-	371,357.00	
	Sanjiv Jajodia	-	-	-	-	-	-	-	-	(371,357.00)	
Relatives of Key Management Personnel	Ajay Kumar	-	-	-	-	-	42.37	-	-	371,357.00	
	Tantia	-	-	-	-	-	(46.07)	-	-	(371,357.00)	
Enterprises owned or significantly influenced by key management personnel or their relatives	CSIL	547.90	52.46	-	-	-	-	10.13	-	-	
	JBJSL	(21.89)	(87.00)	-	-	-	-	-	(20.11)	-	
Enterprises owned or significantly influenced by key management personnel or their relatives	JSBIPPL	50.25	239.62	-	39.40	-	-	2.17	-	-	
	JEPL	(166.30)	(9.13)	-	(528.39)	-	-	(1,357.07)	-	-	
Enterprises owned or significantly influenced by key management personnel or their relatives	ESL	304.88	12.08	-	-	-	-	(53.58)	243.79	-	
	HML	(418.65)	(28.38)	-	-	-	-	-	-	-	
Total		903.03	304.16	0.80	39.40	0.35	42.37	12.30	1,328.09	371,357.00	
		(606.84)	(124.51)	(0.80)	(528.39)	(0.40)	(46.07)	(1,410.65)	(1,104.41)	(371,357.00)	

#The remuneration to the Key Managerial Personnel does not include the provisions made for gratuity as they are determined on an actuarial basis for the company as a whole.  
##Guarantees were jointly obtained from Aditya Jajodia, Sanjiv Jajodia, Rajiv Jajodia & Gaurav Jajodia.



### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

#### 45. Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

(₹ in lacs)

Sl No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
i.	Equity share capital	11,045.03	11,045.03
ii.	Other equity	(184,352.93)	(176,835.91)
	<b>Total Equity (a)</b>	<b>(173,307.90)</b>	<b>(165,790.88)</b>
i.	Borrowings	343,350.56	346,383.00
ii.	Interest accrued and due on borrowings	5,596.54	4,045.13
iii.	Current maturity of long term debt	—	—
	<b>Total debt (b)</b>	<b>348,947.10</b>	<b>350,428.13</b>
i.	Cash and cash equivalents	2,564.15	1,107.67
	<b>Total cash</b>	<b>2,564.15</b>	<b>1,107.67</b>
	Net debt (b - c)	346,382.95	349,320.46
	Total capital (equity + net debt)	173,075.05	183,529.58
	Net debt to equity ratio/Capital Gearing Ratio	(2.00)	(2.11)

#### 46. Fair Value Measurements

##### a) Financial instruments by category

	As at March 31, 2021			As at March 31, 2020		
	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
<b>Financial Assets:</b>						
Investments	27.52	78.92	—	27.52	78.92	—
Trade receivables	24,400.99	—	—	28,438.96	—	—
Bank balance other than Cash and cash equivalents	15.50	—	—	1,167.90	—	—
Loans	5,541.35	—	—	5,946.17	—	—
Cash and cash equivalents	2,564.15	—	—	1,107.67	—	—
Other financial assets	1,576.62	—	—	441.17	—	—
<b>Total Financial Assets</b>	<b>34,126.13</b>	<b>78.92</b>	<b>—</b>	<b>37,129.39</b>	<b>78.92</b>	<b>—</b>
<b>Financial Liabilities:</b>						
Non Current Borrowings	57,870.62	—	—	66,173.10	—	—
Current Borrowings	285,479.94	—	—	280,209.90	—	—
Other financial Liabilities	21,894.54	—	—	18,681.09	—	—
Trade payables	75,032.97	—	—	69,039.25	—	—
<b>Total Financial Liabilities</b>	<b>440,278.07</b>	<b>—</b>	<b>—</b>	<b>434,103.34</b>	<b>—</b>	<b>—</b>



### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

#### b) Fair value hierarchy

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

- level 1: quoted and unquoted prices (unadjusted) in active markets for identical assets or liabilities.
- level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability.
- level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

#### Financial Assets and Liabilities measured at fair value as at 31st March, 2021

(₹ in lacs)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Financial Investment	78.92	—	—	78.92
Security deposit			5,276.89	5,276.89
<b>Total</b>	<b>78.92</b>	<b>—</b>	<b>5,276.89</b>	<b>5,355.81</b>
<b>Financial Liabilities</b>				
Borrowings	—	—	57,870.62	57,870.62
<b>Total</b>	<b>—</b>	<b>—</b>	<b>57,870.62</b>	<b>57,870.62</b>

#### Financial Assets and Liabilities measured at fair value as at 31 March, 2020

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Financial Investment	78.92	—	—	78.92
Security deposit			4,355.56	4,355.56
<b>Total</b>	<b>78.92</b>	<b>—</b>	<b>4,355.56</b>	<b>4,434.48</b>
<b>Financial Liabilities</b>				
Borrowings	—	—	66,173.10	66,173.10
<b>Total</b>	<b>—</b>	<b>—</b>	<b>66,173.10</b>	<b>66,173.10</b>

#### Notes

- (i) Current financial assets and liabilities are stated at amortised cost which is approximately equal to their fair value
- (ii) Non Current financial assets and liabilities measured at amortised cost have same fair value as at 31st March, 2021, and 31st March, 2020.

#### 47. Other Comprehensive Income:

Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as 'Other Comprehensive Income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.



### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

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

(₹ in lacs)

Payment to Auditor	Current year ended March 31, 2021		Previous year ended March 31, 2020	
<b>Holding Company</b>				
As auditor:				
Audit fee	6.00		6.00	
Limited Review	9.00		9.00	
Tax Audit	0.50		0.50	
Out-of-pocket expenses	—	15.50	—	15.50
In other manner for Certification		0.05		0.23
<b>Total*</b>		<b>15.55</b>		<b>15.73</b>
<b>Subsidiary Companies</b>				
As Auditor:				
Audit fee	0.12		0.12	
Tax Audit	—		—	
Out-of-pocket expenses	—	0.12	—	0.12
In other manner for Certification		—		—
<b>Total</b>		<b>0.12</b>		<b>0.12</b>

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

#### 49. Interest in Joint Venture:

The Company has interest in following Joint Venture Companies which are in the process of setting up coal mining facilities at respective Coal blocks which they have been allotted.

Name of the Joint Venture Company	Andal East Coal Company Pvt. Ltd.*		Rohne Coal Company Pvt. Ltd.*	
Company's share in Joint Venture	32.79%	32.79%	6.90%	6.90%
Contry of Incorporation	India	India	India	India

\*The Hon'ble Supreme Court vide its Order dated 24 th September, 2014 has cancelled number of coal blocks allotted to various companies. These include two coal blocks under development viz. Andal East in West Bengal and Rohne in Jharkhand allocated to the Company jointly with other parties. The company has prudently brought down the value of investment in joint venture companies to nominal value of ₹1 per share. However the company had submitted claims w.r.t the cancellation of coal blocks which are still pending.

#### 50. Fair Valuation of Investments:

Ind AS 101 provides an option on transition date to consider fair value of the investment in subsidiaries or joint venture as on the date of transition as the deemed cost as cost for the purpose of Para 10 of Ind AS 27. Accordingly the Company has valued as a deemed cost. The company has prudently brought down the value of its investments in two of its joint ventures viz Andal East Coal Co. Pvt. Ltd. and Rohne Coal Co. Pvt. Ltd. as on 1st April, 2016 with a corresponding impact on Other Equity (Retained earnings) and also fair valued its investment of equity shares calcutta stock exchange as on 1st April, 2016 to arrive at the book value with a corresponding impact on Other Equity (retained earnings).



### Notes to Consolidated financial statements for the year ended March 31, 2021 (Contd.)

51. Balances of some parties (including of Trade receivables and Trade payables) and loans and advances are subject to reconciliation/confirmations from the respective parties. The management does not expect any material differences affecting the financial statement for the year.
52. Previous year figures have been reclassified/regrouped wherever necessary to confirm with financial statements prepared under Ind AS.
53. The Company has assessed the possible impact of COVID -19 on its financial statements based on internal and external information available up to the date of approval of these financial results. The Company continues to monitor the future economic conditions.
54. The financial statements are approved by the audit committee at its meeting held on 30th June, 2021 and by the Board of Directors on the same date.

As per our report of even date

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

*Chartered Accountants*

Firm Regn. No. 306033E/E300272

**Sd/-**

**CA J. K. Choudhury**

*Partner*

Membership No. : 009367

Place : Kolkata

Date : 30<sup>th</sup> June, 2021

For and on behalf of the Board of Directors

**Sd/-**

**Aditya Jajodia**

*Chairman & Managing*

*Director*

DIN : 00045114

**Sd/-**

**Sanjiv Jajodia**

*Wholtime Director & Chief*

*Financial Officer*

DIN : 00036339

**Sd/-**

**Rajiv Jajodia**

*Director*

DIN : 00045192

**Sd/-**

**Ajay Kumar Tantia**

*Company Secretary*









## Corporate Information

### Board of Directors

**Shri Aditya Jajodia**  
*Chairman & Managing Director*

**Shri Sanjiv Jajodia**  
*Whole-time Director &  
Chief Financial Officer*

**Shri Rajiv Jajodia**

**Shri Gaurav Jajodia**

**Shri Bimal Kumar Choudhary**

**Shri Ashim Kumar Mukherjee**

**Shri Shailendra Kumar Tamotia**

**Ms. Seema Chowdhury**

**Ms. Rakhi Bajoria**

**Ms. Swati Bajaj**

### Company Secretary & Compliance Officer

**Shri Ajay Kumar Tantia**

### Statutory Auditors

**S. K. Agrawal & Co.**  
**Chartered Accountants LLP**  
**(Formerly: M/s. S. K. Agrawal & Co.)**  
*Chartered Accountants*  
Suite - 606-08, The Chambers  
1865, Rajdanga Main Road  
Kolkata - 700 107

### Internal Auditor

**Agrawal Tondon & Co.**  
*Chartered Accountants*  
Room No - 7, 1st Floor  
59, Bentinck Street  
Kolkata - 700 069

### Cost Auditor

**M/s. Mondal & Associates**  
*Mr. Amiya Mondal, Proprietor*  
*Cost Accountants*  
45, Akhil Mistry Lane  
Kolkata - 700 009

### Registered Office

5, Bentinck Street  
Kolkata – 700 001  
West Bengal, India  
Phone: 91-33-2248 9808  
Fax: 91-33-2243 0021  
E-mail: [jaibalaji@jaibalajigroup.com](mailto:jaibalaji@jaibalajigroup.com)  
Website: [www.jaibalajigroup.com](http://www.jaibalajigroup.com)

### Registrar and Share Transfer Agent

M/s. Maheshwari Datamatics Pvt. Ltd.  
23, R. N. Mukherjee Road  
5th Floor,  
Kolkata – 700 001  
West Bengal, India  
Phone: 91-33-2243 5029  
E-mail: [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)

### Plant Locations

**Ranigunj**  
G/1, Mangalpur Industrial Complex,  
Post– Baktarnagar  
Dist.: Burdwan  
West Bengal – 713 321, India

**Durgapur**  
Lenin Sarani,  
Dist.: Burdwan  
West Bengal – 713 210, India

**Durgapur**  
Vill: Banskopa,  
P.O.: Rajbandh  
Dist.: Burdwan  
West Bengal – 713 212, India

**Durg**  
Industrial Growth Centre, Borai  
Village & P.O.: Rasmada,  
Dist.: Durg  
Chhattisgarh–491 009, India

### Bankers and Assets Reconstruction Company

Canara Bank

Union Bank of India

Edelweiss Asset Reconstruction  
Company Limited

Omikara Asset Reconstruction Private  
Limited

Punjab National Bank

### WEBSITE

[www.jaibalajigroup.com](http://www.jaibalajigroup.com)

### INVESTORS' E-MAIL ID

[jaibalaji@jaibalajigroup.com](mailto:jaibalaji@jaibalajigroup.com)



## **Jai Balaji Industries Limited**

5, Bentinck Street, Kolkata - 700 001, West Bengal, India

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