

2017



69th



ANNUAL REPORT

JAINEX AAMCOL LIMITED

CONTENTS

| SL. NO. | PARTICULARS | PAGE NO |
|----------------|--|----------------|
| 1. | Corporate Information | 1 |
| 2. | Notice of Annual General Meeting | 2 |
| 3. | Directors' Report | 21 |
| 4. | Management Discussion & Analysis | 73 |
| 5. | Auditors' Report | 78 |
| 6. | Balance Sheet | 88 |
| 7. | Statement of Profit and Loss | 89 |
| 8. | Cash Flow Statement | 90 |
| 9. | Significant Accounting Policies | 92 |
| 10. | Notes Forming part of the Financial Statements | 98 |
| 11. | Proxy Form | 116 |
| 12. | Attendance Slip | 118 |
| 13. | Ballot Paper | 120 |

CORPORATE INFORMATION

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

| | |
|---------------------------------------|---|
| Mr. Bhagat Singh Dugar | : Chairman |
| Mr. Mohanlal Zumberlal Kothari | : Managing Director |
| **Mr. Kunal Bafna | : Whole Time Director & Chief Financial Officer |
| Mr. Rahul Dugar | : Director |
| Mr. Hitesh Mulraj Popat | : Non-Executive Independent Director |
| Mr. Sunil Sampatraj Parakh | : Non-Executive Independent Director |
| Mr. Vinit Ramgopal Kejriwal | : Non-Executive Independent Director |
| Ms. Manju Jain | : Non-Executive Independent Director |

**Mr. Kunal Bafna is re-appointed as the Whole Time Director of the Company with effect from 10th October, 2016.

STATUTORY AUDITORS

M/s. R.A Singh & Associates.
Chartered Accountants.
Firm Registration No. 110271W

BANKERS

Bank of India, C P Tank Branch, Mumbai

REGISTERED OFFICE

405 & 406, Sharda Chambers,
15, Sir Vitthaldas Thackersey Marg,
New Marine Lines, Mumbai- 400020
CIN: L74999MH1947PLC005695
Tel. : 91-22-2200 2252 Fax: 91-22-2200 2254
Email : accounts@jainexgroup.com
Website: www.jainexaamcol.com

REGISTRAR & TRANSFER AGENT

Link Intime India Pvt. Ltd.
C-101, 247 Park,
L.B.S.Marg, Vikhroli (West),
Mumbai - 400083.

NOTICE

Notice is hereby given that the Sixty Ninth Annual General Meeting of the Members of Jainex Aamcol Limited will be held on Thursday, 28th September, 2017, at 10.30 A.M. at 405 & 406, Sharda Chambers, 15, Sir Vitthaladas Thackersey Marg, New Marine Lines, Mumbai- 400020 to transact the following businesses:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2017 together with the Report of the Board of Directors and the Auditors thereon.
- 2) To appoint a Director in place of Mr. Rahul Dugar (DIN: 00013704), who retires by rotation and, being eligible, offers himself for appointment.
- 3) To consider the appointment of M/s. P.M. Bhargava & Co., Chartered Accountants (Firm Registration Number- 15087W) as Statutory Auditors of the Company, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, (including any statutory modification(s) or re-enactments thereof for the time being in force) and considering the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. P.M. Bhargava & Co., Chartered Accountants, (Firm Registration No. 15087W) be and is hereby appointed as the Statutory Auditors of the Company, to hold office for a term of 5 years from the conclusion of this 69th Annual General Meeting (“AGM”) till the conclusion of 74th AGM of the Company, subject to ratification of the said appointment at every intervening AGM held after this AGM, on such remuneration including out of pocket expenses and other expenses as may be mutually agreed by and between the Board of Directors in consultation with the Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to file all necessary forms with the Registrar of Companies and to take all necessary steps and to do all such acts, deeds, matters and things which may be deemed necessary for giving effect to the above Resolution.”

SPECIAL BUSINESS:

4) TO RE-APPOINT MR. KUNAL BAFNA AS THE WHOLE TIME DIRECTOR OF THE COMPANY FOR A PERIOD OF THREE YEARS AND TO FIX THE REMUNERATION PAYABLE TO HIM.

To consider and if thought fit, to pass with or without modification, the following Resolution as **Special Resolution**:

“RESOLVED THAT in supersession of all the earlier Resolution passed by the Members of the Company and pursuant to the provisions of Section 196, 197,198 and 203 read with Schedule V and Rules framed thereunder, and other applicable provisions, if any, of the Companies Act, 2013 including any statutory enactment or amendment, for the time being in force, consent of the Members of the Company be and is hereby granted for re-appointment of Mr. Kunal Bafna, as the Whole Time Director of the Company for a period of three years w.e.f. 10th October, 2016 to 09th October, 2019 on the terms & conditions and at a remuneration plus benefits and perquisites as recommended by the Nomination and Remuneration Committee, details herein given below, with liberty to the Board of Directors to alter, vary and modify the terms and conditions of their re-appointment as Whole Time Director of the Company in such manner as may be agreed to between the Board of Directors and Mr. Kunal Bafna.

The details of managerial remuneration payable to Mr. Kunal Bafna as Whole Time Director of the Company are given below:

- A) Basic Salary:-** Rs.45,000/- per month with liberty to the Board of Directors to increase the same as it may in its absolute discretion determine from time to time.

B) Perquisites:- In addition to the salary, the appointee shall be entitled to perquisites, allowance, benefits, facilities and amenities (collectively called “perquisites & allowances”) such as Medical allowance, Leave Travel, Hospitalization and Accident Insurance, Car with Driver or cash equivalent thereof for use on Company’s business, Telecommunication facilities and any other perquisites as per the policy/ rules of the Company in force or as may be approved by the Board from time to time.

The Appointee shall be entitled to the following Perquisites which shall not be included in the computation of the ceiling of remuneration:

- a) Payment of gratuity and other retirement benefits and;
- b) Leave Encashment.

The total amount of perquisites all inclusive shall not exceed 100% of the basic salary.

RESOLVED FURTHER THAT the Board be and is hereby authorized at its discretion from time to time to fix the actual remuneration and / or perquisites of Mr. Kunal Bafna, and revise such remuneration and / or perquisites from time to time within the maximum limits specified as above. The Board be and is hereby further authorized to vary / modify / amend any of the aforesaid terms and conditions, provided such variation / modification / amendment is in conformity with the applicable provisions of the Act, as amended from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company be and is hereby authorized to take all such steps and actions and give such directions and delegate such authorities, as it may in its absolute discretion, deem appropriate.”

**By order of the Board of Directors
for Jainex Aamcol Limited**

**Place: Mumbai
Date: 24th August, 2017**

**MOHANLAL ZUMBARLAL KOTHARI
Managing Director
DIN: 01486305**

Registered Office:

405 & 406, Sharda Chambers, 15,
Sir Vitthalidas Thackersey Marg,
New Marine Lines, Mumbai- 400020

CIN: L74999MH1947PLC005695

Tel.: 91-22-2200 2252 Fax: 91-22-2200 2254

Email: accounts@jainexgroup.com

Website: www.jainexaamcol.com

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“AGM”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share capital of the Company. Members holding more than ten percent (10%) of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. The instrument appointing the Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than Forty Eight (48) hours before the time for holding the AGM. Proxies submitted on behalf of companies, societies, etc., must be supported by an appropriate resolution/ authority, as applicable. During the period beginning 24hrs before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member is entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days notice in writing of the intention to inspect is given to the Company.
- 2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business to be transacted at the Annual General Meeting, is annexed hereto.**

3. Corporate Members intending to send their authorized representative(s) to attend the Annual General Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Annual General Meeting.
4. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday 22nd September, 2017 to Thursday 28th September, 2017 (both days inclusive) for the purpose of Annual General Meeting.
6. Documents in respect of items referred to in the accompanying Notice and the Explanatory Statement are available for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. upto the date of the AGM on all working days (except Saturday, Sunday and Public Holidays).
7. Members holding shares in electronic form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend, if any. The Company or its Registrar cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Members holding shares in electronic form are requested to intimate any change in their address and/or bank mandate immediately to their Depository Participants.
8. Members holding shares in physical form are requested to notify/send:
 - Any change in their address/mandate/bank details;
 - Particulars of their bank account, in case the same have not been sent earlier;
 - Quote their Folio numbers in all correspondences; and
 - Applications for consolidating their holdings into one folio in case shares are held under multiple folios in the identical order of names to the

JAINEX AAMCOL LIMITED ANNUAL REPORT 2016-17

Company's Registrar and Transfer Agent, Link Intime India Pvt. Ltd., Mumbai at the earliest but not later than 21st September, 2017.

9. Information as required to be provided pursuant to the requirements of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standards on General Meetings (SS-II) issued by the Institute of Company Secretaries of India with regards to the Director seeking re-appointment at this AGM is given as an Annexure to this Notice.
10. Electronic copy of Annual Report for the financial year 2016-17 and Notice calling the 69th AGM of the Company inter alia indicating the process and manner of Remote E-voting along with Attendance Slip and Proxy Form is also being sent to all Members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copy of Annual Report for the financial year 2016-17 and Notice of the 69th AGM of the Company inter alia indicating the process and manner of Remote E-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
11. Members/ Proxies are requested to bring the Attendance Slip(s) duly filled in and copies of the Annual Report at the AGM.
12. Members who hold shares in electronic form are requested to write their Client ID and DP ID number and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting to facilitate identification of membership at the AGM.
13. Members are requested to send all communications relating to shares to the Registrar and Share Transfer Agents of the Company at the following address:

Link Intime India Private Limited

C 101, 247 Park,
L.B.S.Marg, Vikhroli (West),
Mumbai - 400083.
Tel No. +91 22 49186270,
Fax No. +91 22 49186060
Email: mt.helpdesk@linkintime.co.in

14. The Securities and Exchange Board of India (“SEBI”) has mandated submission of Income Tax Permanent Account Number (“PAN”) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its Registrar and Share Transfer Agents.
15. Instructions and other information for E-voting are as under:
- i) In accordance to the provisions of Section 108 of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer to its Members facility for voting through electronic means (“E-voting”) on the resolutions proposed to be passed at the AGM.

The Company has engaged National Securities Depository Limited (“NSDL”), an agency authorized by the Ministry of Corporate Affairs for providing e-voting platform.
 - ii) The Members may cast their votes through E-voting from a place other than the venue of the AGM (“Remote E-voting”).
 - iii) Voting through physical ballot paper shall be made available at the AGM and the Members attending the AGM who have not cast their vote by Remote E-voting shall be able to cast their vote by physical ballot paper at the Meeting.
 - iv) The Members who have cast their vote by Remote E-voting may also attend the Meeting but shall not be entitled to cast their vote again.
 - v) Remote E-voting facility will commence from 9.00 a.m. on 25th September, 2017 and will end at 5.00 p.m. on 27th September, 2017. Remote E-voting will not be allowed beyond the aforesaid date and time and the Remote E-voting module shall be disabled by NSDL upon expiry of aforesaid period.

- vi) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member/ beneficial owner as on the cut-off date i.e. 21st September, 2017.
- vii) The Members whose names appear in the Register of Members / list of beneficial owners as on the cut-off date i.e. 21st September, 2017, only shall be entitled to vote on the Resolutions set out in this Notice.
- viii) Any person who becomes a Member of the Company after dispatch of this Notice and holding shares as on the cut-off date i.e. 21st September, 2017, may obtain the User ID and password for Remote E-voting by sending request at evoting@nsdl.co.in or evoting@linkintime.co.in.

However, if you are already registered with NSDL for Remote E-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using “Forgot User Details/ Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free number **1800-222-990**.

- ix) Ms. Sonal Shah, Practising Company Secretary (Membership No. ACS 24216) has been appointed as the Scrutinizer to scrutinize the E-voting process and voting done through physical ballot paper at the AGM in a fair and transparent manner.
- x) The Scrutinizer shall, after scrutinizing the votes cast at the AGM and through Remote E-voting, not later than 2 (two) days from the conclusion of the AGM make a consolidated Scrutinizer’s report and submit the same to the Chairman.

The results declared alongwith the Scrutinizer’s Report shall be placed on the website of the Company i.e. www.jainexaamcol.com and on the website of NSDL and shall also be communicated to Bombay Stock Exchange Limited (the “BSE Limited”).

- i) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e. 28th September, 2017.

- xi) In case of joint holders, attending the meeting, only such joint holder, who is higher in the order of names, will be entitled to vote at the Meeting.

Instructions for E-voting:

- A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company / Depositories):
1. Open the e-mail and also open PDF file, namely, "Jainex E-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your User ID and password for e-voting. Please note that the password is an initial password.
 2. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>
 3. Click on Shareholder – Login
 4. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.
 5. If you are logging in for the first time, please enter the User ID and password provided in the PDF file attached with the e-mail as initial password. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
 6. Once the e-voting home page opens, click on e-Voting> Active Voting Cycles.
 7. Select "EVEN" (E-voting Event Number) of JAINEX AAMCOL LIMITED.
 8. Cast your vote by selecting the appropriate option and click on "Submit" and also "Confirm" when prompted.

9. Upon confirmation, the message “Vote cast successfully” will be displayed.
 10. Once the vote on a resolution is cast, the Member shall not be allowed to change it subsequently.
 11. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution and / or Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to sonalkotharics@gmail.com, with a copy marked to evoting@nsdl.co.in.
 12. In case of any queries, you may refer the Frequently Asked Questions (FAQs) and e-voting user manual for shareholders available at the Downloads section of www.evoting.nsdl.com or call on toll free no: 1800-222-990.
- B. In case a Member receives physical copy of the Notice of the AGM (for Members whose e-mail addresses are not registered with the Company / Depositories):
1. Initial password is provided in the enclosed ballot form: EVEN (E-voting Event Number) + USER ID and PASSWORD
 2. Please follow all steps from Sl. No. 20. A (ii) to (xii) above, to cast vote.
- C. If you are already registered with NSDL for Remote E-voting, then you can use your existing User ID and Password for casting your vote.
1. You can also update your Mobile number and Email ID in the user profile details of the folio which may be used for sending future communication(s).
 2. Documents in respect of items referred to in the accompanying Notice and the Explanatory Statement are available for

inspection at the Registered Office of the Company between 11.00 a.m and 1.00 p.m. upto the date of Annual General Meeting on all working days (except Saturday, Sunday and Public Holiday).

3. The Company is concerned about the environment and utilizes natural resources in a sustainable way. To support “Green Initiative”, the Members are requested to update their email address, with their concerned Depository Participant to enable us to send you necessary documents /communication via email. Members who hold shares in physical form are requested to register their e-mail address with Link In time India Private Limited, Registrar and Share Transfer Agents.

**By order of the Board of Directors
for Jainex Aamcol Limited**

**MOHANLAL ZUMBARLAL KOTHARI
Managing Director
DIN: 01486305**

**Place: Mumbai
Date: 24th August, 2017**

Registered Office:

405 & 406, Sharda Chambers, 15,
Sir Vitthaladas Thackersey Marg,
New Marine Lines, Mumbai- 400020

CIN: L74999MH1947PLC005695
Tel.: 91-22-2200 2252 Fax: 91-22-2200 2254
Email: accounts@jainexgroup.com
Website: www.jainexaamcol.com

ANNEXURE TO THE NOTICE
Explanatory Statement
(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 of the accompanying Notice:

ITEM NO. 4

The Board of Directors in its Meeting held on 10th October, 2016 re- appointed Mr. Kunal Bafna as Whole Time Director of the Company for a period of three years w.e.f. 10th October, 2016 to 09th October, 2019 at a basic salary of Rs. 45,000/- per month plus Perquisites not exceeding 100% of the basic salary as recommended by the Nomination and Remuneration Committee. The re- appointment of Mr. Kunal Bafna and the remuneration payable to him is subject to approval of the Members of the Company.

The information as required in Schedule V Part II Section II (B) of the Companies Act, 2013 is as under:

1. Payment of remuneration as mentioned in the Resolution has been approved by a Resolution passed by the Nomination and Remuneration Committee in its Meeting held on 10th October, 2016.

The effective Capital of the Company is 5 Crores and above but less than 100 crores. Therefore, as per Section (II)(A)(ii) of Part II of Schedule V, the Company can pay yearly Remuneration not exceeding Rs. 84,00,000/- to the managerial person, provided that the said limit shall be doubled if the Resolution passed by the shareholders is a special Resolution. Therefore the Resolutions are intended to be passed as Special Resolutions. The following additional information as required by Section II of Part II of Schedule V to the Companies Act, 2013 is given below by way of abundant caution:-

I. General Information:

(i) Nature of Industry:

The Company is engaged in manufacturing of gear hobs and special cutting tools, inspection tools & precision accessories.

(ii) Date or expected date of Commencement of Commercial production:

The Company was incorporated on 15th April, 1947 as a Public Limited Company. The Company commenced its business w.e.f. 15th April, 1947.

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable.

(iv) Financial performance based on given indicators as per audited financial results for the year ended 31st March 2017:

During the financial year 2016-17 under review, the turnover of the Company augmented from Rs. 13.20 Crores in F.Y. 2015-16 to Rs. 15.29 Crores in F.Y. 2016-17 thus decreasing the Net Loss of the Company after deducting the Finance Costs, Depreciation and Taxes from Rs 39.55 Lacs in the previous financial year to Rs. 21.37 Lacs in the current financial year. The Company has adopted new technologies and corrective measures to cope up with the current market situations and would increase the revenue to new heights by next year thereby increasing the level of net profits.

(v) Foreign Investment or collaborations, if any:

The Company has not entered into any foreign collaboration. The Company has not made any foreign investments. There are no Foreign Institutional Investors holding shares in the Company.

II. Information about the appointee:

(i) Background details:

| Name of Appointee | Background Details |
|-------------------|--|
| Mr. Kunal Bafna | Mr. Kunal Bafna is a Chartered Accountant. He has more than 25 years experience in the field of Finance, Marketing & Administration. |

(ii) Past remuneration:

Remuneration drawn by Mr. Kunal Bafna for the period from 10th October, 2016 to 31st March, 2017 is Rs. 2,70,000/- inclusive of perquisites plus incentive on turnover as decided by and between the Board and the company.

(iii) Recognition or awards:

| Name of Appointee | Recognition or awards |
|-------------------|-----------------------|
| Mr. Kunal Bafna | Nil |

(iv) Job profile and their suitability:

Mr. Kunal Bafna, is responsible for day-to-day management of the Company, subject to overall superintendence, control and direction of the Board of Directors. Taking into consideration his qualification and expertise in the related fields, the Whole Time Director is best suited for the responsibilities of the currently assigned role.

(v) Remuneration proposed:

Basic salary as determined by Nomination and Remuneration Committee of the Board from time to time is Rs. 45,000/- per month plus other perquisites and allowances as decided by the Nomination and Remuneration Committee subject to the approval of the Members of the Company.

- (vi) Comparative remuneration profile with respect to industry, size of the company, profile of the Position and person (in case of expatriates the relevant details would be with respect to the country of his origin)**

Taking into consideration the size of the Company, the profile of Mr. Kunal Bafna, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.

- (vii) Pecuniary relationship directly or indirectly with the company or relationship with the managerial Personnel, if any:**

The above named appointee is a relative of Mr. Bhagat Singh Dugar, Chairman of the Company & Mr. Rahul Dugar, Director of the Company. Mr. Kunal Bafna does not have any pecuniary relationship with them.

III. Other Information

- i) Reasons of loss or inadequate profits,

Company is having inadequate profits due to current market conditions and competitive business.

- ii) Steps taken or proposed to be taken for improvement,

Corrective measures and planning for improved technologies in the current areas of business is being carried out by the company for improving the financial performance of the Company.

- iii) Expected increase in productivity and profits in measurable terms etc.

Company is constantly making efforts to increase the sales and thereby increase the turnover and net profits of the Company.

IV. Disclosures

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual report for the year ended 31st March, 2017.

Your Directors recommend the approval of proposed Resolution by the Members.

None of the Directors other than Mr. Kunal Bafna, are interested in the Resolution.

**By order of the Board of Directors
for Jainex Aamcol Limited**

**Place: Mumbai
Date: 24th August, 2017**

**MOHANLAL ZUMBARLAL KOTHARI
Managing Director
DIN: 01486305**

Registered Office:

405 & 406, Sharda Chambers, 15,
Sir Vitthaladas Thackersey Marg,
New Marine Lines, Mumbai- 400020

CIN: L74999MH1947PLC005695
Tel.: 91-22-2200 2252 Fax: 91-22-2200 2254
Email: accounts@jainexgroup.com
Website: www.jainexaamcol.com

Information Required Under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standards on General Meetings (SS-II) issued by the Institute of Company Secretaries of India in respect to the Directors retiring by rotation and being eligible, seeking re-appointment is as under:

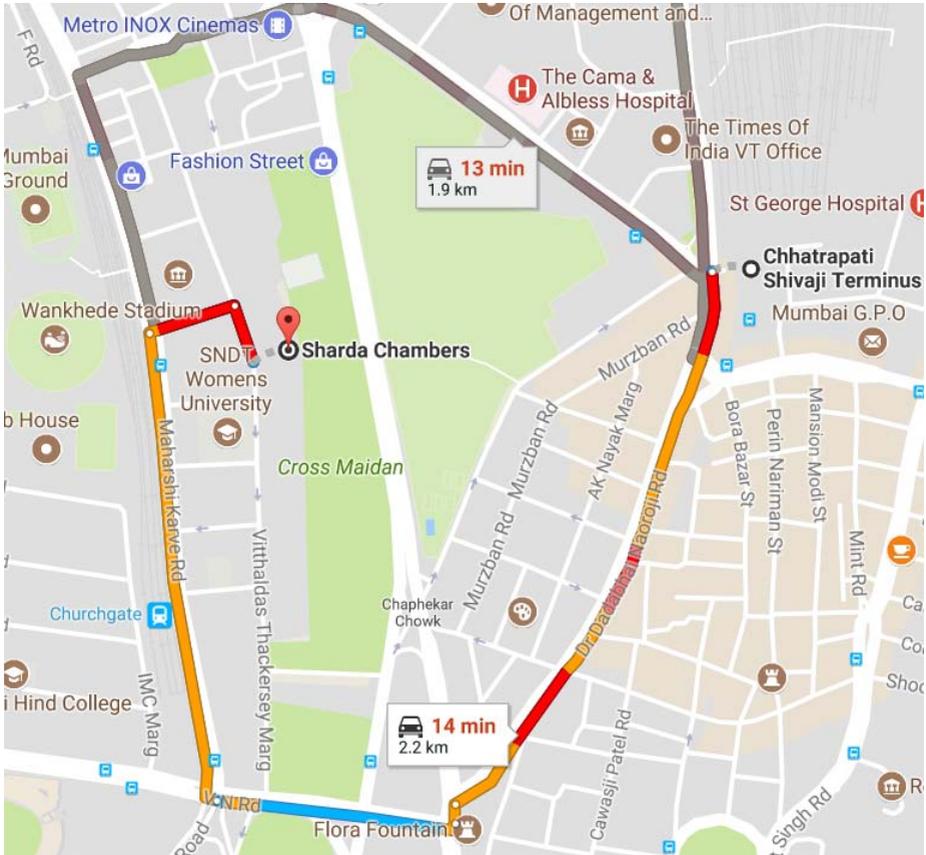
| Particulars | Details of Director seeking for re-appointment at the Annual General Meeting pursuant to expiry of the term. | Details of Director seeking re-appointment at the Annual General Meeting pursuant to retirement by rotation. |
|---|---|---|
| Name of the Director | Mr. Kunal Bafna | Mr. Rahul Dugar |
| Director Identification Number | 00902536 | 00013704 |
| Date of Birth | 09/03/1968 (49 years) | 10/11/1968 (49 Years) |
| Date of appointment | 10/10/2013 | 31/07/2003 |
| Qualification | B.Com & C.A. | B.Com |
| Expertise in Specific Functional Area | 25 years Experience in the field of Finance, Marketing & Administration | 25 years Experience in the field of Marketing & Administration |
| Directorship held in other listed companies (As on 31st March, 2017) | None | None |
| Chairmanships/Memberships of the Committees of the Board of Directors of other companies (As on 31st March, 2017) | None | None |

JAINEX AAMCOL LIMITED ANNUAL REPORT 2016-17

| | | |
|--|---|--|
| Shareholding of Directors (As on 31st March, 2017) | Nil | 95,250 Equity shares of Rs. 10/- each |
| Relationship between Directors inter-se | Son-in-law of Bhagat Singh Dugar, Chairman of the Company & Brother-in-law of Rahul Dugar, Director of the Company. | Son of Mr. Bhagat Singh Dugar, Chairman of the Company & Brother-in-law of Mr. Kunal Bafna, Whole Time Director of the Company |

Route map for venue of the AGM

**405 & 406, Sharda Chambers, 15,
Sir Vitthaladas Thackersey Marg,
New Marine Lines, Mumbai- 400020**



DIRECTORS' REPORT

DEAR MEMBERS,

Your Directors have pleasure in presenting the 69th Annual Report on the affairs of the Company together with the Audited Statement of Accounts of Jainex Aamcol Limited (the "Company"), for the financial year ended 31st March, 2017. A summary of the financial results is given below:-

1. FINANCIAL PERFORMANCE

The financial performance of the company for the Financial Year 2016-17 in comparison to the previous financial year 2015-16 are summarized below:

| (Amount in Rs) | | |
|--|---------------------|---------------------|
| PARTICULARS | 2016-17 | 2015-16 |
| Turnover | 15,22,94,015 | 13,01,87,814 |
| Other Income | 6,46,171 | 18,16,310 |
| Total Revenue | 15,29,40,186 | 13,20,04,124 |
| Earnings before interest, tax, depreciation, exceptional items and amortization (EBITDA) | 2,17,09,189 | 2,02,06,103 |
| Interest | 1,06,30,223 | 1,28,58,544 |
| Depreciation | 124,75,562 | 1,23,51,538 |
| Profit/(Loss) before Extra-ordinary items & Taxes | (13,96,596) | (50,03,979) |
| Exceptional items | -- | -- |
| Extraordinary items | -- | -- |
| Profit/(Loss) before Taxes | (13,96,596) | (50,03,979) |
| Current Tax | -- | -- |
| Earlier Year | 4,297 | -- |
| Deferred Tax | 7,36,495 | (10,48,154) |
| Profit/(Loss) after tax | (21,37,388) | (39,55,825) |

2. STATE OF COMPANY'S AFFAIRS

During the year under review, there was increase in the turnover of the company as compared with the previous year i.e. from Rs. 13,01,87,814/- to Rs. 15,22,94,015/-. The EBIDTA for the year under review has also increased from Rs. 2,02,06,103/- to Rs. 2,17,09,189/- this year.

The Company has reported Net Loss of Rs. 21,37,388/- against Net Loss of Rs. 39,55,825/- in the previous year.

3. TRANSFER TO RESERVES

Since the Company has incurred loss during the financial year 2016-17 under review, no amount has been transferred to Reserves.

4. DIVIDEND

In view of losses incurred by the Company during the financial year 2016-17, your Directors have not recommended any dividend to the members.

5. SHARE CAPITAL

The Paid up Share capital as on 31st March, 2017 was Rs. 1,49,93,940/- During the year under review, the Company has not issued any shares with differential rights as to dividend, voting or otherwise or convertible debentures.

6. SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During the year under review, your Company had no Subsidiary/ Associate/ Joint Venture Companies.

7. PUBLIC DEPOSITS

Your Company has not been accepting any deposits from the public and hence there are neither unpaid/unclaimed deposits nor any default in repayment thereof.

8. BOARD MEETINGS

During the year under review, 7 (Seven) Board Meetings were held on 30th May, 2016, 13th August, 2016, 31st August, 2016, 10th October, 2016, 14th November, 2016, 09th January, 2017, 10th February, 2017.

9. COMMITTEES OF THE BOARD OF DIRECTORS

During the year under review, all recommendations made by the Audit Committee/Nomination & Remuneration Committee were accepted by the Board. There were no instances where the Board has not accepted any recommendation of the Audit Committee.

10. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting the Financial Position of the Company have occurred between the end of the Financial year of the Company to which the Financial Statement relate and the date of this report.

11. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March, 2017 made under the provisions of Section 92 (3) of the Act in Form MGT-9 is annexed herewith as “Annexure A”.

12. PARTICULARS OF LOANS GRANTED, GUARANTEE PROVIDED AND INVESTMENTS MADE PURSUANT TO THE PROVISIONS OF SECTION 186 OF THE COMPANIES ACT, 2013

During the year under review the company did not provide any loans, guarantees or investments as per the provisions of Section 186 of the Companies Act, 2013.

13. LOAN FROM DIRECTORS

Particulars of loan from Directors of the Company are provided in the financial statement. Refer Note No. 25- Sub Note No. 12(c) to the financial statement.

14. PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, EXPENDITURE ON RESEARCH AND DEVELOPMENT & FOREIGN EXCHANGE EARNINGS AND OUTGO

Considering the nature of activities in which the Company operates, energy consumption is in accordance to the normal business practices and does not require any specific installations. In its regular course of business, the Company is always vigilant to conserve the resources and continuously implements measures required to save energy.

The Company has adopted new technologies and corrective measures to cope up with the current market situations. In the course of its operations, processes are formed and implemented to achieve operational efficiencies which provide maintaining product quality and cost control.

The Company had Foreign Exchange earnings/outgo during the year under review.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo Pursuant to provisions of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 the details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are attached as '**Annexure B**' which forms part of this report.

15. DIRECTORS AND KEY MANAGERIAL PERSONNEL

1. In terms of the provisions of the Companies Act, 2013, Mr. Rahul Dugar retires from the Board of Directors of the Company by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment.
2. Mr. Kunal Bafna was appointed as the Whole Time Director of the Company for a period of three years i.e. from 10th October, 2013 to 09th October, 2016 by the Board of Directors and his tenure of office concluded on 09th October, 2016.

The Board discussed and felt that services of Mr. Kunal Bafna for next term of 3 years as the Whole-Time Director of the company is essential for the growth of the Company. The Directors desired to appoint Mr.

Kunal Bafna as Whole Time Director for a further period of 3 years commencing from 10th October, 2016.

Pursuant to the provisions of Section 196, 197, 198 and 203 read with Schedule V and Rules framed there under, and subject to the approval of the members of the Company and other applicable provisions, if any, of the Companies Act, 2013 including any statutory enactment or amendment, for the time being in force, Mr. Kunal Bafna is being re-appointed as Whole Time Director of the Company for a period of three years w.e.f 10th October, 2016 to 09th October, 2019 on the terms & conditions and at a remuneration plus benefits and perquisites as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors at its meeting held on 10th October, 2016 subject to approval of members of the company in the ensuing Annual General Meeting.

The Notice convening forthcoming Annual General Meeting includes the proposal for re-appointment of aforesaid Director. A brief resume of the Director seeking re-appointment at the forthcoming Annual General Meeting and other details as required to be disclosed in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the said Notice.

The Board recommends and seeks your support in confirming re-appointment of Mr. Kunal Bafna.

3. The Company has received individual declaration from following Independent Director(s) of the company stating that they meet the criteria of independence as provided under sub – section (6) of section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 :-
 - a) Mr. Hitesh Mulraj Popat
 - b) Mr. Vinit Ramgopal Kejriwal
 - c) Mr. Sunil Sampatraj Parakh
 - d) Ms. Manju Jain

None of the Directors are disqualified for re-appointment under Section 164 of the Companies Act, 2013.

16. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:-

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2017 and of the profit and loss of the Company for that period;
- c) that they 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;
- d) that they have prepared the annual accounts for the financial year ended 31st March, 2017 on a going concern basis;
- e) that they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) that they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

17. AUDITORS

M/s. R.A. Singh & Associates, Chartered Accountants, the Statutory Auditors of the Company are liable to hold office until conclusion of the ensuing Annual General Meeting (AGM) of the Company. The existing Statutory Auditor have completed two terms of five consecutive years.

In terms of the provisions of Section 139 of the Companies Act, 2013 read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014, an audit firm can hold office as Statutory Auditor for two terms of five consecutive years i.e. for a maximum period of ten years. They can be re-appointed after a cooling period of five years. In computing the period of ten years, the period for which the auditor held office before the commencement of the Act i.e. before 1st April, 2014 is also to be taken into account. The Company is therefore, required to retire the existing Statutory Auditors at the ensuing AGM pursuant to the provisions of the Section 139 of the Companies Act 2013 read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014.

M/s. P.M. Bhargava & Co., Chartered Accountants, Mumbai, are proposed to be appointed as Statutory Auditors in place of M/s. R.A. Singh & Associates, Chartered Accountants.

The Company has also received letter from M/s. P.M. Bhargava & Co., Chartered Accountants, to the effect their appointment, if made, would be within the prescribed limits under Section 141(3) of the Companies Act, 2013 and that they are not disqualified from appointment as Statutory Auditors of the Company.

Your Directors have therefore proposed to appoint M/s. P.M. Bhargava & Co., Chartered Accountants, as Statutory Auditors of the Company, subject to the approval of the Members at the ensuing AGM.

18. AUDITOR'S REPORT

The notes on financial statements referred to in the Auditors Report are self-explanatory. The Auditors' Report does not contain any qualification. However, the Auditors in their Report have mentioned their observation and the same have been laid down below along with Directors' comments:

| SI No. | Auditors' Observation in the auditors' report | Directors' comments on the observations of the auditors mentioned in the auditors' report | | | | | | | | | | | | |
|-----------------|--|---|---------------------------------------|------------------------------------|---------------------------------------|------------------------------------|---------------------------------|---------|--------------|------|------|-----------|-----------------------------------|--|
| 1. | <p>“Details of dues set out herein below in respect of customs duty which has not been deposited as at 31st March, 2017 by the company with the appropriate authorities on account of disputes.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Name of Statute</th> <th style="text-align: center;">Nature of Dues</th> <th style="text-align: center;">Amount in Lacs</th> <th style="text-align: center;">Amount in Rs. Lacs paid under protest</th> <th style="text-align: center;">Period to which the amount relates</th> <th style="text-align: center;">Forum where disputes is pending</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Customs</td> <td style="text-align: center;">Customs Duty</td> <td style="text-align: center;">7.14</td> <td style="text-align: center;">2.00</td> <td style="text-align: center;">2008-2009</td> <td style="text-align: center;">Commissioner of Customs-(Appeals)</td> </tr> </tbody> </table> | Name of Statute | Nature of Dues | Amount in Lacs | Amount in Rs. Lacs paid under protest | Period to which the amount relates | Forum where disputes is pending | Customs | Customs Duty | 7.14 | 2.00 | 2008-2009 | Commissioner of Customs-(Appeals) | Appeal made by the company, is still awaiting hearing. |
| Name of Statute | Nature of Dues | Amount in Lacs | Amount in Rs. Lacs paid under protest | Period to which the amount relates | Forum where disputes is pending | | | | | | | | | |
| Customs | Customs Duty | 7.14 | 2.00 | 2008-2009 | Commissioner of Customs-(Appeals) | | | | | | | | | |
| 2. | <p>“In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of term/ corporate loans installments of Bank of India as mentioned below:</p> | The company has applied to the Bank for reschedulement/ deferment of installments | | | | | | | | | | | | |

JAINEX AAMCOL LIMITED ANNUAL REPORT 2016-17

| Sr. No | Period/ Type | | | Amount of Default | Delay- till date of this report | fallen due on Tls and interest thereon which is under consideration by the bank. However, interest servicing on Tls other than TL 15 has been serviced together with installments within the permissible grace period for payment. |
|--------|----------------|--------------------|----------------------------|-------------------|---|--|
| | Financial Year | Due Date | Loan Type | | | |
| 1. | 2017 | For the whole year | Term Loan 15 | 43.22 | Monthly installments w.e.f. 30/04/2016 to 31/03/2017 resulting in delay from 1 month to 13 months as the case may be respectively as per sanction but not recovered by bank | |
| | | -do- | Interest on TL 15 | 18.91 | -do- | |
| | | | Total (1) | 62.13 | | |
| 2. | 2017 | 31.01 .2017 | Term Loan 14 | 6.00 | Quarterly Installment - Less than four months | |
| | | | Total (2) | 6.00 | | |
| 3. | 2017 | 31.03 .2017 | Corporate Loan | 5.00 | Less than one month | |
| | | 31.03 .2017 | Interest on corporate loan | 2.42 | Less than one month | |
| | | | Total (3) | 7.42 | | |
| | | | Total (1 to 3) | 75.55 | | |

19. COST AUDITORS:

The appointment of Cost Auditor is not applicable to the Company as per Companies Act, 2013.

20. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

The Company has appointed Ms. Kavita Raju Joshi, Practising Company Secretary, bearing Membership No. 22387 and Certificate of Practice No. 8893 to conduct Secretarial Audit of the Company for the financial year 2016-17 in terms of provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report is annexed to this Report as “Annexure C” (Form MR-3).

21. EXPANSION OF BUSINESS

The Company through its Board of Directors and management is taking extra efforts to reach at higher level by setting a benchmark. The Company also wishes to explore its business in future by keeping in view the dynamism of global market.

22. DEMATERIALIZATION

Your Company has tied up with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) to enable the members to trade and hold shares in an electronic/dematerialized form. The shareholders are advised to take benefits of dematerialization.

23. LISTING OF SHARES

The Company's equity shares continue to be listed on The Bombay Stock Exchange Ltd (BSE).

24. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 OF THE COMPANIES ACT, 2013

During the financial year under review, the Company had not entered into material related party transactions.

However, the Board has approved the policy on materiality of related party transactions.

25. COMMITTEES OF BOARD

Following are the committees which are constituted or re-constituted by the Company:

- A. Audit Committee
- B. Nomination & Remuneration Committee
- C. Corporate Social Responsibility Committee (CSR Committee)
- D. Anti-Sexual Harassment Committee

A. AUDIT COMMITTEE

The company is having an audit committee comprising of the following directors:

| NAME | DESIGNATION | CATEGORY |
|----------------------------|-------------|------------------------------------|
| Mr. Hitesh Mulraj Popat | Chairman | Independent/Non-Executive Director |
| Mr. Sunil Sampatraj Parakh | Member | Independent/Non-Executive Director |
| Mr. Kunal Bafna | Member | CFO-Executive Director |

B. NOMINATION AND REMUNERATION COMMITTEE

The company is having a Nomination and Remuneration Committee comprising of the following Members:

| NAME | DESIGNATION | CATEGORY |
|-----------------------------|-------------|------------------------------------|
| Mr. Sunil Sampatraj Parakh | Chairman | Independent/Non-Executive Director |
| Mr. Hitesh Mulraj Popat | Member | Independent/Non-Executive Director |
| Mr. Vinit Ramgopal Kejriwal | Member | Independent/Non-Executive Director |

In terms of requirements prescribed under Section 178(3) of the Companies Act, 2013, the Company has formulated the Nomination and Remuneration Policy inter-alia providing the terms for appointment and payment of remuneration to Directors and Key Managerial Personnel and the same has been uploaded on company's website. Nomination & Remuneration Policy is annexed to this report in “ANNEXURE D”.

C. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

The Board of Directors having Corporate Social responsibility Committee comprising of following Members:-

| NAME | DESIGNATION | CATEGORY |
|-----------------------------|-------------|------------------------------------|
| Mr. Sunil Sampatraj Parakh | Chairman | Independent/Non-Executive Director |
| Mr. Hitesh Mulraj Popat | Member | Independent/Non-Executive Director |
| Mr. Vinit Ramgopal Kejriwal | Member | Independent/Non-Executive Director |

The company does not fall under the criteria of CSR committee; therefore Company is not required to contribute towards CSR activities under Section 135 of the Companies Act, 2013 read with rules thereunder.

D. ANTI-SEXUAL HARASSMENT COMMITTEE AND RELATED DISCLOSURE.

The Board of Directors having an Anti-Sexual Harassment Committee comprising of following members.

| NAME | DESIGNATION | CATEGORY |
|----------------|-------------|------------------------------------|
| Ms. Manju Jain | Chairperson | Independent/Non-Executive Director |
| Ms. S L Chavan | Member | Employee |
| Ms. S R Kamble | Member | Employee |

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All women employees

(permanent, contractual, temporary and trainee) of the Company are covered under this Policy.

The following is a summary of Sexual Harassment complaints received and disposed off during the year:

| Sr. No. | No. of Complaints received | No. of Complaints disposed off |
|---------|----------------------------|--------------------------------|
| Nil | Nil | Nil |

26. RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY

Your Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. Your Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested by Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

27. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The provisions of this policy are in line with the provisions of the Section 177(9) of the Act Company has put in place a system through which the Directors and Employees may report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics without fear of reprisal. The Employees and Directors may report to the Compliance Officer and have direct access to the Chairman of the Audit Committee.

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The Whistle Blower Policy is placed on the website of the Company.

28. INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weaknesses were observed.

29. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During financial year under review, the Company has not transferred any amount to Investor Education and Protection Fund (IEPF).

30. PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided under “**Annexure E**”, which is annexed to this Report.

None of the employees of the Company were in receipt of monthly or yearly remuneration in excess of the limits specified under the Companies Act, 2013 and Rule 5(2) & Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

31. MANAGEMENT DISCUSSION AND ANALYSIS

Management’s Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is presented in a separate section forming part of the Annual Report.

32. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant/ material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company and its operations in future.

33. CORPORATE GOVERNANCE

The Company is not required to comply with the provisions of Regulation 17 to Regulation 27 and clause (b) to clause (i) of sub regulation (2) of Regulation 46 and Para C, D and E of Schedule V as mentioned in Regulations 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which

came into force with effect from 01st December, 2015 as the Paid-up Share Capital of the Company is less than Rs.10,00,00,000 (Rupees Ten Crores Only) and the Net Worth of the Company is also less than Rs.25,00,00,000 (Rupees Twenty Five Crores Only) based on the Annual Audited Financial Results of the Company for the quarter and year ended March 31, 2017.

34. PERFORMANCE EVALUATION

The Company has devised a policy for evaluation of Performance of the Board of Directors, its Committees and individual Directors (“Policy”). The evaluation involves assessment of performance individually of each of the Board Members and of the entire Board of Directors and its Committees.

The performance evaluation criteria of the entire Board of Directors inter alia comprised of the following key areas:

- i. the role of a Board Members is clearly defined and understood;
- ii. the Board has ensured that the organization’s accomplishments and challenges are communicated to Members and Stakeholders;
- iii. the spread of talent within the Board reflect the Company’s needs;
- iv. all Board Members bring valuable skill and experience to the Company;
- v. the composition of the Board is sufficient to carry out the work required of it;
- vi. the matters relating to the Company are discussed in a structured manner;
- vii. the Board knows and understand the Company’s mission, vision and strategy; the Board’s Meeting agenda clearly reflects strategic plan or priorities;
- viii. the Board papers contain the correct amount and type of information;
- ix. all Board Members participate in important Board discussions;
- x. the Board knows and keep abreast of trends and issues affecting the market in which the Company competes
- xi. the Board understands the business it is governing;
- xii. the Board Members actively engage in networking for the benefit of the Company;

- xiii. the Board Members have sufficient financial skills to ensure that the Board can discharge its governance responsibilities;
- xiv. the Company have relevant internal reporting and compliance systems;
- xv. the Board Members are aware of their risk assessment duties as Directors;
- xvi. there is a clear understanding of the Company's business risk;
- xvii. the Board encourages Directors to pursue opportunities for personal development;
- xviii. the Board have a succession plan in place for the Directors, KMP and Senior Management Personnel;
- xix. responsibilities have been effectively delegated amongst the Executive Directors, KMP and Senior Management Personnel;
- xx. there is good communication between the Board and KMP.

The evaluation framework for assessing the performance of Committee(s) of Board of Directors inter-alia comprised of the following key areas:

- i. the Committees have been constituted in compliance with the requirement of Listing Regulations and the Companies Act, 2013 read with the Rules there under;
- ii. the role/terms of reference of the Committee Members is clearly defined and understood;
- iii. the composition of the Committee is sufficient to carry out the work required of it;
- iv. the Committee knows and understands the Company's mission, vision and strategy;
- v. the Committee's Meetings are properly conducted and agenda papers contain the correct amount and type of information;
- vi. all Committee Members participate in discussion making;
- vii. the Committee Members have sufficient skills to ensure efficient discharge of responsibilities;
- viii. there is good communication between the Committees and the Board.
- ix. the Committee has relevant internal reporting and compliance systems;

The performance evaluation process of individual Directors inter alia comprised of the following key areas:

- i. uphold ethical standards of integrity and probity;
- ii. act objectively and constructively while exercising their duties;
- iii. exercise their responsibilities in a bona fide manner in the interest of the Company;
- iv. devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- v. assist the Company in implementing the best corporate governance practices;
- vi. strive to attend all Meetings of the Board of Directors and of the Board committees of which they are members;
- vii. moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between Management and Shareholder's interest;
- viii. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk Management are robust and defensible;
- ix. strive to safeguard the interests of all stakeholders, particularly the minority shareholders;
- x. balance the conflicting interest of the stakeholders;
- xi. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts;
- xii. keep themselves well informed about the Company and the external environment in which it operates;
- xiii. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- xiv. strive to attend the general Meetings of the Company;
- xv. acting within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- xvi. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- xvii. ascertain and ensure that the Company has an adequate and functional vigil mechanism and ensure that the interests of a

- person who uses such mechanism are not prejudicially affected on account of such use;
- xviii. report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any;
 - xix. maintain confidentiality of information such as commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law;
 - xx. abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading guidelines etc;
 - xxi. they express concerns about the running of the Company or a proposed action and ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that the concerns are recorded in the Minutes of the Board Meeting;
 - xxii. develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior Management of the Company;
 - xxiii. fairly contribute towards proper functioning of Board or Committees of the Board.

The evaluation framework for assessing the performance of Independent Directors inter-alia comprised of the following key areas:

- i. satisfy the criteria for independence as prescribed under Section 149 of the Companies Act, 2013 and the Listing Regulations;
- ii. help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk Management, resources, key appointments and standards of conduct;
- iii. bring an objective view in the evaluation of the performance of Board and Management;
- iv. actively scrutinise the performance of Management in Meeting agreed goals and objectives and monitor the reporting of performance;

- v. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- vi. contribute to determine appointment and remuneration of executive Directors, Key Managerial Personnel (KMP) and senior Management;
- vii. exercise objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making.

In terms of the Policy, a process of evaluation was undertaken by the Board for its own performance and that of its Committees and individual Directors. The evaluation process focused on various aspects of the functioning of the Board and Committees. Separate exercise was carried out to evaluate the performance of individual Directors on specified parameters.

The outcome of evaluation process was shared with the Board, Chairman of respective Committees and individual Directors. Based on the outcome of the evaluation, the Board and Committees have agreed on an action plan for the identified areas.

The details of programme for familiarisation of Independent Directors with the Company, industry in which it operates, their roles, rights, responsibilities is made available on the website of the Company – www.jainexaamcol.com.

35. INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors of the Company met on Monday, 30th May, 2016, inter-alia, to discuss:

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

36. GENERAL

The Board of Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. No fraud has been reported by the Auditors to the Audit Committee or the Board.

37. ACKNOWLEDGEMENTS

Your Directors would like to thank and place on record their appreciation for the support and co-operation provided to your Company by its Shareholders, their employees, regulatory authorities and its bankers. Your Directors would also like to place on record their appreciation for the efforts put in by employees of the Company during the year.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
for Jainex Aamcol Limited**

**Mohanlal Zumbarlal Kothari
Managing Director
DIN: 01486305**

**Rahul Dugar
Director
DIN : 00013704**

**Place: Mumbai
Date: 24th August, 2017**

ANNEXURE “A”

FORM NO. MGT – 9

EXTRACT OF ANNUAL RETURN

as on the Financial year ended 31st March, 2017

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

I. REGISTRATION AND OTHER DETAILS:

| | |
|---|--|
| CIN | L74999MH1947PLC005695 |
| Registration Date | 15/04/1947 |
| Name of the Company | JAINEX AAMCOL LIMITED |
| Category / Sub-Category of the Company | PUBLIC COMPANY/LIMITED BY SHARES |
| Address of the Registered Office and Contact Details | 405 & 406, Sharda Chambers, 15 Sir Vitthalidas Thackersey Marg, New Marine Lines Mumbai – 400020. |
| Whether Listed Company | YES |
| Name, Address and Contact details of Registrar and Transfer Agent, if any | Link Intime India Pvt Ltd C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083. |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sr. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the Company |
|---------|--|----------------------------------|------------------------------------|
| 1. | Gear Hobs and Cutting tools | *2593 | 100% |

*NIC Code of 2008 is taken into consideration.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No | Name & Address Of The Company | CIN/GLN | Holding/ Subsidiary/ Associate | % Of Shares Held | Applicable Section |
|--------|-------------------------------|---------|--------------------------------|------------------|--------------------|
| | - | - | - | - | - |

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

(i) Category wise shareholding

| Category of Shareholders | No. of Shares held at the beginning of the year (As on 01.04.2016) | | | | No. of Shares held at the end of the year (As on 31.03.2017) | | | | % Change during the year |
|--------------------------|--|----------|---------|-------------------|--|----------|---------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A.Promoters | | | | | | | | | |
| 1) Indian | | | | | | | | | |
| a) Individual/HUF | 490922 | 53125 | 544047 | 36.36 | 490922 | 53125 | 544047 | 36.36 | 0 |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt (s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | 577956 | - | 577956 | 38.62 | 577956 | - | 577956 | 38.62 | 0 |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any Other | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (1) | 1068878 | 53125 | 1122003 | 74.98 | 1068878 | 53125 | 1122003 | 74.98 | 0 |
| (2) Foreign | | | | | | | | | |
| a) NRIs Individuals | - | - | - | - | - | - | - | - | - |

JAINEX AAMCOL LIMITED ANNUAL REPORT 2016-17

| | | | | | | | | | |
|---|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------|
| b) Other Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any Other.... | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 1068878 | 53125 | 1122003 | 74.98 | 1068878 | 53125 | 1122003 | 74.98 | 0 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | 21950 | 21950 | 1.47 | - | 21950 | 21950 | 1.47 | 0 |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | 150000 | | 150000 | 10.02 | 150000 | - | 150000 | 10.02 | 0 |
| g) FIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1) | 150000 | 21950 | 171950 | 11.49 | 150000 | 21950 | 171950 | 11.49 | 0 |
| 2. Non-institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 0 | 1550 | 1550 | 0.10 | 0 | 1550 | 1550 | 0.10 | 0 |
| ii) Overseas | - | - | - | - | - | - | - | - | - |

JAINEX AAMCOL LIMITED ANNUAL REPORT 2016-17

| | | | | | | | | | |
|---|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|----------|
| b) Individuals | | | | | | | | | |
| i) Individual Shareholders holding nominal share capital upto 1 lakh | 17413 | 67580 | 84993 | 5.68 | 19523 | 65670 | 85193 | 5.69 | 0.01 |
| ii) Individual Shareholders holding nominal share capital in excess of 1 lakh | 115342 | | 115342 | 7.71 | 115342 | | 115342 | 7.71 | - |
| c) Non Residents | | | | | | | | | |
| i) Non Resident Indians | 200 | - | 200 | 0.01 | 200 | - | 200 | 0.01 | 0 |
| ii) Overseas Corporate Bodies | - | - | - | - | - | - | - | - | - |
| iii) Foreign Nationals | - | - | - | - | - | - | - | - | - |
| iv) Clearing Members | 300 | - | 300 | 0.02 | 100 | - | 100 | 0.01 | 0.01 |
| v) Trusts | - | - | - | - | - | - | - | - | - |
| vi) Hindu Undivided Families | - | - | - | - | - | - | - | - | - |
| vii) Foreign Bodies | - | - | - | - | - | - | - | - | - |
| Sub-Total (B)(2): | 133255 | 69130 | 202385 | 13.52 | 135165 | 67220 | 202385 | 13.52 | - |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 283255 | 91080 | 374335 | 25.02 | 285165 | 89170 | 374335 | 25.02 | 0 |

JAINEX AAMCOL LIMITED ANNUAL REPORT 2016-17

| | | | | | | | | | |
|---|----------------|----------------|--------------|------------|----------------|---------------|----------------|------------|----------|
| C. Shares held by Custodian for GDRS & ADRS | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 1352133 | 1442054 | 96338 | 100 | 1354043 | 142295 | 1496338 | 100 | 0 |

(ii) Shareholding of Promoters

| Shareholder's Name | No. of Shares held at the beginning of the year (As on 01.04.2016) | | | No. of Shares held at the end of the year (As on 31.03.2017) | | | % Change during the year |
|--------------------------|---|----------------------------------|--|---|----------------------------------|--|--------------------------|
| | No. of Shares | % of total Shares of the company | % of Shares Pledged/encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged/encumbered to total shares | |
| Jainex Foods Private Ltd | 577956 | 38.62 | 0 | 577956 | 38.62 | 0 | 0 |
| Bhagat Singh Dugar | 211597 | 14.14 | 0 | 137097 | 9.16 | 0 | -4.98 |
| Bharati Bafna | 56700 | 3.79 | 0 | 131200 | 8.77 | 0 | +4.98 |
| Rahul Dugar | 95250 | 6.37 | 0 | 95250 | 6.37 | 0 | 0 |
| Ketaki Mazumdar | 59720 | 3.99 | 0 | 59720 | 3.99 | 0 | 0 |
| Ronojoy Mazumdar | 53495 | 3.58 | 0 | 53495 | 3.58 | 0 | 0 |
| Pravin Chimanlal Vora | 27210 | 1.82 | 0 | 27210 | 1.82 | 0 | 0 |
| Nandita Dugar | 24500 | 1.64 | 0 | 24500 | 1.64 | 0 | 0 |
| Mr. Sujoy Mazumdar | 15575 | 1.04 | 0 | 15575 | 1.04 | 0 | 0 |
| Total | 1122003 | 74.98 | 0 | 1122003 | 74.98 | 0 | 0.00 |

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

| | Shareholding at the beginning of the year (As on 01.04.2016) | | Shareholding at end of the year (As on 31.03.2017) | |
|---|---|----------------------------------|---|----------------------------------|
| | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| At the beginning of the year | 1122003 | 74.98 | - | - |
| Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc) | No change | No change | | |
| At the end of the year | - | - | 1122003 | 74.98 |

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

| Sl. No. | Shareholder's Names | Shareholding at the beginning of the year (As on 01.04.2016) | | Shareholding at end of the year (As on 31.03.2017) | |
|---------|---|--|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | PURUSHOTTAM DAMODARLAL SINGI | | | | |
| | At the beginning of the year | 50,000 | 3.34 | 50,000 | 3.34 |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease | - | - | - | - |
| | At the end of the year | 50,000 | 3.34 | 50,000 | 3.34 |
| 2 | PUSHPA GARG | | | | |
| | At the beginning of the year | 44,046 | 2.94 | 44,046 | 2.94 |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease | - | - | - | - |
| | At the end of the year | 44,046 | 2.94 | 44,046 | 2.94 |

JAINEX AAMCOL LIMITED ANNUAL REPORT 2016-17

| | | | | | |
|---|--|--------|------|--------|------|
| 3 | GENERAL INSURANCE CORPN. OF INDIA | | | | |
| | At the beginning of the year | 37,125 | 2.48 | 37,125 | 2.48 |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease | - | - | - | - |
| | At the end of the year | 37,125 | 2.48 | 37,125 | 2.48 |
| 4 | ORIENTAL FIRE & GENERAL INSURANCE CO.LTD | | | | |
| | At the beginning of the year | 30,120 | 2.01 | 30,120 | 2.01 |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease | - | - | - | - |
| | At the end of the year | 30,120 | 2.01 | 30,120 | 2.01 |
| 5 | NEW INDIA ASSURANCE CO. LTD | | | | |
| | At the beginning of the year | 27,585 | 1.84 | 27,585 | 1.84 |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease | - | - | - | - |
| | At the end of the year | 27,585 | 1.84 | 27,585 | 1.84 |
| | | | | | |

JAINEX AAMCOL LIMITED ANNUAL REPORT 2016-17

| | | | | | |
|---|---|--------|------|--------|------|
| 6 | NATIONAL INSURANCE CO. LTD | | | | |
| | At the beginning of the year | 27,585 | 1.84 | 27,585 | 1.84 |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease | - | - | - | - |
| | At the end of the year | 27,585 | 1.84 | 27,585 | 1.84 |
| 7 | UNITED INDIA INSURANCE COMPANY LTD. | | | | |
| | At the beginning of the year | 27,585 | 1.84 | 27,585 | 1.84 |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease | - | - | - | - |
| | At the end of the year | 27,585 | 1.84 | 27,585 | 1.84 |
| 8 | THE SICOM LIMITED | | | | |
| | At the beginning of the year | 21,950 | 1.47 | 21,950 | 1.47 |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease | - | - | - | - |
| | At the end of the year | 21,950 | 1.47 | 21,950 | 1.47 |
| 9 | SHRIKANT GOPALDAS MANTRI | | | | |
| | At the beginning of the year | 11,146 | 0.74 | 11,146 | 0.74 |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease | - | - | - | - |
| | At the end of the year | 11,146 | 0.74 | 11,146 | 0.74 |

JAINEX AAMCOL LIMITED ANNUAL REPORT 2016-17

| | | | | | | |
|----|---|--|--------|------|--------|------|
| 10 | DAMODARLAL SINGI | | | | | |
| | At the beginning of the year | | 10,150 | 0.68 | 10,150 | 0.68 |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease | | - | - | - | - |
| | At the end of the year | | 10,150 | 0.68 | 10,150 | 0.68 |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sr No | Shareholder's Name | Shareholding at the beginning of the year (As on 01.04.2016) | | Shareholding at the end of the year (As on 31.03.2017) | | |
|-------|---|---|----------------------------------|---|----------------------------------|-------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company | |
| 1. | BHAGAT SINGH DUGAR | | | | | |
| | At the beginning of the year | | 211597 | 14.14 | - | - |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease | | | | | |
| | Date | Reason | | | | |
| | 10.01.2017 | Transfer | (74500) | -4.98 | | |
| | At the end of the year | | - | - | 137097 | 9.16 |

| | | | | | |
|----|---|-------|------|--------------|-------------|
| 2. | RAHUL DUGAR | | | | |
| | At the beginning of the year | 95250 | 6.37 | - | - |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease | - | - | | |
| | At the end of the year | - | - | 95250 | 6.37 |
| 3. | MOHANLAL ZUMBARLAL KOTHARI | | | | |
| | At the beginning of the year | Nil | Nil | - | - |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease | - | - | | |
| | At the end of the year | - | - | Nil | Nil |
| 4. | KUNAL BAFNA | | | | |
| | At the beginning of the year | Nil | Nil | - | - |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease | - | - | | |
| | At the end of the year | - | - | Nil | Nil |

| | | | | | |
|----|---|-----|-----|------------|------------|
| 5. | SUNIL PARAKH | | | | |
| | At the beginning of the year | Nil | Nil | - | - |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease | - | - | | |
| | At the end of the year | - | - | Nil | Nil |
| 6. | VINIT KEJRIWAL | | | | |
| | At the beginning of the year | Nil | Nil | - | - |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease | - | - | | |
| | At the end of the year | - | - | Nil | Nil |
| 7. | MANJU JAIN | | | | |
| | At the beginning of the year | Nil | Nil | - | - |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease | - | - | | |
| | At the end of the year | - | - | Nil | Nil |

JAINEX AAMCOL LIMITED ANNUAL REPORT 2016-17

| | | | | | |
|----|---|-----|-----|------------|------------|
| 8. | HITESH POPAT | | | | |
| | At the beginning of the year | Nil | Nil | - | - |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease | - | - | | |
| | At the end of the year | - | - | Nil | Nil |

V. INDEBTEDNESS

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

(Rs. in Lacs)

| Particulars | Secured Loans Excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | | | | |
| - Term Loans | 518.90 | - | - | 518.90 |
| - Vehicle Loans | - | - | - | - |
| - Working Capital Facilities | 255.67 | - | - | 255.67 |
| - Unsecured Loans | - | 267.94 | - | 267.94 |
| ii) Interest due but not paid | 23.09 | - | - | 23.09 |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 797.66 | 267.94 | - | 1065.60 |

JAINEX AAMCOL LIMITED ANNUAL REPORT 2016-17

| | | | | |
|---|---------------|---------------|---|---------------|
| Change in Indebtedness during the financial year | - | - | - | - |
| <ul style="list-style-type: none"> ● Addition - Vehicle Loans - Working Capital Facilities - Interest accrued but not due | - | - | - | - |
| <ul style="list-style-type: none"> ● Reduction - Term Loans - Vehicle Loans - Working Capital Facilities ● Unsecured Loans ● Interest due but not paid | 81.29 | - | - | 81.29 |
| | - | - | - | - |
| | 8.83 | - | - | 8.83 |
| | - | 4.00 | - | 4.00 |
| | 1.75 | - | - | 1.75 |
| Net Change | 91.87 | 4.00 | - | 95.87 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | | | | |
| - Term Loans | 437.61 | - | - | 437.61 |
| - Vehicle Loans | - | - | - | - |
| - Working Capital Facilities | 246.84 | - | - | 246.84 |
| - Unsecured Loans | - | 263.94 | - | 263.94 |
| ii) Interest due but not paid | 21.34 | - | - | 21.34 |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 705.79 | 263.94 | - | 969.73 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (In Rs.)

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

| Sr. No | Particulars of Remuneration | Name of MD/WTD/Manager | | Total Amount |
|--------|--|------------------------|---------------|----------------|
| | | M Z Kothari | Kunal Bafna | |
| 1. | Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 (b) Value of Perquisites u/s 17(2) Income Tax Act (c) Profits in lieu of Salary under Section 17(3) Income Tax Act, 1961 | 1866890 | 540000 | 2406890 |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission -as % of profit -others, specify | - - | - - | - - |
| 5. | Others, please specify | - | - | - |
| | Total (A) | 1866890 | 540000 | 2406890 |
| | Ceiling as per the Act | | | |

B. Remuneration to other Directors:

| Sl. No. | Particulars of Remuneration | Bhagat Dugar | Rahul Dugar | Hitesh Popat | Sunil Parakh | Vinit Kejriwal | Manju Jain | Total Amt |
|---------|--|--------------|-------------|--------------|--------------|----------------|------------|-----------|
| 1. | Independent Directors | - | - | - | - | - | - | - |
| | Fee for attending Board / Committee Meetings | | | | | | | |
| | Commission | - | - | - | - | - | - | - |
| | Others, please specify | | | | | | | |
| | Total (1) | - | - | - | - | - | - | - |
| 2. | Other Non-Executive Directors | - | - | - | - | - | - | - |
| | Fee for attending Board / Committee meetings | - | - | - | - | - | - | - |
| | Commission | - | - | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - | - | - |
| | Total (2) | - | - | - | - | - | - | - |
| | Total (B)=(1+2) | - | - | - | - | - | - | - |
| | Total Managerial Remuneration | - | - | - | - | - | - | - |
| | Overall Ceiling as per the Act | - | - | - | - | - | - | - |

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | | Total Amount |
|---------|--|--------------------------|------------------------|-----|--------------|
| | | CEO | Company Secretary (CS) | CFO | |
| 1. | Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 (b) Value of Perquisites u/s 17(2) Income Tax Act (c) Profits in lieu of Salary under Section 17(3) Income Tax Act, 1961 | - | - | - | - |
| 2. | Stock Option | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - |
| 4. | Commission -as % of profit -others, specify | - | - | - | - |
| 5. | Others, please specify | - | - | - | - |
| | Total (A) | - | - | - | - |
| | Ceiling as per the Act | | | | |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act): None

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
for Jainex Aamcol Limited**

**Mohanlal Zumarlal Kothari
Managing Director
DIN: 01486305**

**Rahul Dugar
Director
DIN : 00013704**

Place: Mumbai
Date: 24th August, 2017

ANNEXURES “B” TO THE DIRECTORS’ REPORT

INFORMATION REQUIRED U/S 134 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES, 2014.

(A) CONSERVATION OF ENERGY :

(i) The steps taken or impact on conservation of energy:

In past few years, the Company has taken several steps to conserve energy through its “Sustainability” initiatives. The Company continues its endeavor to improve energy conservation and utilization. Steps taken to conserve energy includes :

- At its Plants, the Company has carried out various actions to optimize energy consumption and reduce losses.
- Some of these measures includes recovering waste heat
- Energy efficient machines are been installed in order to optimize use of power.

(ii) The steps taken by the Company for utilizing alternate sources of energy :

The Company has always been conscious of the need for conservation of energy. Energy conservation measures have been implemented at all its plants.

- Water wastage and compressed Air Wastages was avoided which resulted in energy saving.
- Avoided wastages of electrical energy by close monitoring of fixed energy consumption such as Air conditioners, fans, tube lights, street lights etc.
- All fluorescent tubes and bulbs were replaced by Light Emitting Diode (LED) Light in the entire plant premises.

(iii) The capital investment on energy conservation equipments :

The Energy Conservation Equipments are procured on need base. There was no significant capital investment made for Energy Conservation Equipments during the year under review.

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATIONS

(i) The efforts made towards technology absorption:

The company had originally started manufacturing Hobs in collaboration with Messer. Klingelberg Verzahntechnik, Gmbh of Germany and the collaboration ended in 1981. During the period of collaboration the company successfully absorbed the technology and since beginning, the company is continuing the manufacture of Gear Hobs and it is also keeping abreast with the latest technology development abroad.

(ii) The Benefits derived like product improvement, cost reduction, product development or import substitution:

Due to the continuous efforts made by the Company towards technology absorption, the Company has derived various benefits like:

- Increased Customer satisfaction and saleability
- Improved Brand name and Goodwill
- Cost Reduction through Quality and Productivity

(iii) In case of imported Technology (imported during the last 3 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) The expenditure incurred on Research & Development (R & D) : Nil

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the financial year 2016-17 : Rs. 190.45 Lacs

The Foreign Exchange outgo in terms of actual inflows during the financial year 2016-17 : Rs. 15.80 Lacs

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
for Jainex Aamcol Limited**

**Mohanlal Zumbarlal Kothari
Managing Director
DIN: 01486305**

**Rahul Dugar
Director
DIN : 00013704**

**Place: Mumbai
Date: 24th August, 2017**

ANNEXURE "C"

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

To,

The Members,

Jainex Aamcol Limited

405 & 406, Sharda Chambers,
15 Sir Vitthaladas Thackersey Marg,
New Marine Lines
Mumbai- 400020.

Dear Sir,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **Jainex Aamcol Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the financial year ended 31st March, 2017, 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 as given in **Annexure 'I'** for the financial year ended on 31st March, 2017, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of External Commercial Borrowings, Foreign Direct Investment and Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
Promoter of the Company have made Disclosures under Regulation 29(2) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 to BSE Limited and the Company on 8th January, 2017 for Direct acquisition of equity shares of the Company and Indirect acquisition of voting rights in the Company.
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999, now known as SEBI (Share based employees Benefits) Regulations, 2014 (not applicable to the Company during the Audit period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the Company during the Audit period);
 - f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 (not applicable to the Company during the Audit period), and

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during the Audit period), and;

We have also examined compliance with the applicable clause of the following:

- a. Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013; and
- b. Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015; and
- c. The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited.

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

In case of Direct and Indirect Tax Laws like Income Tax Act, Service Tax Act, Excise & Customs Acts, we have relied on the Reports given by the Statutory Auditors of the Company.

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- 1. The Company has not submitted Compliance Certificate signed by Compliance Officer and Authorised Representative of Share Transfer Agent (STA) as required under Regulation 7(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the quarter ended March 31, 2016 and September 30, 2016***
- 2. The Website of the Company is under Construction; hence no information is displayed on the website of the Company which is violation pursuant to the provisions of Regulation 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.***
- 3. Non-payment of the Listing fees paid to BSE as required under Regulation 14 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.***

4. *The Company did not publish the Notice of the Meeting of the Board of Directors where financial results were approved in the newspaper as required under Regulation 47(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.*
5. *The Company being a listed company does not have a qualified Company Secretary as the whole-time Compliance officer as required under Regulation 6 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015*

We further report that:

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 year under review were carried out in compliance with the provisions of the Act.

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

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

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

Date: 24th August, 2017
Place : Mumbai

Kavita Joshi
Company Secretaries
COP No: 8893

Annexure I

To,

The Members,

Jainex Aamcol Limited

405 15 Sir Vitthaladas Thackersey Marg,

& 406, Sharda Chambers,

New Marine Lines (E)

Mumbai - 400002.

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

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

Date: 24th August, 2017

Place : Mumbai

Kavita Joshi
Company Secretaries
COP No: 8893

“ANNEXURE D”

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

Definitions:

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

“Key Managerial Personnel (KMP)” means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole- time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary; and
- iv) such other officer as may be prescribed.

“Senior Managerial Personnel” means the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

Objective:

The objective of the policy is to ensure that:-

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- 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.

Role of the Committee:

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- 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.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

TERM / TENURE

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of up to maximum of Five (5) years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and

compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

- 1) Remuneration to Managing Director / Whole-time Directors:
 - a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
 - b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director/ Whole-time Directors.
- 2) Remuneration to Non- Executive / Independent Directors:
 - a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
 - b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- 3) Remuneration to Key Managerial Personnel and Senior Management:
 - a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
 - b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
 - c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

ANNEXURE "E"

MANAGEMENT REMUNERATION & PARTICULARS OF EMPLOYEES WITH RELATED DISCLOSURE (details with respect to financial year 2016-17)

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report.

| | | |
|----|--|---|
| 1. | The ratio of the remuneration of each Director to the median Remuneration of the employees of the company for the financial year; (Median Salary : 27,943) | Mr. M Z Kothari – Rs. 18,66,890/-p.a Ratio to median remuneration - 5.57 : 1 Mr. Kunal Bafna - Whole Time Director/ Chief Financial Officer - Rs. 5,40,000/- p.a Ratio to median remuneration – 1.61: 1 Other Directors of the Company are not being paid any remuneration. |
| 2. | 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 is no increase in the remuneration of Managing Director. However due to Commission, gross is increased by Rs. 1,82,892/- |
| 3. | the percentage increase in the median remuneration of Employees in the financial year | As on 31-03-2016 101 permanent staff /worker monthly salary of Rs 16,42,336/-, Average Rs. 16,261/- As on 31-03-2017 99 permanent staff /worker monthly salary of Rs. 26,90,260/-, Average Rs 29,902/- There was increase of Rs. 13,641/- i.e. 84%. |

JAINEX AAMCOL LIMITED ANNUAL REPORT 2016-17

| | | |
|----|--|---|
| 4. | the number of Permanent Employees on the rolls of the Company; | As on 31-3-2017 there are 99 Employees permanent on the roll of the Company. |
| 5. | average percentile increase already made in the Salaries of Employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increased in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; | Salary increase of 84% on an average While Managing director's remuneration is increased by Rs. 15241/- p.m i.e. 10.86% in the period during review. However there is no increase in WTD – CFO 's remuneration in the period during review |
| 6. | The key parameters for any variable component of remuneration availed by the Directors; | It will depend on the Financial outcomes and profitability of the Company, Risk factors and regulatory guidelines and the variable pay shall not exceed 50 % of the fixed pay in a particular year. |
| 7. | Affirmation that the remuneration is as per the remuneration policy of the Company. | It is affirmed that the remuneration is as per the remuneration policy adopted by the Company. |

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
for Jainex Aamcol Limited

Place: Mumbai
Date: 24th August, 2017

Mohanlal Zumberlal Kothari
Managing Director
DIN: 01486305

Rahul Dugar
Director
DIN : 00013704

MANAGEMENT DISCUSSION AND ANALYSIS

Indian Economy:

The Indian Economy was billed as the fastest growing major economy in the world and the only bright spot among Emerging Markets seems to have slowed down even before the latest “shock therapy” of “demonetization”. The Government of India announced demonetization of high denomination bank notes of Rs. 1,000 and Rs. 500, with effect from November 8, 2016, in order to eliminate black money and the growing menace of fake Indian currency notes, thereby creating opportunities for improvement in economic growth. Demonetization is expected to have a positive impact on the Indian economy, which will help foster a clean and digitized economy in the long run.

The International Monetary Fund (IMF), in its Regional Economic Outlook for Asia and the Pacific at the beginning of the year, retained its growth forecast for India at 7.5%, largely driven by private consumption even as weak exports and sluggish credit growth weighed on the economy.

Gross Domestic Product growth rate was 7.1 per cent in FY 2016-17. As per the Economic Survey 2016-17, the Indian economy would grow between 6.75 and 7.5 per cent in FY 2017-18 and is expected further to accelerate to 7.8 per cent in 2018-19. The improvement in India’s economic fundamentals had accelerated in the year 2015 with the combined impact of strong government reforms, Reserve Bank of India's (RBI) inflation focus supported by benign global commodity prices.

India's gross domestic product (GDP) grew by 7 per cent year-on-year in October-December 2016 quarter, which is the strongest among G-20 countries, as per Organisation for Economic Co-operation and Development (OECD) Economic Survey of India, 2017. According to IMF World Economic Outlook Update (January 2017).

India's unemployment rate has declined to 4.8 per cent in February 2017 compared to 9.5 per cent in August 2016, as a result of the Government's increased focus

towards rural jobs and the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) scheme.

Industry Structure and Developments in India:

Business Outlook and Market Overview:

Technavio's market research analyst forecasts the production of machine tools in India to grow at a CAGR of 13% during the forecast period. This growth in the overall consumption is attributed to the increasing import of advanced product lines from countries like Japan, Germany, and Italy. The growth of automotive industry in India is the primary growth driver for this market. The automotive and auto components industry has accounted for about 40% of machine tools consumption in India.

Positive impetus to fiscal discipline and increased momentum in bringing key economic reforms such as the introduction of Goods and Services Tax (GST) has been identified as one of the most important tax reforms post-independence that will provide a conducive ecosystem for business growth. Hence, the GDP growth rate in India for FY 2017-18 is likely to hover around 7% to 7.3%.

Given the economic outlook, the Indian cutting tools and gear hobs industry and auto-component sectors are expected to see moderate recovery in FY 2017-18. Over the medium to long term, growth in the auto component industry is likely to be higher than the underlying automotive industry growth given the increasing localization by OEMs and higher component content per vehicle. Auto component export is another key growth driver. The "Make in India" pitch may further boost the growth of the manufacturing industry in India which will result in proportionate growth for the Company.

Growth of Indian cutting tools and gear hobs industry & Automobile Industry:

During the year 2016-17, the overall cutting tools industry growth was satisfactory. Sales growth in the cutting tools industry largely depends on the sales growth of auto sector.

The escalating Indian automobile industry has indirectly influenced the expansion of the Indian cutting tools industry with a wide variety of cutting tools such as drills, taps, end mills, reamers, cutters, chasers, rolling dies, saw blades, burrs, hobs, broaches, other gear cutting tools, tool bits, tips/inserts and so on. India is steadily surfacing as an international outsourcing destination for producing different automotive components. Over the years, the Domestic cutting tools sector has expanded rapidly owing to strong growth posted by the automotive, heavy and light engineering sectors. It has emerged as the preferred manufacturing hub for auto components due to various reasons like Low-priced workforce and easy availability of raw materials making India cost competitive. The GST rates are mostly expected to be neutral to this sector.

Opportunities for Machine tools Industry:

India stands 17th in production and 12th in the consumption of machine tools in the world. The country is set to become a key player in the global machine tools industry and is likely to see substantial high-end machine tool manufacturing. Studies have rated India higher in terms of manufacturing capability and availability of quality engineers. This design strength gives the Indian machine tools industry a competitive advantage, in terms of special purpose machine tools.

The Indian machine tools sector also offers several opportunities for investment. Given the current gap between demand and supply, there is now an increasing need for adding capacities in this sector. The industry is moving towards increasingly sophisticated CNC machines, driven by demand from key user segments, such as, automobiles and consumer durables.

The rapidly globalizing world is opening up newer avenues for the transportation industry and over the next decade, this will lead to newer verticals and opportunities for auto component manufacturers, who would need to adapt to the changes via systematic research and development. The Indian auto component industry is set to become the third largest in the world by 2025. Domestic machine tools makers are well positioned to benefit from globalization.

Threats, Risks and Concerns:

The Indian machine tools sector has been exposed to many risks of varying intensity. Three important concerns and threats auto component industry is facing are:

- Regulatory & infrastructure Bottleneck
- Low R&D spending and dependence on global suppliers for technology knowhow
- Rising imports from China

Over the years, there has been a lot of competition coming from China and other countries. We feel that because of our quality, we are able to maintain continuous business with our existing customers. However this threat still exists and the Company need to watch the situation and be fully prepared to meet any demand in future.

At the same time, growth in the country's power generating capacity, railways network and defense production increase in electricity charges all of a sudden, volatility in the prices of raw materials have also acted as key demand drivers for cutting tools industry.

Internal Control Systems and their Adequacy :

The Company has an adequate Internal Audit System that promotes reliable financial reporting, safeguards assets, encourages adherence to fair management and ethical conduct at various levels of the organization. The strong Internal Control Systems have been designed in a way that, they not only prevent fraud and misuse of the Company's resources but also protect shareholder's interest. The system ensures compliance with the respective laws & regulations, efficiency of operations, optimum utilization of resources, disclosure and adequate reporting of financial transactions, proper administration at all levels of the organization.

The Audit Committee of the Board of Directors of the Company, on regular intervals and in coordination with the Internal and Statutory Auditors, reviews and ensures adequacy of the internal control system prevalent at each level of the organization and passes on its recommendation to the management.

Discussion on Financial Performance With Respect to Operational Performance:

During the financial year 2016-17 under review, the turnover of the Company augmented from Rs. 13.20 Crores in F.Y. 2015-16 to Rs. 15.29 Crores in F.Y. 2016-17 thus decreasing the Net Loss of the Company after deducting the Finance Costs, Depreciation and Taxes from Rs 39.55 Lacs in the previous financial year to Rs. 21.37 Lacs in the current financial year.

Material developments in Human Resources / Industrial Relations front, including number of people employed:

The Company believes that the employees are not a resource but the most valuable assets of the Company and will play a key role in its future growth. Planned efforts are made to develop and retain talent. The Company provides growth opportunities to internal talent by assigning them higher responsibilities with suitable exposure and training. The Company maintains a positive work environment and constructive relationships with its employees with a continuing focus on productivity and efficiency. As on 31st March, 2017, Jainex Aamcol Limited had 99 permanent employees on the rolls of the Company.

Cautionary Statement:

Statements in this Management Discussion and Analysis and Directors' Report describing the Company's objectives, projections, estimates and expectations might be construed as 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied by the forward looking statements due to risks or uncertainties associated therewith depending upon significant changes in political and economic environment, economic conditions, government policies and other incidental factors, environmental standards, tax laws, litigation and labor relations. Readers are cautioned not to place undue reliance on these forward-looking statements.



R. A. SINGH & ASSOCIATES
CHARTERED ACCOUNTANTS

25, Saibaba Shopping Centre,
Keshavrao Kadam Marg,
Mumbai Central,
Mumbai – 400 008.
Phone: 2300 6009 / 2300 6011

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF JAINEX AAMCOL LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **JAINEX AAMCOL LIMITED** (“the Company”) which comprise the Balance Sheet as at **March 31, 2017**, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we

comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from materials misstatement.

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

OPINION

In our opinion and to the best of information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2017, and its loss and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order.
 2. As required by section 143(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - c) The balance sheet, statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant Rules issued there under.
-

- e) On the basis of written representations received from the Directors as on 31st March, 2017 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2017 from being appointed as a director in terms of section 164(2) of the Act.
- f) With regard to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”, and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us ;
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 25(8) to the financial statements,
 - ii. the Company does not have any long term contracts including derivative contracts ; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. there has been no occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note No. 25(14) to the financial statements.

for **R. A. SINGH & ASSOCIATES**
CHARTERED ACCOUNTANTS
FRN 110271W

R. A. SINGH
(PROPRIETOR)
M. No. 014098

Place : Mumbai
Dated : 30th May, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 under Report on Other Legal and Regulatory Requirements, of our report of even date)

Report on Company's (Auditors Report) Order, 2016 ('the Order') issued by the Central government in terms of Section 143 (11) of the Companies Act, 2013 ('the Act') of JAINEX AAMCOL LIMITED ('the Company')

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

(i) In respect of the Company's Fixed Assets

(a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets other than furniture & fixtures and office equipments.

(b) All the assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations 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) In respect of the Company's Inventories

As explained to us, the inventories except goods in transit were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) In respect of the Company's Loans granted

The company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the 'the Act'. Accordingly, clause (iii) of the Order is not applicable to the Company.

(iv) In respect of the Company's Loans, Investments, Guarantees and Securities

The company has not granted any loans, made investments, provided guarantees and securities as per the provisions of sections 185 and 186 of the Act. Accordingly, the clause (iv) of the Order is not applicable to the company.

(v) In respect of Loans/Deposits taken

The Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2017 and therefore, the provisions of the clause 3(v) of the order are not applicable to the Company. However, the Company has taken loans from related parties viz. a body corporate share holder and a firm in which directors are interested.

(vi) In respect of Cost Audit

The Central government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the products/services dealt by the company. Accordingly, the clause (vi) of the Order is not applicable to the company.

(vii) In respect of Statutory Dues

According to the information and explanation given to us

(a) The company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, customs duty, excise duty, value added tax(VAT), cess and any other material statutory dues applicable to it with appropriate authorities.

(b) There were no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, customs duty, excise duty, value added tax(VAT), cess and any other material statutory dues in arrears as at 31st March, 2017 for a period of six months from the date they became payable.

(c) Details of dues set out herein below in respect of customs duty which has not been deposited as at 31st March, 2017 by the company with the appropriate authorities on account of disputes.

| Name of Statute | Nature of Dues | Amount in Rs. lacs | Amount in Rs. lacs paid under protest | Period to which the amount relates | Forum where disputes is pending |
|-----------------|----------------|--------------------|---------------------------------------|------------------------------------|-------------------------------------|
| Customs | Custom Duty | 7.14 | 2.00 | 2008-2009 | Commissioner of Customs – (Appeals) |

There were no dues of income tax, sales tax (VAT), Service Tax, Excise duty and Cess which have not been deposited as at 31st March, 2017 on account of dispute.

- (viii) **In respect of default in repayment of loans or borrowings from banks/financial institutions/debenture holders and government**
 In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of term/corporate loans installments of **Bank of India** as mentioned below.

(Rs. In lacs)

| Sr. No. | Period/Type | | | Amount of default | Delay – till date of this report |
|---------|----------------|--------------------|----------------------------|-------------------|--|
| | Financial year | Due Date | Loan Type | | |
| 1. | 2017 | For the whole year | Term Loan 15 | 43.22 | Monthly installments w.e.f. 30/04/16 to 31/03/17 resulting in delay from 1 month to 13 months as the case may be respectively as per sanction but not recovered by bank. |
| | | -do- | Interest on TL15 | 18.91 | -do- |
| | | | Total (1) | 62.13 | |
| 2. | 2017 | 31.01.2017 | Term Loan 14 | 6.00 | Quarterly installment Less than four months |
| | | | Total (2) | 6.00 | |
| 3. | 2017 | 31.03.2017 | Corporate Loan | 5.00 | Less than one month |
| | | 31.03.2017 | Interest on corporate loan | 2.42 | Less than one month |
| | | | Total (3) | 7.42 | |
| | | | Total 1 to 3) | 75.55 | |

- (ix) **In respect of money raised**
 The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans. Accordingly, the clause (ix) of the Order is not applicable to the company.
- (x) **In respect of Fraud**
 To the best of our knowledge and according to the explanations given to us, no fraud by the company and no fraud on the company by its officers or employees has been noticed or reported during the year.
- (xi) **In respect of Managerial Remuneration**
 In our opinion and according to the information and explanations

given to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In respect of Nidhi Companies

The Company is not a Nidhi Company. Accordingly, the clause (xii) of the Order is not applicable to the company.

(xiii) In respect of transactions with related parties

In our opinion and according to the information and explanations given to us, the Company is in compliance with section 177 and 188 of the Act, wherever applicable for all the transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) In respect of preferential allotments, private placement of shares and convertible debentures

During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, the clause (xiv) of the Order is not applicable to the company.

(xv) In respect of non cash transactions under section 192

In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non cash transactions with its Directors or persons connected to its Directors. Accordingly, the clause (xv) of the Order is not applicable to the company.

(xvi) In respect of registration as NBFC under section 45 IA of RBI Act, 1934

The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, the clause (xvi) of the Order is not applicable to the company.

**For R.A. SINGH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 110271W**

**R A SINGH
(PROPRIETOR)
M. No. 014098**

**Place : Mumbai
Dated: 30th May, 2017**

ANNEXURE “B” TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 2(f) under (Report on Other Legal and Regulatory Requirements sections, 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')

=====
We have audited the internal financial controls over financial reporting of **JAINEX AAMCOL LIMITED** ('the Company') as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls 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, 2017, 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.

**For R.A. SINGH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 110271W**

**R A SINGH
(PROPRIETOR)
M. No. 014098**

**Place : Mumbai
Dated :30th May, 2017**

JAINEX AAMCOL LIMITED ANNUAL REPORT 2016-17

JAINEX AAMCOL LIMITED Balance Sheet as at 31st March 2017

| Sr. No | Particulars | Note No. | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|------------|---------------------------------------|----------|--------------------------|--------------------------|
| I. | <u>EQUITY AND LIABILITIES</u> | | | |
| (1) | <u>Shareholder's Funds</u> | | | |
| | (a) Share Capital | 2 | 14993940 | 14993940 |
| | (b) Reserves and Surplus | 3 | 21185844 | 23323232 |
| | | | 36179784 | 38317172 |
| 2) | <u>Non-Current Liabilities</u> | | | |
| | (a) Long-Term Borrowings | 4 | 50921400 | 64508685 |
| | (b) Long-Term Provisions | | 389897 | 389897 |
| | | | 51311297 | 64898582 |
| (3) | <u>Current Liabilities</u> | | | |
| | (a) Short-Term Borrowings | 5 | 24683665 | 25567147 |
| | (b) Trade Payables | 6 | 25180364 | 12836886 |
| | (c) Other Current Liabilities | 7 | 24156494 | 18686780 |
| | (d) Short-Term Provisions | 8 | 5968542 | 4053622 |
| | | | 79989065 | 61144435 |
| | Total | | 167480146 | 164360189 |
| II. | <u>ASSETS</u> | | | |
| (1) | <u>Non-Current Assets</u> | | | |
| | (a) Fixed Assets | | | |
| | (i) Tangible Assets | 9 | 93941131 | 102832164 |
| | (ii) Intangible Assets | | 243085 | 504898 |
| | (b) Long Term Loans and Advances | 10 | 3271761 | 2481535 |
| | (c) Other Non-Current Assets | 11 | 0 | 141498 |
| | (d) Deferred Tax Assets (Net) | 12 | 1089167 | 1825662 |
| | | | 98545144 | 107785757 |
| (2) | <u>Current Assets</u> | | | |
| | (a) Inventories | 13 | 21224742 | 17603516 |
| | (b) Trade Receivables | 14 | 41631580 | 33473121 |
| | (c) Cash and Cash Equivalents | 15 | 3909319 | 4255665 |
| | (d) Short-Term Loans and Advances | 16 | 2117210 | 1210076 |
| | (e) Other Current Assets | 17 | 52152 | 32054 |
| | | | 68935003 | 56574432 |
| | Total | | 167480146 | 164360189 |

Accompanying notes forming part of the accounts Note Nos. 1 to 25

As per our report of even date attached.

For **R.A.SINGH & ASSOCIATES**
CHARTERED ACCOUNTANTS

(M. Z. Kothari)
Managing Director

(Rahul Dugar)
Director

(R.A.SINGH)
PROPRIETOR

Membership No. : 014098

Firm Reg. No.: 110271W

Place :- Mumbai

Dated :- 30th May, 2017

(Kunal Bafna)
CFO

JAINEX AAMCOL LIMITED ANNUAL REPORT 2016-17

JAINEX AAMCOL LIMITED

Statement of Profit and Loss for the Year ended on 31st March, 2017

| Sr. No. | Particulars | Note No. | For the year ended 31.03.2017 ₹ | For the year ended 31.03.2016 ₹ |
|---------|---|----------|---------------------------------------|---------------------------------------|
| I | Revenue from Operations | 18 | 152294015 | 130187814 |
| II | Other Income | 19 | 646171 | 1816310 |
| III | Total Revenue | | 152940186 | 132004124 |
| IV | Expenses: | | | |
| | Cost of Raw Materials Consumed | 20(A) | 34728687 | 26794258 |
| | Changes in inventories of finished goods & work-in-progress | 20(B) | -4237481 | 1574225 |
| | Employee Benefit Expense | 21 | 44763775 | 36193341 |
| | Financial Costs | 22 | 10630223 | 12858544 |
| | Depreciation and Amortization Expense | 23 | 12475562 | 12351538 |
| | Other Expenses | 24 | 55976016 | 47236198 |
| | Total Expenses | | 154336782 | 137008104 |
| V | Profit before extraordinary items and tax | | -1396596 | -5003979 |
| VI | Extraordinary items (net) | | 0 | 0 |
| VII | Profit before tax | | -1396596 | -5003979 |
| VIII | Tax Expense: | | | |
| | (1) Current Tax | | 0 | 0 |
| | (2) Earlier Year | | 4297 | 0 |
| | (3) Deferred Tax Credit(-)/Debit(+) | | 736495 | (1048154) |
| | | | 740792 | (1048154) |
| IX | Profit for the year | | -2137388 | -3955825 |
| X | <u>Earning per equity share:</u> | | | |
| | Basic & Diluted | | -1.43 | -2.64 |

Accompanying notes forming part of the accounts Note Nos. 1 to 25

As per our report of even date attached.

For **R.A.SINGH & ASSOCIATES**
CHARTERED ACCOUNTANTS

(M. Z. Kothari)
Managing Director

(Rahul Dugar)
Director

(R.A.SINGH)
PROPRIETOR
Membership No. : 014098
Firm Reg. No.: 110271W
Place :- Mumbai
Dated :- 30th May, 2017

(Kunal Bafna)
CFO

Cash Flow Statement for the year ended 31 March, 2017

| Sr. No. | Particulars | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|-----------|--|--------------------------|--------------------------|
| A. | Cash flow from operating activities | | |
| 1 | Net Profit / (Loss) before extraordinary items and tax | -1396596 | -5003979 |
| | <i>Adjustments for:</i> | | |
| | Depreciation and amortisation | 12334064 | 12210040 |
| | Amortisation of share issue expenses and discount on shares | 141498 | 141498 |
| | Finance costs | 10630223 | 12858544 |
| | Interest income | -320536 | -377502 |
| 2 | Operating profit / (loss) before working capital changes | 21388653 | 19828601 |
| | <i>Changes in working capital:</i> | | |
| | <i>Adjustments for (increase) / decrease in operating assets:</i> | | |
| | Inventories | 3621226 | -5213808 |
| | Trade receivables | 8158459 | 1427851 |
| | Short-term loans and advances | 907134 | -743735 |
| | Long-term loans and advances | 790226 | 342861 |
| | Other current assets | 20098 | 657163 |
| | | 13497143 | 4843993 |
| | <i>Adjustments for increase / (decrease) in operating liabilities:</i> | | |
| | Trade payables | 12343478 | -3083581 |
| | Other current liabilities | 5469714 | 1427974 |
| | Short-term provisions | 1914920 | -124501 |
| | Long-term provisions | 0 | 0 |
| | | 19728112 | -1780108 |
| | Cash flow from extraordinary items | 0 | 0 |
| | Cash generated from operations | -6230970 | -3063885 |
| | Net income tax (paid) / refunds | 0 | 0 |
| 3 | Net cash flow from / (used in) operating activities (A) | 27619623 | 22892486 |
| B. | Cash flow from investing activities | | |
| | Capital expenditure on fixed assets, including capital advances | -3181216 | -2480801 |
| | Proceeds from sale of fixed assets | 0 | 8877012 |
| | Interest received | 320536 | 377502 |
| | Cash flow from extraordinary items | 0 | 0 |
| | Net cash flow from / (used in) investing activities (B) | -2860680 | 6773713 |

JAINEX AAMCOL LIMITED ANNUAL REPORT 2016-17

Cash Flow Statement for the year ended 31 March, 2017

| Sr. No. | Particulars | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|------------|--|--------------------------|--------------------------|
| C. | Cash flow from financing activities | | |
| | Proceeds from long-term borrowings | -13587285 | -6983527 |
| | Net increase / (decrease) in working capital borrowings | -883482 | 227555 |
| | Proceeds from other short-term borrowings | 0 | -5145012 |
| | Finance cost | -10630223 | -12858544 |
| | Net cash flow from / (used in) financing activities (c) | -25100990 | -24759528 |
| | Net increase / (decrease) in Cash and cash equivalents (A+B+C) | -342047 | 4906671 |
| | Cash and cash equivalents at the beginning of the year | 4255665 | 2828620 |
| | Cash and cash equivalents at the end of the year (Refer Note 15) | 3913618 | 7735291 |
| | Reconciliation of Cash and cash equivalents with the Balance: | | |
| | Cash and cash equivalents as per Balance Sheet (Refer Note 15) | 3909319 | 4255665 |
| | * Comprises: | | |
| a) | Cash on hand | 51993 | 86379 |
| b) | Balances with banks | | |
| | (i) In current accounts | 671145 | 1146133 |
| | (ii) In earmarked accounts | 3186181 | 3023153 |
| | | 3909319 | 4255665 |
| | Notes: | | |
| | (i) Figures for previous year have been rearranged/regrouped wherever necessary. | | |

As per our report of even date attached.

**For R. A. SINGH & ASSOCIATES
CHARTERED ACCOUNTANTS**

**(M. Z. Kothari)
Managing Director**

**(R.A.SINGH)
PROPRIETOR
Membership No. : 014098
Firm Reg. No.: 110271W
Place :- Mumbai
Dated :- 30th May, 2017**

**(Rahul Dugar)
Director**

**(Kunal Bafna)
CFO**

Notes forming part of the Accounts

1 SIGNIFICANT ACCOUNTING POLICIES

| Sr. No | Particulars |
|--------|--|
| 1 | <u>Significant Accounting Policies</u> |
| 1.1 | <p><u>ACCOUNTING CONVENTION</u> The Financial Statements are prepared under the historical cost convention on the basis of going concern and in accordance with Generally Accepted Accounting Principles, Accounting Standards prescribed by ICAI and are as per the provisions of the Companies Act, 2013. The Ind AS of ICAI coming in place of AS will be applicable from the next financial year to the company.</p> |
| 1.2 | <p><u>USE OF ESTIMATES</u> The preparation of the financial statements require the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates, are recognised in the periods in which the results are known / materialised.</p> |
| 1.3 | <p><u>REVENUE RECOGNITION (AS 9)</u> <u>Sale of goods</u> Turnover includes excise duty, education cess, service tax, job work receipts and sale of scraps and does not include VAT/CST.</p> |
| 1.4 | <p><u>MISCELLANEOUS EXPENDITURE</u> Expenses related to increase in authorized share capital and issue thereunder are amortized over a period of five years.</p> |
| 1.5 | <p><u>INVENTORIES VALUATION (AS 2)</u></p> <ol style="list-style-type: none"> a) Raw materials are valued at cost. b) Work in Progress is valued at raw material cost + overheads. c) Finished Goods are carried at lower of cost or market value which ever is less. d) Stores are taken at cost. e) Tools and Spares are taken at net of 1/3rd for usage. f) Scraps are taken at realisable value |

Notes forming part of the Accounts (Contd.)

1 SIGNIFICANT ACCOUNTING POLICIES

| Sr. No | Particulars |
|--------|--|
| | Cost of inventories comprises of cost of purchase net of excise duty and VAT where ever cenvetable/vatable, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Cost of raw material is determined on weighted average method. Scrap is valued at estimated realisable value. |
| 1.6 | <u>CASH FLOW STATEMENT (AS 3)</u> Cash Flow Statement is prepared under "Indirect Method". |
| 1.7 | <u>CHANGE IN ACCOUNTING POLICIES (AS 5)</u> There is no change in accounting policy during the year. |
| 1.8 | <u>DEPRECIATION (AS 6)</u> a) Depreciation is provided under straight line method (SLM) to the extent depreciable based on the usefull life of most of the assets as prescribed in Schedule II of the Companies Act, 2013 b) Depreciation on additions/deletions is provided on pro rata basis from the date of such additions/deletions. c) No depreciation has been provided on fixed assets where written down value has reached to 5% of the original cost and also on fixed assets not put to use. |
| 1.9 | <u>TANGIBLE/INTANGIBLE FIXED ASSETS (AS 10) AND REVALUATION RESERVE</u> The Fixed Assets comprising Leasehold land, Building and Plant and Machinery of the company at Chikalthana Industrial Area, Aurangabad was revalued on 01.04.1998 and depreciation and amortisation charges on revalued portion from FY 1998 to FY 2015 were adjusted by debit to revaluation reserve account. During FY 2016, the company decided to adjust the balance portion of the revalued fixed assets against the revaluation reserve. The balance amount after adjustment as mentioned below in revaluation reserve account was transferred to profit and loss account in the FY 2016. |

Notes forming part of the Accounts (Contd.)

1 SIGNIFICANT ACCOUNTING POLICIES

| Sr. No | Particulars |
|--------|---|
| | <p>i) 95 years Leasehold Land from MIDC in Chikalthana Industrial Area, Aurangabad was revalued on 01.04.1998 at Rs. 51,60,000 (revalued portion only whose cost of acquisition was NIL) and thereafter, over the years, the same was amortised against the revaluation reserve until FY 2015 amounting to Rs. 12,53,141 and the balance amount of Rs. 39,06,859 was adjusted fully against revaluation reserve account during the FY 2016 and thus the revalued cost portion of lease hold land was fully adjusted and stood at NIL value in the Balance Sheet from FY 2016.</p> <p>ii) Factory and Office Building on Leasehold Land at MIDC in Chikalthana Industrial Area, Aurangabad was also revalued on 01.04.1998 at Rs. 37,17,012 and thereafter over the years, the impact of depreciation on factory and office building on revalued portion amounting to Rs. 35,31,161 was adjusted against the revaluation reserve until FY 2015 and the balance amount of Rs. 1,85,851 was adjusted fully against revaluation reserve during the year FY 2016.</p> <p>iii) Plant & Machinery on Leasehold Land and Factory Premises at MIDC in Chikalthana Industrial Area, Aurangabad was also revalued on 01.04.1998 at Rs. 2,50,44,460 and thereafter over the years, the impact of depreciation on plant and machinery on revalued portion amounting to Rs. 2,50,44,460 was fully adjusted against the revaluation reserve in FY 2013 leaving no balance after above adjustment to be adjusted to profit & loss account thereafter.</p> <p>iv) The residual balance in revaluation reserve account of Rs. 16,18,705 was transferred to profit and loss account during the year FY 16.</p> |
| 1.10 | <p><u>TRANSACTION OF FOREIGN CURRENCY ITEMS (AS 11)</u></p> <p>a) Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction.</p> |

Notes forming part of the Accounts (Contd.)

1 SIGNIFICANT ACCOUNTING POLICIES

| Sr. No | Particulars |
|--------|--|
| | <p>b) Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the year end are translated at exchange rates applicable on that date.</p> <p>c) Non monetary items denominated in foreign currency (such as fixed assets) are valued at forward contract exchange rate contracted for the such liability, wherever applicable.</p> <p>d) Any gains or losses arising due to exchange differences arising on translation or settlement are accounted for in the Profit & Loss account with regard to revenue items. Similarly FX gain or loss arising on account of capital items are debited/credited to capex items where ever applicable.</p> <p>e) In the case of forward exchange contracts where ever applicable, the premium or discount arising at the inception of such contracts, is amortised as income or expense over the life of the contract as well as exchange difference on such contracts, i.e. difference between exchange rate at the reporting / settlement date and the exchange rate on the date of inception/ the last reporting date, is recognised as income / expense for the period.</p> |
| 1.11 | <p><u>EMPLOYEE BENEFITS (AS 15 Revised)</u></p> <p>a) <u>Defined Contribution Plan</u> The state governed Provident Fund Scheme, Employees State Insurance Scheme and Employee Pension Scheme are defined contribution plans. The contribution paid / payable under the schemes is recognised during the year in which the employee renders the related services.</p> <p>b) <u>Defined benefit plan/ Long Term Compensated Absences.</u> The company's Employees Gratuity Fund Scheme managed by the LIC of India is a defined plan. The present value of obligation based on actuarial valuation using the Projected Unit Credit Method is not determined and any effect thereof will be provided / accounted as and when finalized. It may be however noted that since the employees gratuity fund scheme</p> |

Notes forming part of the Accounts (Contd.)

1 SIGNIFICANT ACCOUNTING POLICIES

| Sr. No | Particulars |
|---------------|---|
| | <p>is managed by LIC and contributions towards the said scheme is based on the demand determined by LIC and therefore the management is of the view that provisions made for employees gratuity till the end of the financial year are adequate vis-a-vis the investment held by the LIC.</p> <p>c) <u>Compensated Absences</u> The company has provided for the leave encashment liability at the balance sheet date based on permissible accumulated leave balance of the employees at the last salary drawn. Liability as per actuarial valuation is not determined. However the management is of the view that provision for leave salary is adequately made in the accounts though not funded/invested separately.</p> |
| 1.12 | <p><u>BORROWING COST (AS 16)</u> Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of such assets till such time as the assets are ready for their intended use. Qualifying assets are assets that necessarily require a substantial period of time to get ready for their intended use. All the other borrowing cost is recognized as an expense on accrual basis.</p> |
| 1.13 | <p><u>LEASES (AS 19)</u> 95 years Leasehold Land was revalued on 01.04.1998 at Rs. 51,60,000 and thereafter over the years, the same was amortised prorata until FY 15 against the revaluation reserve created in the accounts. During FY 2016, the balance in the leasehold land has been fully adjusted against revaluation reserve account. However, lease of land (acquired in 1974 on 95 years lease) from MIDC, Aurangabad is continuing on annual rent as charged by MIDC.</p> |
| 1.14 | <p><u>TAXES ON INCOME (AS 22)</u> a) Current tax is determined as the amount of tax payable in respect of taxable income for the year, as per applicable tax rates and laws.</p> |

Notes forming part of the Accounts (Contd.)

1 SIGNIFICANT ACCOUNTING POLICIES

| Sr. No | Particulars |
|--------|---|
| | b) Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets on timing differences, being the difference between taxable income and accounting income that originates in one period and capable of reversal in one or more subsequent periods. |
| 1.15 | <p><u>DISCONTINUING OPERATIONS (AS 24)</u> The Company has not discontinued any operations during the year.</p> |
| 1.16 | <p><u>IMPAIRMENT OF ASSETS (AS 28)</u> a) Impairment of assets has been recognized and losses where ever applicable has been charged to Profit & Loss account. b) As of each balance sheet date, the carrying amount of assets is tested for impairment so as to determine- i. the provision for impairment loss, if any, required, or ii. the reversal, if any, required or impairment has recognized in previous year.</p> |
| 1.17 | <p><u>PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (AS 29)</u> a) The provisions are recognised and measured by using a substantial degree of estimation. b) Contingent liabilities and contingent assets are disclosed after a careful evaluation of the facts and legal aspects of the matter involved in the issue.</p> |
| 1.18 | <p><u>BUSINESS SEGMENT</u> The company operates in a business segment viz. Gear Cutting, Special Cutting Tools and Spline Gauges and is considered single segment operations.</p> |
| 1.19 | <p><u>EARNINGS PER SHARE (AS 20)</u> Basic/Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the number of equity shares outstanding during the year.</p> |

Notes forming part of the Accounts

| Sr. No | Particulars | As at 31.03.2017 | | As at 31.03.2016 | |
|--------|---|-----------------------|---------------------|-------------------|--------------|
| | | ₹ | | ₹ | |
| a) | NOTE NO: [2] SHARE CAPITAL Authorised 30,00,000 (30,00,000) Equity Shares of Rs. 10/- each. | 30000000 | | 30000000 | |
| b) | Issued, Subscribed & Paid up 14,96,338 (14,96,338) Equity Shares of Rs. 10/- each fully paid up Less :Calls in Arrears from others Add : <u>Forfeited Shares</u> 13,662 (13,662) Shares of Rs. 2.50/- each | 14963380 | | 14963380 | |
| | | 3595 | | 3595 | |
| | | 14959785 | | 14959785 | |
| | | 34155 | | 34155 | |
| | | 14993940 | | 14993940 | |
| c) | Reconciliation of number of shares Shares at the beginning of the year Add :- Shares issued during the year Less :- Buy back of shares/Reduction in share capital Outstanding shares at the year end | 1496338 | | 1496338 | |
| | | 0 | | 0 | |
| | | 0 | | 0 | |
| | | 1496338 | | 1496338 | |
| d) | Shares held by each shareholder holding more than 5% of the shares | | | | |
| | | 31.03.2017 | | 31.03.2016 | |
| | | Nos. of Shares | % of holding | Nos. of Shares | % of holding |
| 1 | Jainex Foods Private Ltd | 577956 | 38.62% | 577956 | 38.62% |
| 2 | Bhagat Singh Dugar | 137097 | 9.16% | 211597 | 14.14% |
| 3 | Bharti Bafna | 131200 | 8.77% | 56700 | 3.79% |
| 4 | Rahul Bhagat Dugar | 95250 | 6.37% | 95250 | 6.37% |
| | | 885506 | 62.92% | 941503 | 62.92% |

Notes forming part of the Accounts (Contd.)

| Sr. No | Particulars | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|---------------|---|-----------------------------------|-----------------------------------|
| | NOTE NO: [2] SHARE CAPITAL- Contd. | | |
| e) | Following details during the period from 01.04.2012 to 31.03.2017 | | |
| i. | Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash. | 0 | 0 |
| ii. | Aggregate number and class of shares allotted as fully paid up by way of bonus shares. | 0 | 0 |
| iii. | Aggregate number and class of shares bought back | 0 | 0 |
| | | 0 | 0 |
| f) | Terms of any securities convertible into equity/preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date. | 0 | 0 |
| | NOTE NO: [3] RESERVE & SURPLUS | | |
| a) | Capital Reserve As per last Balance Sheet | 1500000 | 1500000 |
| b) | Capital Redemption Reserve As per last Balance Sheet | 3897400 | 3897400 |
| c) | Share Premium Account (on Preferential Allotment) - in FY 13 | 24000000 | 24000000 |
| d) | Revaluation Reserve As per last Balance Sheet | 0 | 5711415 |
| | Less : Adjustment for balance of revalued portion of fixed assets viz. Leasehold land and Factory & office Building | 0 | 4092710 |
| | | 0 | 1618705 |
| | Less: Balance transferred to Profit and Loss Account (no longer required) | 0 | 1618705 |
| | Closing Balance | 0 | 0 |

Notes forming part of the Accounts (Contd.)

| Sr. No | Particulars | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|---------------|---|-----------------------------------|-----------------------------------|
| e) | Surplus - Profit & Loss account | | |
| | As per last Balance Sheet | -6074168 | -3737047 |
| | Add : Net Profit/(Net Loss) for the current year | -2137388 | -3955826 |
| | Add : Transfer from Revaluation Reserve Account (as per contra) | 0 | 1618705 |
| | Closing Balance | -8211556 | -6074168 |
| | | 21185844 | 23323232 |
| | NOTE NO: 4] LONG TERM BORROWINGS (Secured) | | |
| | From Bank of India, Mumbai | | |
| a | Rupee Term Loans - (including interest accrued & due) | 24152473 | 24680986 |
| b | Corporate Loan - (including interest accrued & due) | 21742501 | 29518033 |
| | | 45894974 | 54199019 |
| | Less : Shown under other current liabilities Note No. 7 | 21367974 | 16484734 |
| | | 24527000 | 37714285 |
| | (Unsecured) | | |
| c | Loans & Advances from related parties | 26394400 | 26794400 |
| | | 26394400 | 26794400 |
| | Total (a to c) | 50921400 | 64508685 |

Nature of Security and terms of repayment for Long Term secured borrowings:

| TLs | Nature of Security | Terms of Repayments |
|------------|---|---|
| IV 10 | Term Loan of ₹0.00 Lacs (Previous Year ₹ 0.30 Lacs) | The loan has been repaid full during the year. |
| VI 14 | Term Loan of ₹ 33.00 Lacs (Previous year ₹ 56.90 Lacs) | Repayable in 24 Quarterly Instalments starting from 31.03.12. Last Instalment due on 31.12.2017 |
| VII 15 | Term Loan of ₹ 208.52 Lacs including interest of Rs.18.91 lacs(Previous Year Term Loan of ₹ 189.61 Lacs.) | Repayable in 24 Quarterly Instalments starting from 31.03.13. Last Instalment due on 31.12.2018 |

Notes forming part of the Accounts (Contd.)

| TLs | Nature of Security | Terms of Repayments |
|------------|--|--|
| VIII 3 | Corporate Loan of ₹ 217.42 Lacs (Previous Year Loan of 295.18 Lacs.) | Repayable in 60 Monthly Instalments starting from 31.10.2015 Last Instalment due on 30.09.21 |
| | Above Term Loans are secured by hypothecation of Plant & Machinery acquired under specific term loans and are collaterally secured by Equitable Mortgage of Land and Building situated at L/3,Chikhalthana, MIDC Indl Estate, Aurangabad and hypothecation of Plant and Machinery not acquired under above term loans. | Rate of interest on above Term Loans is 13.60% p.a. (previous year 13.85% p.a.) as modified by Bank from time to time. |

| Sr. No | Particulars | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|---------------|--|-------------------------------|-------------------------------|
| 1 | NOTE NO: 5 SHORT TERM BORROWINGS Secured Loans repayable on demand From Bank of India | | |
| a | Cash Credit Account | 24196005 | 22833127 |
| b | Packing Credit Account | 487660 | 2228367 |
| c | Acceptances under ILCs | 0 | 505653 |
| | | 24683665 | 25567147 |
| | (Secured against hypothecation of Raw Materials, Work in Process, Finished Goods and Receivables) | | |
| | (The above limits are collaterally secured by Equitable Mortgage of Land and Building situated at L/3,Chikhalthana, MIDC Indl Estate, Aurangabad) and hypothecation of Plant & Machinery not acquired under Term Loans from Bank of India. | | |
| | | 24683665 | 25567147 |
| | | | |

Notes forming part of the Accounts (Contd.)

| Sr. No | Particulars | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|--------|--|--------------------------|--------------------------|
| | NOTE NO: [6] TRADE PAYABLES | | |
| | <u>Other than Acceptances</u> | | |
| a) | For Materials/Goods | 16876888 | 8590184 |
| b) | For Expenses | 8303476 | 4246702 |
| | | 25180364 | 12836886 |
| | Sundry Creditors due to Micro and SMEs exceeding Rs. 1 lkh. | N.A. | N.A. |
| | NOTE NO: [7] OTHER CURRENT LIABILITIES | | |
| | <u>Current maturities of long-term debt (Secured)</u> | | |
| | From Bank of India | | |
| a | Term Loans and corporate loan | 19234266 | 14175000 |
| b | Interest accrued and due on term loans | 1891207 | 1583515 |
| c | Interest accrued and due on corporate loan | 242501 | 726219 |
| | Refer Note No: -4- Long Term Borrowings for details of securities. | 21367974 | 16484734 |
| | Others Payables | | |
| c | Statutory dues | 2009094 | 1507507 |
| d | Advance/ credit balance of Customers | 779426 | 694539 |
| | | 24156494 | 18686780 |
| | NOTE NO: [8] SHORT TERM PROVISIONS | | |
| a | Provision for Employee Benefits | | |
| 1 | Salary & Reimbursements | 4702281 | 2976121 |
| 2 | Contribution to PF | 177016 | 145843 |
| 3 | Leave Encashment | 1089245 | 931658 |
| | | 5968542 | 4053622 |
| b | Provision for Taxation | | |
| 1 | Income Tax | 0 | 0 |
| | | 5968542 | 4053622 |

Notes forming part of the Accounts (Contd.)

NOTE NO. 9 FIXED ASSETS

| Sr. No | Particulars | Gross Block | | As at 31.03.2017 | Up to 31.03.2016 | Accumulated Depreciation | | Net Block | |
|--------|---|------------------------|-----------|------------------|------------------|--------------------------|--------------|------------|------------------|
| | | Value as at 01.04.2016 | Additions | | | Deductions | For the year | Deductions | Up to 31.03.2017 |
| I | Tangible Assets | | | | | | | | |
| A. | Leasehold land (Revaluation impact/portion only)* | 178777 | 0 | 178777 | 178777 | 0 | 0 | 178777 | 0 |
| B. | Factory and Office Building* | 5015179 | 0 | 5015179 | 2238137 | 120299 | 0 | 2358436 | 2656743 |
| C. | Plant and Equipment | 226661532 | 3060932 | 229722464 | 129157859 | 10817210 | 0 | 139975069 | 89747395 |
| D. | Office Equipment | 1178004 | 5211 | 1183215 | 970913 | 60681 | 0 | 1031594 | 151621 |
| E. | Furniture and Fixtures | 5816505 | 0 | 5816505 | 4484644 | 818756 | 0 | 5303400 | 513105 |
| F. | Vehicles | 1184921 | 0 | 1184921 | 956150 | 56509 | 0 | 1012659 | 172262 |
| G. | Computer | 10497521 | 115073 | 10612594 | 9713793 | 198796 | 0 | 9912589 | 700005 |
| | SUB TOTAL (I) | 250532439 | 3181216 | 253713655 | 147700273 | 12072251 | 0 | 159772525 | 93941131 |
| II | Intangible Assets | | | | | | | | |
| 1. | Computer Software | 1508415 | 0 | 1508415 | 1003517 | 261813 | 0 | 1265330 | 243085 |
| | SUB TOTAL (II) | 1508415 | 0 | 1508415 | 1003517 | 261813 | 0 | 1265330 | 243085 |
| | Total (I+II) | 252040854 | 3181216 | 255222070 | 148703790 | 12334064 | 0 | 161037855 | 94184216 |
| | (Current year) | | | | | | | | |
| | (Previous year) | 258437065 | 2480801 | 8877012 | 141278054 | 12210040 | 4784302 | 148703792 | 103337062 |

(*) Please refer Note 1.9 of Significant Accounting Policies.

JAINEX AAMCOL LIMITED ANNUAL REPORT 2016-17

Notes forming part of the Accounts (Contd.)

| Sr. No | Particulars | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|-----------|---|--------------------------|--------------------------|
| | NOTE No: 10 LONG TERM LOANS AND ADVANCES | | |
| a | Security Deposits | | |
| | Un-secured, considered good | 1680837 | 890611 |
| b | Deposit for Custom's Appeal - Capital item | 200500 | 200500 |
| c | MAT Credit Entitlements | 1390424 | 1390424 |
| | | 3271761 | 2481535 |
| | NOTE NO: 11 OTHER NON CURRENT ASSETS | | |
| | Pre-liminary Expenses | 0 | 141498 |
| | NOTE NO: 12 DEFERRED TAX ASSETS | | |
| | <u>Tax effect on items constituting deferred tax liability</u> | | |
| a) | On difference between book balance and tax balance of fixed assets. | 13371045 | 14039834 |
| b) | <u>Tax effect on items constituting deferred tax assets</u> | | |
| | Leave Encashment | 336577 | 287882 |
| | Preliminary Expenses | 0 | 43723 |
| | Interest on Term Loan | 564595 | 704427 |
| | Excise Duty Payable | 94797 | 0 |
| | Unabsorbed Depreciation | 13464243 | 14829464 |
| | | 14460212 | 15865496 |
| | Net deferred tax assets (a-b) | 1089167 | 1825662 |
| | NOTE NO: 13 INVENTORIES | | |
| a | <u>Raw Materials</u> | 6808695 | 7214444 |
| | Goods in Transit | 0 | 0 |
| | | 6808695 | 7214444 |
| b | Work-in-Progress | 2835687 | 2537057 |
| c | <u>Finished Goods</u> | | |
| | Internally Manufactured | 8421013 | 5026932 |
| d | Stores & Spares | 1556624 | 1585678 |
| e | Loose Tools | 673948 | 549249 |
| f | Machines Spares | 0 | 0 |
| g | Spindle, Gear, Dimond Disc | 264965 | 571116 |
| h | Scraps | 663810 | 119040 |
| | | 21224742 | 17603516 |

Notes forming part of the Accounts (Contd.)

| Sr. No | Particulars | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|---------------|--|-----------------------------------|-----------------------------------|
| | NOTE NO: 14 TRADE RECEIVABLES | | |
| a | Outstanding for a period exceeding six months from the date they are due for payment | | |
| | Unsecured, considered good | 5774087 | 5750662 |
| | Unsecured, considered doubtful | 0 | 0 |
| | | 5774087 | 5750662 |
| b | Outstanding for a period less than six months from the date they are due for payment | | |
| | Unsecured, considered good | 35857493 | 27722459 |
| | Unsecured, considered doubtful | | 0 |
| | | 35857493 | 27722459 |
| | | 41631580 | 33473121 |
| | NOTE NO: 15 CASH AND CASH EQUIVALENTS | | |
| | Cash and Cash Equivalent | | |
| i | Cash on Hand | 51993 | 86379 |
| ii | Balances with Banks | | |
| | In Current Accounts | 671145 | 1146133 |
| iii | Other Bank Balances | | |
| | In TDR Accounts | | |
| | held as margin against BG and LCs | 3186181 | 3023153 |
| | | 3909319 | 4255665 |
| | NOTE NO: 16 SHORT TERM LOANS AND ADVANCES | | |
| a | Loans and advances to Employees | 20952 | 152706 |
| b | Prepaid Expenses | 286036 | 233979 |
| c | Balances with Govt Authorities | | |
| | Balance with Excise Authorities | 170324 | 338561 |
| | Balance with Income Tax Authorities | 119530 | 132285 |
| | | 289854 | 470846 |
| d | Other loans and advances | 1520368 | 352545 |
| | | 1520368 | 352545 |
| | | 2117210 | 1210076 |

Notes forming part of the Accounts (Contd.)

| Sr. No | Particulars | As at 31.03.2016 ₹ | As at 31.03.2015 ₹ |
|---------------|---|-----------------------------------|-----------------------------------|
| | NOTE NO: 17 OTHER CURRENT ASSETS | | |
| | Interest Accrued on MSEB Deposit | 52152 | 32054 |
| | | 52152 | 32054 |
| | NOTE NO: 18 REVENUE FROM OPERATIONS | | |
| a) | SALES | | |
| | Gear Hobs | 89667694 | 79232391 |
| | Milling Cutters | 29135200 | 20869059 |
| | Spline Gauges | 14211364 | 13382319 |
| | | 133014258 | 113483769 |
| | <u>Less : Sales Return</u> | | |
| | Gear Hobs | 746894 | 959768 |
| | Cutters | 595181 | 976697 |
| | Spline Gauges | 590475 | 321837 |
| | | 1932550 | 2258302 |
| | | 131081708 | 111225467 |
| | Add: Central Excise Duty & ED. Cess Collected | 14005085 | 11511320 |
| | Gross Sales | 145086793 | 122736787 |
| b) | Other Operating Revenues | | |
| | Job Work Charges | 5249619 | 5201068 |
| | Add :Service Tax collected on Job Work | 780404 | 709570 |
| | Scrap /Misc. Sales | 1177199 | 1540389 |
| | | 7207222 | 7451027 |
| | Total (a+ b) includes export of Rs. | 152294015 | 130187814 |
| | | 19045793 | 18228202 |
| | NOTE NO: 19 OTHER INCOME | | |
| | LBT / Octroi received | 202250 | 1088000 |
| | Income Tax Refund | 0 | 7092 |
| | Misc. Receipts/write-off(net) | 47088 | -20410 |
| | Interest Received | 314654 | 349377 |
| | Interest on Income Tax Refund | 5882 | 28125 |
| | Exchange Gain on Import (net) | 70630 | 186103 |
| | Exchange Gain on Export (net) | -78218 | 178023 |
| | Bad Debt Recovered | 83885 | 0 |
| | | 646171 | 1816310 |

Notes forming part of the Accounts (Contd.)

| Sr. No | Particulars | As at | |
|--------|--|----------------------|----------------------|
| | | 31.03.2017 ₹ | 31.03.2016 ₹ |
| | NOTE NO: 20 COST OF RAW MATERIALS CONSUMED | | |
| A. | Cost of Raw Material Consumed | | |
| | Inventory at the beginning of the year | 7214444 | 9812542 |
| | Add : Purchase (net of returns, cenvat + freight & octroi) | 34322938 | 24196160 |
| | Less : Inventory at the end of the year | 6808695 | 7214444 |
| | | 34728687 | 26794258 |
| | | | |
| | Details of Raw Material Consumption | 16-17 Qty in kgs. | 15-16 Qty in kgs. |
| a) | Import | 1511 5.35% | 2811 12.64% |
| | | 2114136 6.09% | 3754179 14.01% |
| c) | Indigenous/ Local purchase | 26740 94.65% | 19435 87.36% |
| | | 32614551 93.91% | 23040079 85.99% |
| | | 28251 | 22246 |
| | | 100.00% | 100.00% |
| | | 34728687 | 26794258 |
| B. | Changes in Inventories | | |
| a | <u>Inventories at the end of the year:</u> | | |
| | Finished Goods | 8421013 | 5026932 |
| | Work-in-Progress | 2835687 | 2537057 |
| | Scrap | 663810 | 119040 |
| | | 11920510 | 7683029 |
| b | <u>Inventories at the beginning of the year:</u> | | |
| | Finished Goods | 5026932 | 5407333 |
| | Work-in-Progress | 2537057 | 3374121 |
| | Scrap | 119040 | 475800 |
| | | 7683029 | 9257254 |
| | Net (Increase)/Decrease | -4237481 | 1574225 |
| | | | |
| | NOTE NO: 21 EMPLOYEE BENEFITS EXPENSE | | |
| a | Salaries, Wages & Allowances | 39857215 | 32045271 |
| b | Contribution to Provident and Other Funds | 2061710 | 1756948 |
| c | Gratuity Fund Contribution | 592749 | 470417 |
| d | Staff Welfare Expenses | 2252101 | 1920705 |
| | | 44763775 | 36193341 |

Notes forming part of the Accounts (Contd.)

| Sr. No | Particulars | For the Year Ended 31.03.2017 ₹ | For the Year Ended 31.03.2016 ₹ |
|--------|---|------------------------------------|------------------------------------|
| | NOTE NO: 22 FINANCE COST | | |
| a) | Interest expense on: Borrowings from Bank (WC + TL) | 10098554 | 12167825 |
| | Borrowings from Others | 0 | 387 |
| b) | Other borrowing costs | 531669 | 690332 |
| | | 10630223 | 12858544 |
| | NOTE NO: 23 DEPRECIATION AND AMORTIZATION EXPENSE | | |
| | Depreciation | 12334064 | 12210040 |
| | Preliminary Expenses W/off | 141498 | 141498 |
| | | 12475562 | 12351538 |
| | NOTE NO: 24 OTHER EXPENSES | | |
| a | Manufacturing Expenses | | |
| | Consumption of Stores Etc | 4070757 | 3570409 |
| | Consumption/Write off of Tools and Spares | 1615642 | 1708595 |
| | Consumption of Packing Materials | 670788 | 643663 |
| | Excise Duty | 14044123 | 11527223 |
| | Service Tax | 794740 | 714894 |
| | Increase /(decrease) of Excise Duty on Finished Goods | 377120 | -42267 |
| | Labour Charges (Mfg.) | 4658430 | 4006150 |
| | Power and Fuel | 6071945 | 5448367 |
| | Repairs and Maintenance - Buildings | 23605 | 49863 |
| | Repairs and Maintenance - Machinery | 2342448 | 787271 |
| | | 34669597 | 28414167 |
| b | Administrative & Other Expenses | | |
| | Travelling and Conveyance | 2291569 | 2633546 |
| | Sales Commission | 7568913 | 6284938 |
| | Consignment Expenses | 3365387 | 2392073 |
| | Legal and Professional | 3840940 | 3069144 |
| | Miscellaneous Expenses | 4239609 | 4442330 |
| | | 21306419 | 18822031 |
| | | | |
| | Total (a+b) | 55976016 | 47236198 |

Notes forming part of the Accounts (Contd.)

| Sr. No | Particulars | FY 2016-17 ₹ | FY 2015-16 ₹ |
|-----------|---|--------------------|--------------------|
| 1 | NOTE NO: -25- ADDITIONAL INFORMATION | | |
| | CONTINGENT LIABILITIES AND COMMITMENTS | | |
| | (To the extent not provided for) | | |
| a) | Contingent Liabilities | | |
| | (i) Claims against the company not acknowledged as debt | 0 | 0 |
| | (ii) Letters of credits open awaiting shipment/delivery. | 0 | 0 |
| | (iii) Guarantees | | |
| | (a) Bank Guarantee valid upto 28/09/2021 against EPGC Licence issued by Bank of India against export obligations to be fulfilled in 6 yrs commencing from FY 12. The said guarantee is equivalent to 15% of duty saved amount of Rs. 119.49 lacs on import of 3 Machines (but reduced to two machines consequent upon re-exporting of one machine) under export obligation against which 100% margin by way of TDR (i.e. 15% of Rs. 119.49 lacs equivalent to Rs.17.92 lacs but rounded to Rs. 20.70 lacs) is held by bank. | 2070000 | 2070000 |
| | (b) A Bond of Rs. 335 lacs in the form of undertaking dated 27/09/2011 is given by the Company under said EPGC No. 03330030577 dated 15/09/2011 in favour of President of India account custom towards duty saved plus interest for 10 years at 18% p.a. in case if there is a short fall in meeting the export obligations. (export obligation have been fulfilled in FY 12 to FY17). Application has been submitted for redemption of EPCG Licence on April 14, 2017. | 0 | 316206 |
| | | 2070000 | 2386206 |

Notes forming part of the Accounts (Contd.)

| Sr. No | Particulars | FY 2016-17 ₹ | FY 2015-16 ₹ |
|---------------|--|-----------------------------|-----------------------------|
| b) | Commitments | | |
| | (i) Commitment pending on capital accounts - net of advance | Nil | Nil |
| | (ii) Uncalled liability on shares and other investments partly paid | Nil | Nil |
| | (iii) Other commitments (specify nature) | Nil | Nil |
| | | 0 | 0 |
| | | 2070000 | 2386206 |
| 2 | Payment to Auditors | | |
| | a) As Auditor | 75000 | 50000 |
| | b) For Tax Audit Fees | 15000 | 15000 |
| | c) For Taxation & Other Matters | 10000 | 10000 |
| | d) For Banking Matters | 25000 | 25000 |
| | e) Service Tax | 18750 | 14500 |
| | | 143750 | 114500 |
| 3 | CIF Value of Imports | | |
| | i. Raw Materials; | 429133 | 0 |
| | ii. Components and Spare Parts; | 772500 | 929452 |
| | | 1201633 | 929452 |
| 4 | Expenditure in Foreign Currency | | |
| | Travelling | 377692 | 217500 |
| 5 | Earning in Foreign Exchange | | |
| | Export of goods calculated on FOB basis | 19045793 | 18228202 |
| 6 | Basic & Diluted Earning Per Share (EPS) computed in accordance with Accounting Standard (AS) 20 "Earning Per Share": (In Rupees) | | |
| | Profit after Tax | -2137388 | 3955825 |
| | Number of shares fully paid up (net of forfeiture) | 1496338 | 1496338 |
| | Basic & Diluted EPS | -1.43 | -2.64 |

JAINEX AAMCOL LIMITED ANNUAL REPORT 2016-17

Notes forming part of the Accounts (Contd.)

| Sr. No | Particulars | FY 2016-17 ₹ | FY 2015-16 ₹ |
|-------------------|---|-----------------------------|-----------------------------|
| 7 | The Disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules, 2006 are given below. | | |
| a) | <u>Defined Contribution Plan</u> Contribution to Defined Contribution Plan, recognised are charged off for the year are as under. | | |
| | Employers Contribution to state governed Provident Fund | 693712 | 501943 |
| | Employers Contribution to state governed Pension Schemes | 1164018 | 1075961 |
| | Employers Contribution to state governed Employees State Insurance | 480372 | 422499 |
| | | 2338102 | 2000403 |

Notes forming part of the Accounts (Contd.)

| Sr. No | Particulars |
|--------|--|
| b) | <p>Defined benefit plan/ Long Term Compensated Absences. The company's Employees Gratuity Fund Scheme managed by the LIC of India is a defined plan. The present value of obligation based on actuarial valuation using the Projected Unit Credit Method is not determined and any effect thereof will be provided / accounted as and when finalized. It may be however noted that since the employees gratuity fund scheme is managed by LIC and contributions towards the said scheme is based on the demand determined by LIC and therefore the management is of the view that provisions made for employees gratuity till the end of the financial year are adequate vis a vis the investment held by the LIC.</p> |
| c) | <p>Compensated Absences The company has provided for the leave encashment liability at the balance sheet date based on permissible accumulated leave balance of the employees at the last salary drawn. Liability as per actuarial valuation is not determined. However the management is of the view that provision for leave salary is adequately made in the accounts though not funded/invested separately.</p> |
| 8 | <p>Amounts not provided for</p> |
| a) | <p>Import against DALC for Rs NIL for purchase of raw materials (previous year Rs NIL).</p> |
| b) | <p>On account of claims by two ex employees provided in the accounts amounting to Rs. 0.37 lacs and Rs. 2.97 lacs out of which the claim of Rs. 2.97 lacs has been decided in favour of the late ex employee for his claim on LIC. Any additional liability arising in connection with the said case will be provided at the time of claim by LIC on the company.</p> |
| c) | <p>A charge sheet has been filed in the JMFC, XVth Court, Aurangabad by the MIDC CIDCO Police Station, Aurangabad against the erstwhile Technical Director, N. K. Chatterjee and two other ex employees of the company for the misappropriation of funds carried out by them during their tenure of employment with the company in FY 03 04. The company has also filed a suit in the City Civil Court at Aurangabad claiming an amount of Rs 72 lacs from N. K. Chatterjee for the</p> |

Notes forming part of the Accounts (Contd.)

| Sr. No | Particulars |
|---------------|---|
| | be accounted for in the year of recovery. As a counter blast to the FIR, the said ex employee N. K. Chatterjee has made a claim of Rs. 50 lacs in FY 04 05 for his alleged terminal dues in the City Civil Court, Aurangabad which is being contested by the company. |
| d) | On account of penalty of Rs 1.75 lacs imposed by SEBI which is represented by the company for remission/waiver. |
| e) | On account of additional custom duty demand of Rs. 7,13,812/ on a CNC machine imported in FY 07 08 which had been contested in appeal before the Commissioner of Customs (Appeal) and Rs. 2,00,500/ has been paid as advance against the same. |
| 9 | <u>Realisable value</u> In the opinion of the Board, all assets other than fixed assets have a realisable value in the ordinary course of business which is not less than the amount at which it is stated. |
| 10 | The company is not having a Qualified Company Secretary as required under Section 203(1)(ii) of Companies Act, 2013. |
| 11 | <u>Confirmation of Balances</u> The balances of trade receivables, trade payables, unsecured loans and loans and advances are subject to confirmation |
| 12. | <u>Related Party Disclosures</u> |
| a) | <u>Related Party and their Relationship</u> |
| | Subsidiaries : NIL |
| | Associates : Jainex Foods Private Limited Jainex Limited Jainex Imports & Exports Pvt. Ltd. Dugar Brothers & Company |
| | Key Management Personnel : Mr. B. S. Dugar (Chairman) Mr. M. Z. Kothari (Managing Director) Mr. Kunal Bafna (Whole Time Director and CFO) |
| b) | Relatives of Key Management Personnel : NIL |

Notes forming part of the Accounts (Contd.)

| | Transactions with Related Party | Nature | Amount FY 2016-17 | Amount FY 2015-16 |
|----|--|---|--------------------------------|-------------------------|
| | Subsidiaries : | | Nil | Nil |
| | Directors : | Sitting Fees to Directors | Nil | Nil |
| | | Interest to Director | Nil | Nil |
| | | Reimbursement of exp. | Nil | Nil |
| | <u>Payments to Body Corporates</u> | Purchases | Nil | Nil |
| | | Repayment of Loans | 1800000 | 1600000 |
| | <u>Payments to Relatives of Director</u> | Interest | Nil | Nil |
| | <u>Payments to/from Director/ a Firm</u> | Interest | Nil | Nil |
| | | Purchases | Nil | Nil |
| | | Loans Received | 1400000 | 1600000 |
| | | Loans Repaid | Nil | 0 |
| | Key Management Personnel: | Director's Salary Allowances, Rent etc. | 2406890 | 2223998 |
| | Relatives of Key Management Personnel : | | Nil | - |
| c) | Balances with the related parties: | | | |
| | <u>Loans taken</u> | | | |
| | Jainex Foods Pvt. Ltd. | | 5694400 | 7494400 |
| | Dugar Brothers & Co | | 2020000 | 19300000 |
| | Kunal Bafna | | 500000 | 0 |

Notes forming part of the Accounts (Contd.)

| | | | | | | | | | | | | | | | |
|--|---|----------------|---|--------------|-------------|-----|-----|---------------------------|-----|-----|--|-----|-----|--|--|
| 13 | <p>Disclosure as required by Clause 32 of listing Agreement. Amount of Loans/Advances in nature of loans outstanding from Subsidiaries and Associates during the year</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Subsidiaries:</td> <td align="right">NIL</td> <td align="right">NIL</td> </tr> <tr> <td style="padding-left: 20px;">Associates:</td> <td align="right">NIL</td> <td align="right">NIL</td> </tr> <tr> <td style="padding-left: 20px;">Key Management Personnel:</td> <td align="right">NIL</td> <td align="right">NIL</td> </tr> <tr> <td style="padding-left: 20px;">Relatives of Key Management Personnel:</td> <td align="right">NIL</td> <td align="right">NIL</td> </tr> </table> | Subsidiaries: | NIL | NIL | Associates: | NIL | NIL | Key Management Personnel: | NIL | NIL | Relatives of Key Management Personnel: | NIL | NIL | | |
| Subsidiaries: | NIL | NIL | | | | | | | | | | | | | |
| Associates: | NIL | NIL | | | | | | | | | | | | | |
| Key Management Personnel: | NIL | NIL | | | | | | | | | | | | | |
| Relatives of Key Management Personnel: | NIL | NIL | | | | | | | | | | | | | |
| 14 | <p>Disclosure on Specified Bank Notes (SBNs) During the year, the Company had specified bank notes (SBNs) and other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017, on the details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification are given below:</p> | | | | | | | | | | | | | | |
| | Amount in Rs. | | | | | | | | | | | | | | |
| | Particulars | SBNs(*) | other denomination | Total | | | | | | | | | | | |
| | Closing cash in hand as on 08/11/16 | 13000 | 36315 | 49315 | | | | | | | | | | | |
| | Add : Permitted receipts | | 115760 | 115760 | | | | | | | | | | | |
| | Less : Permitted payments | | 103917 | 103917 | | | | | | | | | | | |
| | Less : Amount deposited in banks | 13000 | | 13000 | | | | | | | | | | | |
| | Closing cash in hand as on 30/12/16 | 0 | 48158 | 48158 | | | | | | | | | | | |
| | (*) For the purpose of this clause 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016. | | | | | | | | | | | | | | |
| 15 | Figures for previous year have been rearranged/regrouped wherever necessary. As per our report of even date attached. | | | | | | | | | | | | | | |
| | For R.A.SINGH & ASSOCIATES CHARTERED ACCOUNTANTS | | (M. Z. Kothari) (Rahul Dugar) Managing Director Director | | | | | | | | | | | | |
| | (R.A.SINGH) PROPRIETOR | | | | | | | | | | | | | | |
| | Membership No. : 014098 Firm Reg. No.: 110271W Place :- Mumbai Dated :- 30th May, 2017 | | (Kunal Bafna) CFO | | | | | | | | | | | | |

JAINEX AAMCOL LIMITED

Corporate Identity Number (CIN): L74999MH1947PLC005695

Regd. Office: 405 & 406, Sharda Chambers, 15 Sir Vitthaladas

Thackersey Marg, New Marine Lines, Mumbai – 400020.

Website: www.jainexaamcol.com, Email Id:

accounts@jainexgroup.com

Tel No: 91-22-2200 2252 Fax No: 91-22-2200 2254

Form No. MGT-11

Proxy form

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

Name of the member : _____

Registered Address : _____

E-mail Id : _____

Folio No. / Client Id : _____

DP ID : _____

I/We, being the Member(s) of _____ shares of the above mentioned company, hereby appoint:

1. Name : _____

Address: _____

E-mail Id: _____ Signature: _____, or failing him

2. Name : _____

Address: _____

E-mail Id: _____ Signature: _____, or failing him

3. Name : _____

Address: _____

JAINEX AAMCOL LIMITED ANNUAL REPORT 2016-17

E-mail Id: _____ Signature: _____, or failing him as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Sixty Ninth Annual General Meeting of the Company, to be held on Thursday, 28th September, 2017 at 10.30 A.M. at 405 & 406, Sharda Chambers, 15, Sir Vitthaldas Thackersey Marg, New Marine Lines, Mumbai- 400020; and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Particulars of Resolution |
|---------------------------|---|
| Ordinary Business: | |
| 1. | Adoption of audited Financial Statements of the Company for the Financial Year ended 31 st March, 2017 together with the Reports of the Board of Directors and the Auditors thereon. |
| 2. | Re-appointment of Mr. Rahul Dugar as a Director retiring by rotation. |
| 3. | Appointment of M/s. P.M. Bhargava & Co., Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration. |
| Special Business: | |
| 4. | Re-appointment of Mr. Kunal Bafna as the Whole-Time Director of the Company for a period of three years and to fix the remuneration payable to him. |

Signed this _____ day of _____, 2017

Signature of the Shareholder _____

Signature of Proxy holder(s) _____

| |
|---------------------|
| Affix Revenue Stamp |
|---------------------|

Note: This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

JAINEX AAMCOL LIMITED

Corporate Identity Number (CIN): L74999MH1947PLC005695
Registered Office: 405 & 406, Sharda Chambers, 15, Sir Vitthaladas
Thackersey Marg, New Marine Lines, Mumbai – 400020.

Website: www.jainexaamcol.com, Email Id:
accounts@jainexgroup.com

Tel No: 91-22-2200 2252 Fax No: 91-22-2200 2254

SIXTY NINTH ANNUAL GENERAL MEETING – THURSDAY, 28TH
SEPTEMBER, 2017 AT 10.30 A.M

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

Sr. No.

| | |
|--|--|
| Name and address of the Shareholder | |
| Joint holder(s) | |
| Regd. Folio/DP ID & Client ID | |
| Number of Shares | |

I certify that I am a Registered Shareholder/Proxy for the Registered Shareholder of the Company. I hereby record my presence at the Sixty Ninth Annual General Meeting of the Company being held on Thursday, 28th September, 2017 at 10.30 A.M. at 405 & 406, Sharda Chambers, 15, Sir Vitthaladas Thackersey Marg, New Marine Lines, Mumbai- 400020.

Name of the Shareholder(s)/Proxy(s)

Signature of the
Shareholder(s)/Proxy(s)
(In Block Letters)

Note: Shareholder/Proxy wishing to attend the meeting must complete this Attendance Slip and hand it over at the entrance of the venue of the meeting.

ELECTRONIC VOTING PARTICULARS

| E-Voting Event Number [EVEN] | USER ID | PASSWORD/PIN |
|---|----------------|---------------------|
| 107324 | | |

JAINEX AAMCOL LIMITED

Corporate Identity Number (CIN): L74999MH1947PLC005695

**Regd. Office: 405 & 406, Sharda Chambers, 15 Sir Vitthaladas
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**Website: www.jainexaamcol.com, Email Id:
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Form No. MGT-12

Polling Paper

*[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c)
of the Companies (Management and Administration) Rules, 2014]*

BALLOT PAPER

| Sr. No. | Particulars | Details |
|----------------|---|----------------|
| 1. | Name of the first Named Shareholder (In block letters) | |
| 2. | Postal Address | |
| 3. | Registered folio No. /*Client ID No. (*Applicable to investors holding shares in dematerialized form) | |
| 4. | Class of Shares | Equity |

JAINEX AAMCOL LIMITED ANNUAL REPORT 2016-17

I / We hereby exercise my / our vote in respect of the following resolutions to be passed at the Sixty Ninth Annual General Meeting (AGM) of the Company to be held on **Thursday, 28th September, 2017 at 10.30 A.M.** in respect of business as stated in the Notice dated 10th August, 2017, by conveying my/our assent or dissent to the said resolutions by placing the tick (v) mark in the appropriate boxes given below:

| Sr. No | Item No. | No. of shares held | I / We assent to the resolution [FOR] | I / We dissent to the resolution [AGAINST] |
|--------|---|--------------------|---------------------------------------|--|
| 1. | Adoption of audited Financial Statements of the Company for the Financial Year ended 31 st March, 2017 together with the Reports of the Board of Directors and the Auditors thereon. | | | |
| 2. | Re-appointment of Mr. Rahul Dugar (DIN: 00013704) as a Director retiring by rotation. | | | |
| 3. | Appointment of M/s. P.M. Bhargava & Co., Chartered Accountants, (Firm Registration No. 15087W) as Statutory Auditors of the Company and to fix their remuneration. | | | |
| 4. | Re-appointment of Mr. Kunal Bafna as Whole-Time Director of the Company for a period of three years and to fix the remuneration payable to him. | | | |

Place:

Signature of the Shareholder

Date:

Note: Please read the instructions printed overleaf carefully before exercising your vote.

INSTRUCTIONS

1. The Ballot Form is provided for the benefit of the members who do not have access to e-voting facility.
2. A member can opt for only one mode of voting i.e. either through e-voting or by ballot or by physically voting at the AGM. If a member casts multiple votes, then voting done through e-voting shall be considered valid. In case a member casts votes by ballot and also physically votes at the AGM, then the votes cast by ballot shall be considered valid.
3. The Scrutinizer will collate the votes downloaded from the e-voting system, the votes cast by ballot and the votes cast on poll at the AGM to declare the final result for each of the resolutions forming part of the Notice of the AGM.
4. Please complete and sign the Ballot Form and send it, so as to reach the Scrutinizer Mrs. Sonal Shah, Proprietor of Sonal Kothari & Associates, Practising Company Secretaries (Membership No. ACS 24216; C.O.P No.: 8769). The last date for the receipt of postal ballot forms or e-voting shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority. No other form or photocopy thereof is permitted.
5. The Ballot Form should be signed by the member as per the specimen signature registered with the Company/Depositories. In case of joint holding, the Form should be completed and signed by the first named member and in his/her absence, by the next named joint holder. A Power of Attorney holder (POA) may vote on behalf of a member, mentioning the registration no. of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of votes by Ballots not permitted through proxy.
6. In case the shares are held by companies, trusts, etc., the duly completed Ballot Form should be accompanied by a certified copy of the relevant Board Resolution / Authorization.
7. Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the appropriate column provided in the Ballot Form.

8. The voting rights of the shareholders shall be in proportion of the share held by them in the paid-up equity share capital of the Company as on 21st September, 2017 and as per the Register of Members of the Company.
9. A member may request for a duplicate Ballot Form, if so required. However, duly filled in and signed duplicate Ballot Form should reach the Scrutinizer not later than the date and time specified in serial no. 4 above.
10. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms shall be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which make it difficult for the Scrutinizer to identify either the member or as to whether the votes are cast in favour of or against or if the signature cannot be verified.
11. The decision of the Scrutinizer on the validity of a Ballot Form shall be final and binding.