

**2016**



**68<sup>th</sup>**



**ANNUAL REPORT**

**JAINEX AAMCOL LIMITED**

**CONTENTS**

<b>Sr. No</b>	<b>PARTICULARS</b>	<b>PAGE NO.</b>
1.	Corporate Information	01
2.	Notice of Annual General Meeting	02
3.	Directors' Report	18
4.	Auditors' Report	55
5.	Balance Sheet	64
6.	Statement of Profit and Loss	65
7.	Cash Flow Statement	66
8.	Significant Accounting Policies	68
9.	Notes Forming part of the Financial Statements	74
10.	Proxy Form	92
11.	Attendance Slip	94
12.	Ballot Paper	95

---

**CORPORATE INFORMATION**

**68<sup>th</sup> ANNUAL GENERAL MEETING**

**BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL**

MR. BHAGAT SINGH DUGAR	: Chairman & Director
**MR. MOHANLAL ZUMBARLAL 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. Mohanlal Zumbarlal Kothari is re-appointed as the Managing Director of the Company with effect from 01<sup>st</sup> April, 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.  
Website: [www.jainexaamcol.com](http://www.jainexaamcol.com)  
CIN: L74999MH1947PLC005695  
Tel. : 91-22-2200 2252 Fax: 91-22-2200 2254  
Email : [accounts@jainexgroup.com](mailto:accounts@jainexgroup.com)  
Web. : [www.jainexaamcol.com](http://www.jainexaamcol.com)

**REGISTRAR & TRANSFER AGENTS**

Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West),  
Mumbai – 400078.

**NOTICE**

Notice is hereby given that the 68<sup>th</sup> Annual General Meeting of the Members of JAINEX AAMCOL LIMITED will be held on Friday 30<sup>th</sup> September, 2016, at 10.00 A.M. at 1116, Dalamal Towers, 211, Nariman Point, Mumbai – 400021 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 31<sup>st</sup> March, 2016 together with the Report of the Board of Directors and the Auditors thereon.
- 2) To appoint a Director in place of Mr. Bhagat Singh Dugar (DIN: 00013082), who retires by rotation and, being eligible, offers himself for re-appointment.
- 3) To re-appoint M/s. R.A. Singh & Associates, Chartered Accountants (Firm Registration Number 110271W) as Statutory Auditors of the Company and to fix their remuneration, and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:-

“**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s. R. A. Singh & Associates, Chartered Accountants (Firm Registration No. 110271W) be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (“AGM”) until the conclusion of the next Annual General Meeting, and at such remuneration as shall be fixed by the Board of Directors of the Company.”

**SPECIAL BUSINESS:**

- 4) **TO RE-APPOINT MR. MOHANLAL ZUMBARLAL KOTHARI AS THE MANAGING 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 accorded for re-appointment of Mr. Mohanlal Zumbarlal Kothari as the Managing Director of the Company for a period of three years w.e.f 01st April, 2016 to 31st March, 2019 on the terms & conditions and at a remuneration plus benefits and perquisites as approved 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 appointment as Managing Director in such manner as may be agreed to between the Board of Directors and Mr. Mohanlal Zumbarlal Kothari.

The details of managerial remuneration payable to Mr. Mohanlal Zumbarlal Kothari, Managing Director of the Company are given below:

- A) Gross Annual Salary of Rs. 15,00,000/- inclusive of all perquisites with liberty to the Board of Directors to increase the same as it may in its absolute discretion determine from time to time.
- B) In addition he will be entitled to incentive on turnover as set out in re-appointment letter.

**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. Mohanlal Zumarlal Kothari 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**

**MOHANLAL ZUMBARLAL KOTHARI  
MANAGING DIRECTOR  
(DIN: 01486305)**

**Place: Mumbai**

**Date: 31<sup>st</sup> August, 2016**

**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](mailto:accounts@jainexgroup.com)

Website: [www.jainexaamcol.com](http://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.
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. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 24<sup>th</sup> September, 2016 to Friday, 30<sup>th</sup> September, 2016 (both days inclusive).
5. 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 01.00 p.m. upto the date of the AGM on all working days (except Saturday, Sunday and Public Holidays).

6. 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.
7. 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 Company's Registrar and Transfer Agent, Link Intime India Pvt. Ltd., Mumbai at the earliest but not later than 23<sup>rd</sup> September, 2016.
8. Information as required to be provided pursuant to the requirements of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 with regards to the Director seeking re-appointment at this AGM is given as an Annexure to this Notice.
9. Electronic copy of Annual Report for the financial year 2015-16 and Notice calling the 68<sup>th</sup> 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 2015-16 and Notice of the 68<sup>th</sup> 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.

10. Members/ Proxies are requested to bring the Attendance Slip(s) duly filled in and copies of the Annual Report at the AGM.
11. 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.
12. 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-13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup (West), Mumbai-400078.  
Tel No. +91 22 2594 6970,  
Fax No. +91 22 2594 6969,  
Email: [mt.helpdesk@linkintime.co.in](mailto:mt.helpdesk@linkintime.co.in)

13. 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.
14. **Instructions and other information for E-voting are as under:**
  - i) In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.

Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been 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 27<sup>th</sup> September, 2016 and will end at 5.00 p.m. on 29<sup>th</sup> September, 2016. 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. 23<sup>rd</sup> September, 2016.
- vii) The Members whose names appear in the Register of Members / list of beneficial owners as on the cut-off date i.e. 23<sup>rd</sup> September, 2016, 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. 23<sup>rd</sup> September, 2016, may obtain the User ID and password for Remote E-voting by sending request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [evoting@linkintime.co.in](mailto: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](http://www.evoting.nsdl.com) or contact NSDL at the following toll free number 1800-222-990.

- ix) Ms. Sonal Praful Kothari, 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 [www.jainexaamcol.com](http://www.jainexaamcol.com) and on the website of NSDL and shall also be communicated to Bombay Stock Exchange Limited (the "BSE Limited").

- xi) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e. 30<sup>th</sup> September, 2016.
- xii) Instructions for Members for Remote E-voting are as under:
  - 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](mailto:sonalkotharics@gmail.com), with a copy marked to [evoting@nsdl.co.in](mailto: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](http://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 01.00 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: 31<sup>st</sup> August, 2016**

**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](mailto:accounts@jainexgroup.com)

Website: [www.jainexaamcol.com](http://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**

As recommended by the Nomination and Remuneration Committee the Board of Directors in its Meeting held on 31<sup>st</sup> March, 2016 re - appointed Mr. Mohanlal Zumbarlal Kothari as the Managing Director of the Company for a period of three years w.e.f. 01<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2019 at a Gross Annual Salary of ₹ 15,00,000/- inclusive of Perquisites. In addition, Mr. Mohanlal Zumbarlal Kothari will be entitled to incentive on turnover as set out in the re-appointment letter. The re-appointment of Mr. Mohanlal Zumbarlal Kothari 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 31<sup>st</sup> March, 2016 .
2. The Company has not made any default in repayment of any of its debts or interest payable thereon for a continuous period of 30 days in the preceding Financial Year before the date of re-appointment of Mr. Mohanlal Zumbarlal Kothari as the Managing Director of the Company. The Company has not accepted any deposits nor issued any debentures.

None of the Directors except Mr. **Mohanlal Zumbarlal Kothari** is interested in his appointment and remuneration.

The effective Capital of the Company is Negative or less than 5 Crores. Therefore as per Section (II)(A)(i) of Part II of Schedule V, the Company can pay yearly Remuneration not exceeding ₹ 30,00,000/- to the managerial person. 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 Cutting tools.

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

The Company was incorporated on 15<sup>th</sup> April, 1947 as a Limited Company. Hence, Certificate of Commencement of Business was received on 15<sup>th</sup> 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:**

NIL

**(iv) Financial performance based on given indicators as per audited financial results for the year ended 31st March, 2016:**

The Company has suffered loss of ₹ 39,55,826/- in the financial year 2015-16. Due to the prevailing market conditions and competitive arenas in the current business sector, the Total revenue operations of the Company have also reduced by 8.45 % in the financial year 2015-16 as compared to last year. However 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. The Foreign Institutional Investors are holding shares in the Company within the permitted limits.

**II. Information about the appointee:****(I) Background details:**

<b>Name of Appointee</b>	<b>Background Details</b>
Mr. Mohanlal Zumbarlal Kothari	Mr. Mohanlal Zumbarlal Kothari is B.E (Mech) by Profession. He has over 30 years of technical and commercial experience in gear cutting tools and allied activities.

**(ii) Past remuneration:**

Remuneration drawn by Mr. Mohanlal Zumbarlal Kothari for the period from 1st April, 2014 to 31st March, 2016 was Rs. 15,00,000/- p.a inclusive of perquisites plus incentive on turnover as decided by and between the Board and the company.

**(iii) Recognition or awards: Nil****(iv) Job profile and their suitability:**

Mr. Mohanlal Zumbarlal Kothari 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 qualifications and expertise in the related fields, as a Managing is best suited for the responsibilities of current assigned role.

**(v) Remuneration proposed:**

Gross Annual Salary of Rs. 15,00,000/- inclusive of perquisites and allowances as decided by the Nomination and Remuneration Committee subject to the approval of the members of the Company. In addition, Mr. Mohanlal Zumbarlal Kothari will be entitled to incentive on turnover as set out in the re-appointment letter.

**(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 Mohanlal Zumbarlal Kothari, 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:**

Above named appointee is related to the managerial personnel of the Company. Mr. Mohanlal Zumberlal Kothari do 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 carried out by the company.

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

Company is confident in achieving hike in 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, 2016.

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

None of the Directors other than Mohanlal Zumberlal Kothari is interested in the Resolution.

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2015-16

Information Required Under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect to the Directors retiring by rotation and being eligible, seeking re-appointment is as under:

<b>Name of the Director</b>	Mr. Mohanlal Zumberlal Kothari
<b>Director Identification Number</b>	01486305
<b>Date of Birth</b>	02/10/1952
<b>Date of appointment</b>	01/04/2007
<b>Qualifications</b>	B.E (Mech)
<b>Expertise in Specific Functional Area</b>	Has over 30 years of technical and commercial experience in gear cutting tools.
<b>Directorship held in other companies (As on 31<sup>st</sup> March, 2016)</b>	<b>Nil</b>
<b>Chairmanships/Memberships of the Committees of the Board of Directors of other companies (As on 31<sup>st</sup> March, 2016)</b>	None
<b>Shareholding of Directors (As on 31<sup>st</sup> March, 2016)</b>	Nil
<b>Relationship between Directors inter-se</b>	Nil

**BY ORDER OF THE BOARD OF DIRECTORS  
FOR JAINEX AAMCOL LIMITED**

**MOHANLAL ZUMBARLAL KOTHARI  
MANAGING DIRECTOR  
(DIN: 01486305)**

**Place: Mumbai**

**Date: 31<sup>st</sup> August, 2016**

**Registered Office:**

405 & 406, SHARDA CHAMBERS, 15,  
SIR VITTHALDAS THACKERSEY MARG,  
NEW MARINE LINES,  
MUMBAI- 400020.

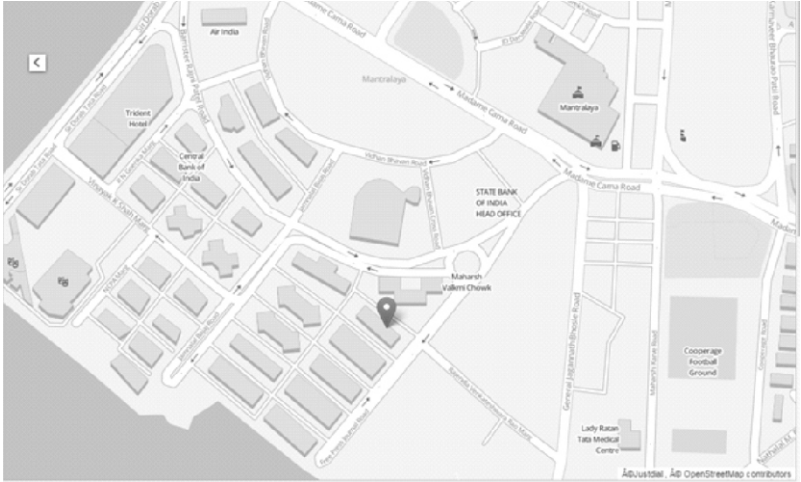
CIN: L74999MH1947PLC005695

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

Email: [accounts@jainexgroup.com](mailto:accounts@jainexgroup.com)

Website: [www.jainexaamcol.com](http://www.jainexaamcol.com)

**Route map for venue of the AGM  
1116, Dalamal Towers, 211, Nariman Point, Mumbai - 400 021.**



**DIRECTORS' REPORT**

**DEAR MEMBERS,**

Your Directors have pleasure in presenting the 68<sup>th</sup> 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 31<sup>st</sup> March, 2016. A summary of the financial results is given below:-

**1. FINANCIAL PERFORMANCE**

The financial performance of the company for the Financial Year 2015-16 in comparison to the previous financial year 2014-15 are summarized below:

**(Amount in Lakhs)**

<b>PARTICULARS</b>	<b>YEAR ENDED 2016</b>	<b>YEAR ENDED 2015</b>
Turnover	1301.88	1411.84
Other Income	18.16	13.07
<b>Total Revenue</b>	<b>1320.04</b>	<b>1424.90</b>
EBIDTA	202.06	236.42
Interest	128.59	136.11
Depreciation	123.51	137.33
<b>Profit/(Loss) before Extra-ordinary items &amp; Taxes</b>	<b>(50.04)</b>	<b>(37.01)</b>
Exceptional items	--	--
Extraordinary items	--	--
<b>Profit/(Loss) before Taxes</b>	<b>(50.04)</b>	<b>(37.01)</b>
Current Tax	--	--
Deferred Tax	(10.48)	(5.80)
<b>Profit/(Loss) after tax</b>	<b>(39.56)</b>	<b>(31.21)</b>

**2. STATE OF COMPANY'S AFFAIRS**

During the year under review, there is decrease in the turnover of the company as compared with the previous year i.e. from Rs. 1411.84 Lakhs to Rs. 1301.88 Lakhs. The EBIDTA (Earnings before Interest, Taxes, Depreciation and Amortization) for the year under review have decreased from Rs. 236.42 Lakhs to Rs. 202.06 Lakhs this year.

The Company has reported Net Loss of Rs. 39.56 Lakhs against Net Loss of Rs. 31.21 Lakhs in the previous year. There is marginal drop in the sales of the company because of which company has incurred loss this year.

**3. TRANSFER TO RESERVES**

Since the Company has incurred loss during the financial year 2015-16 under review, no amount has been transferred to Reserves.

**4. DIVIDEND**

In view of losses incurred by the Company during the financial year 2015-16, your Directors have not recommended any dividend to the members.

**5. 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.

**6. BOARD MEETINGS**

During the year under review, 8(Eight) Board Meetings were held on 16<sup>th</sup> May, 2015, 30<sup>th</sup> May, 2015, 31<sup>st</sup> July, 2015, 25<sup>th</sup> August, 2015, 5<sup>th</sup> November, 2015, 8<sup>th</sup> February, 2016, 15<sup>th</sup> March, 2016 and 31<sup>st</sup> March, 2016.

**7. 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.

**8. 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.

**9. 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 31<sup>st</sup> March, 2016 made under the provisions of Section 92 (3) of the Act in Form MGT-9 is annexed herewith as “**Annexure A**”.

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

Details of loans granted, guarantees provided and investments made by the Company under the provisions of Section 186 of the Companies Act, 2013, are provided in the Notes forming part of standalone financial statements.

**11. 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 business activities of the Company are not specific to any technology requirements. 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.

**12. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

1. In terms of the provisions of the Companies Act, 2013, Mr. Bhagat Singh 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.

2. Mr. Mohanlal Zumarlal Kothari was appointed as the Managing Director of the Company for a period of two years i.e from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2016 by the Board of Directors on the same terms and conditions by the Board which was approved by the shareholders in the 66<sup>th</sup> AGM and his tenure of office concludes on 31<sup>st</sup> March, 2016.

The Board discussed and felt that services of Mr. Mohanlal Zumarlal Kothari for next term of 3 years as the Managing Director of the company are essential for the growth of the Company. The Directors desired to appoint Mr. Mohanlal Zumarlal Kothari as Managing Director for a further period of 3 years commencing from 01.04.2016.

Pursuant to the provisions of Section 196, 197, 198 and 203 read with Schedule V and Rules framed thereunder, 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. Mohanlal Zumarlal Kothari is being re-appointed as the Managing Director of the Company for a period of three years w.e.f 01<sup>st</sup> April, 2016 upto 31<sup>st</sup> March, 2019 on the terms & conditions and at a remuneration plus benefits and perquisites as approved by the Nomination and Remuneration Committee and by the Board of Directors in its meeting held on 31<sup>st</sup> March, 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 seek your support in confirming Mr. Mohanlal Zumarlal Kothari's re-appointment.

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 Popat
- b) Mr. Vinit Kejriwal
- c) Mr. Sunil Parakh
- d) Mrs. Manju Jain

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

### **13. 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 31<sup>st</sup> March, 2016, 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 31<sup>st</sup> March, 2016 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 31<sup>st</sup> March, 2016 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.



**14. AUDITORS AND AUDITOR'S REPORT**

**1. STATUTORY AUDITOR:**

M/s. R. A. Singh & Associates, Chartered Accountants (Firm Registration No. 110271W), the Statutory Auditors of the Company, hold office until the conclusion of the forthcoming Annual General Meeting of the Company, and are eligible for re-appointment.

M/s. R.A. Singh & Associates, Chartered Accountants have granted their consent for appointment as Statutory Auditors of the Company and have confirmed their eligibility for being appointed as Statutory Auditors of the Company in terms of requirements prescribed under Companies Act, 2013. The Board of Directors of the Company recommends the appointment of M/s. R.A. Singh & Associates, Chartered Accountants as the Statutory Auditors of the Company for approval of the Members at the forthcoming Annual General Meeting.

The notes on financial statements referred to in the Auditors Report are self-explanatory and do not call for any further comments and explanations. The Auditors Report does not contain any qualification, reservation or adverse remark.

**2. COST AUDITORS:**

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

**15. 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 2015-16 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).

**16. SHARE CAPITAL**

The Paid up Share capital as on 31st March, 2016 was ₹ 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.

**17. 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.

**18. 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.

**19. LISTING OF SHARES**

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

**20. SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

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

**21. RELATED PARTY TRANSACTIONS**

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

However the policy on materiality of related party transactions and dealing with related party transactions as approved by the Board.

**22. COMMITTEES OF BOARD**

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

1. Audit Committee
2. Nomination & Remuneration Committee
3. Corporate Social Responsibility Committee (CSR Committee)
4. Anti-Sexual Harassment Committee
5. Risk Management Committee

**23. AUDIT COMMITTEE**

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

<b>NAME</b>	<b>DESIGNATION</b>	<b>CATEGORY</b>
Mr. Hitesh Popat	Chairman	Independent/ Non-Executive Director
Mr. Sunil Parakh	Member	Independent/ Non-Executive Director
Mr. Kunal Bafna	Member	CFO-Executive Director

**24. NOMINATION AND REMUNERATION COMMITTEE**

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

<b>NAME</b>	<b>DESIGNATION</b>	<b>CATEGORY</b>
Mr. Sunil Parakh	Chairman	Independent/ Non-Executive Director
Mr. Hitesh Popat	Member	Independent/ Non-Executive Director
Mr. Vinit 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**”.

**25. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)**

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

<b>NAME</b>	<b>DESIGNATION</b>	<b>CATEGORY</b>
Mr. Sunil Parakh	Chairman	Independent/ Non-Executive Director
Mr. Hitesh Popat	Member	Independent/ Non-Executive Director
Mr. Vinit Kejriwal	Member	Independent/ Non-Executive Director

---

The company does not falls 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.

**26. ANTI-SEXUAL HARASSMENT COMMITTEE AND RELATED DISCLOSURE.**

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

<b>NAME</b>	<b>DESIGNATION</b>	<b>CATEGORY</b>
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:

<b>Sr. No.</b>	<b>No. of Complaints received</b>	<b>No. of Complaints disposed off</b>
Nil	Nil	Nil

**27. 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.

**28. 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.

**29. 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.

**30. 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).

**31. 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.

In terms of the provisions of first proviso to Section 136 (1) of the Companies Act, 2013, information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is excluded from the Annual Report being sent to the Members of the Company and is available for inspection by the Members at registered office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Mr. Ajay Mody, Compliance Officer and the same shall be provided.

The full Annual Report including aforesaid information is being sent electronically to all those Members who have registered their email addresses.

### **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**

In pursuant to Regulation 15 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Provision of Corporate Social Responsibility is not applicable to your company.

### **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 thereunder;
- 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.

**34. INDEPENDENT DIRECTORS MEETING**

During the year under review, the Independent Directors of the Company met on Monday 16<sup>th</sup> May, 2015, 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.

**35. 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**

Place: Mumbai

Date: 31<sup>st</sup> August, 2016

**MOHANLAL ZUMBARLAL KOTHARI  
CHAIRMAN AND MANAGING DIRECTOR  
(DIN: 01486305)**

**ANNEXURE “A”**

**FORM NO. MGT – 9**

**EXTRACT OF ANNUAL RETURN**

**as on the Financial year ended 31<sup>st</sup> March, 2016**

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

**I. REGISTRATION AND OTHER DETAILS:**

<b>CIN</b>	L74999MH1947PLC005695
<b>Registration Date</b>	15/04/1947
<b>Name of the Company</b>	JAINEXAAMCOL LIMITED
<b>Category / Sub-Category of the Company</b>	PUBLIC COMPANY/LIMITED BY SHARES
<b>Address of the Registered Office and Contact Details</b>	405 & 406, SHARDA CHAMBERS, 15 SIR VITTHALDAS THACKERSEY MARG, NEW MARINE LINES MUMBAI – 400020.
<b>Whether Listed Company</b>	YES
<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	Link Intime India Pvt Ltd C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078.

**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:-

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

\*NIC Code of 2008 is taken into consideration.

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2015-16

### 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
NIL	NIL	NIL	NIL	NIL	NIL

### 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				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. PROMOTERS</b>										
<b>(1) Indian</b>										
a) Individual /HUF	491465	53125	544590	36.40	490922	53125	544047	36.36	0.04	
b) Central Govt	-	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	577956	-	577956	38.62	577956	-	577956	38.62	0	
e) Banks/Fl	-	-	-	-	-	-	-	-	-	-
f) Any Other..	-	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>1069421</b>	<b>53125</b>	<b>1122546</b>	<b>75.02</b>	<b>1068878</b>	<b>53125</b>	<b>1122003</b>	<b>74.98</b>	<b>0.04</b>	
<b>(2) Foreign</b>										
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	-
d) Banks/Fl	-	-	-	-	-	-	-	-	-	-
e) Any Other..	-	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>1069421</b>	<b>53125</b>	<b>1122546</b>	<b>75.02</b>	<b>1068878</b>	<b>53125</b>	<b>1122003</b>	<b>74.98</b>	<b>0.04</b>	

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2015-16

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>B. PUBLIC SHAREHOLDING</b>										
<b>1. Institutions</b>										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b) Banks/Fl	-	21950	21950	1.47	-	21950	21950	1.47	0	
c) Central Govt	-	-	-	-	-	-	-	-	-	
d) State Govt(s)	-	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	
f) Insurance	150000	-	150000	10.02	150000	-	150000	10.02	-	
g) FIs	-	-	-	-	-	-	-	-	-	
h) Foreign Venture Capital funds	-	-	-	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	-	-	-	
<b>Sub-total (B)(1):-</b>	150000	21950	171950	11.49	150000	21950	171950	11.49		
<b>2. Non-Institutions</b>										
<b>a) Bodies Corp.</b>										
i) Indian	464	1550	2014	0.14	0	1550	1550	0.10	0.04	
ii) Overseas	-	-	-	-	-	-	-	-	-	
<b>b) Individuals</b>										
i) Individual Shareholders holding nominal share capital upto 1 lakh	16006	67830	83836	5.60	17413	67580	84993	5.68	-0.08	-1157
ii) Individual Shareholders holding nominal share capital in excess of 1lakh	115342	-	115342	7.71	115342	-	115342	7.71	-	-

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2015-16

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>c) Non Residents</b>										
i) NRI Rep	-	50	50	-	-	-	-	-	-	-
ii) NRI Non-Rep	200		200	0.01	200		200	0.01	0	-
iii) Foreign Bodies	-	-	-	-	-	-	-	-	-	-
iv) NRI / OCBs	-	-	-	-	-	-	-	-	-	-
v) Foreign Bodies	-	-	-	-	-	-	-	-	-	-
vi) Foreign National	-	-	-	-	-	-	-	-	-	-
vii) Any Other (clearing Member)	400	-	400	0.03	300	-	300		-	-
<b>Sub-Total (B)(2):</b>	-	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	282412	91380	373792	24.98	283255	91080	374335	25.02		
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>	-	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	-	-	-	-	-	-	-	-	-

### (ii) Shareholding of Promoters

Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% 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
RAHUL DUGAR	95250	6.37	0	95250	6.37	0	0
BHAGAT SINGH DUGAR	212140	14.18	0	211597	14.14	0	0.04
RONOJOY MAZUMDAR	30000	2	0	30000	2	0	0

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2015-16

Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% 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	
PRAVIN CHIMANLAL VORA	27200	1.82	0	27200	1.82	0	0
RONOJOY MAZUMDAR	14800	0.99	0	14800	0.99	0	0
RONOJOY MAZUMDAR	2650	0.18	0	2650	0.18	0	0
MR. RONOJOY MAZUMDAR	1510	0.1	0	1510	0.1	0	0
MR. RONOJOY MAZUMDAR	150	0.01	0	150	0.01	0	0
MR. R. MAZUMDAR,	10	0	0	10	0	0	0
MR. PRAVIN CHIMANLAL VORA,	10	0	0	10	0	0	0
MADHU BHAGAT DUGAR	56700	3.79	0	0	0	0	-3.79
NANDITA DUGAR	24500	1.64	0	24500	1.64	0	0
MRS. KETAKI MAZUMDAR	3220	0.22	0	3220	0.22	0	0
KETAKI MAZUMDAR	1600	0.11	0	1600	0.11	0	0
MR. SUJOY MAZUMDAR	1400	0.09	0	1400	0.09	0	0
K.MAZUMDAR	54900	3.67	0	54900	3.67	0	0
R.MAZUMDAR	4375	0.29	0	4375	0.29	0	0
S.MAZUMDAR	14175	0.95	0	14175	0.95	0	0
BHARATI BAFNA				56700	3.79	0	+3.79
Total	1122546	75.02	0	1122003	74.98	0	0.01

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

Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares of the Company	% of total shares
At the beginning of the year	1122546	75.03		
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)	-543	-0.05		
At the end of the year	1122003	74.98		

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2015-16

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year	
		No. of shares	% of total shares of the company
1.	Purushottam Damodarlal Singi	50000	3.34
2.	Pushpa Garg	44046	2.94
3.	General Insurance Corp. of India	37125	2.48
4.	Oriental Fire & General Insurance Co.Ltd	30120	2.01
5.	New India Assurance Co. Ltd	27585	1.84
6.	National Insurance Co. Ltd	27585	1.84
7.	United India Insurance Company Ltd.	27585	1.84
8.	The Sicom Limited,	21950	1.47
9.	Shrikant Gopaldas Mantri	11146	0.74
10.	Damodarlal Singi	10150	0.68

Sr. No.	Shareholder's Name	Shareholding at the end of the year	
		No. of shares	% of total shares of the company
1.	Purushottam Damodarlal Singi	50000	3.34
2.	Pushpa Garg	44046	2.94
3.	General Insurance Corp. of India	37125	2.48
4.	Oriental Fire & General Insurance Co.Ltd	30120	2.01
5.	New India Assurance Co. Ltd	27585	1.84
6.	National Insurance Co. Ltd	27585	1.84
7.	United India Insurance Company Ltd.	27585	1.84
8.	The Sicom Limited,	21950	1.47
9.	Shrikant Gopaldas Mantri	11146	0.74
10.	Damodarlal Singi	10150	0.68

### (v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	BHAGAT SINGH DUGAR	212140	14.18	211597	14.14
2.	RAHUL DUGAR	95250	6.37	95250	6.37



## JAINEX AAMCOL LIMITED ANNUAL REPORT 2015-16

### 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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount				
- Term Loans	588.23	-	-	588.23
- Vehicle Loans	-	-	-	-
- Working Capital Facilities	250.87	-	-	250.87
- Unsecured Loans	-	267.94	-	267.94
ii) Interest due but not paid	7.18	-	-	7.18
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>846.28</b>	<b>267.94</b>	<b>-</b>	<b>1114.22</b>
Change in Indebtedness during the financial year				
<b>Addition</b>				
- Vehicle Loans	-	-	-	-
- Working Capital Facilities	4.80	-	-	-
- Interest accrued but not due	15.91	-	-	-
<b>Reduction</b>				
- Term Loans	69.33	-	-	-
- Vehicle Loans	-	-	-	-
- Working Capital Facilities	-	-	-	-
Unsecured Loans	-	-	-	-
Interest due but not paid	-	-	-	-
<b>Net Change</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Indebtedness at the end of the financial year</b>				
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	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>797.66</b>	<b>267.94</b>	<b>-</b>	<b>1042.51</b>

**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
		MZ KOTHARI	KUNALBAFNA	
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	1683998	540000	2223998
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	-as % of profit	-	-	-
	-others, specify	-	-	-
5.	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>1683998</b>	<b>540000</b>	<b>2223998</b>
	Ceiling as per the Act			

**B. Remuneration to other Directors:**

Sr. No.	Particulars of Remuneration	Name of Directors						Amount
	1. Independent Directors	-	-	-	-	-	-	-
	Fee for attending Board / Committee Meetings							
	Commission	-	-	-	-	-	-	-
	Others, please specify							
	<b>Total (1)</b>	-	-	-	-	-	-	-
	2. Other Non-Executive Directors	-	-	-	-	-	-	-
	Fee for attending Board / Committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	-	-	-	-	-	-	-
	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	-	-	-	-
	<b>Total (A)</b>	-	-	-	-
	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  
JAINEX AAMCOL LIMITED**

Date: 31<sup>st</sup> August, 2016

Place: Mumbai

**RAHUL DUGAR  
DIRECTOR  
(DIN: 00013704)**

**MOHANLAL ZUMBARLAL KOTHARI  
MANAGING DIRECTOR  
(DIN: 01486305)**

**ANNEXURES "B" TO THE DIRECTORS' REPORT**

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

**I. CONSERVATION OF ENERGY**

The Company has taken all possible steps and measures to conserve energy. In relation to conservation of energy, the Company has also formulated and implemented necessary ideas, methods and actions to make optimum utilization of resources.

**II. PARTICULARS AS PER FORM B**

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

1. Specific areas in which R & D is carried out by the Company - The R & D efforts of the Company are directed towards quality control, improvement of existing products and development of allied products.
2. Benefits derived as a result of the above R & D- Improvement in the product quality and import substitution.
3. The company has developed the manufacture of spline gauges and dry cutting hobs and are examining various measures for improvement of productivity and reduction of costs.
4. Expenditure on R & D - The R & D efforts are totally integrated with the manufacturing activities including development of new products. As such R & D expenses cannot be segregated.

**B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATIONS.**

**1. Efforts**

The company had originally started manufacturing Hobs in collaboration with Messer. KlingelInberg 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.

**2. Benefits**

The company has been in a position to cater to the requirements of customers both Indian and Foreign origin.

3. Particulars of Technology imported during the last 5 years.

The company has not imported any technology during last 5 years. The earlier technical collaboration expired in 1981. There is no technical collaboration with any party at present.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

**(a) TOTAL FOREIGN EXCHANGE EARNED & EXPENDED:**

**(AMOUNT IN LACS)**

<b>Sr. No</b>	<b>PARTICULARS</b>	<b>2015-2016</b>
1.	CIF Value of Imports	9.29
2.	Expenditure in Foreign Currency	2.16
3.	Foreign Exchange earned	182.28

Place: Mumbai

Date: 31<sup>st</sup> August 2016

**MOHANLAL ZUMBARLAL KOTHARI**  
**CHAIRMAN AND MANAGING DIRECTOR**  
**(DIN: 01486305)**

**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, 2016**

To,  
The Members,  
Jainex Aamcol Limited  
405 & 406, Sharda Chambers,  
15, Sir Vitthalidas Thackersey Marg,  
New Marine Lines, Mumbai - 400 020.

Dear Sir,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **M/s. 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, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder for specified sections notified and came into effect from 12th September, 2013 and sections and Rules notified and came into effect from 1st April, 2014;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment (not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Regulations, 2009, and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October 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 laws of the following:

- a. Secretarial Standards issued by The Institute of Company Secretaries of India; 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, Old Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. The Company has not submitted Limited Review Report for the quarter ended 31<sup>st</sup> March, 2015 and 30<sup>th</sup> June, 2015 as required under Clause 41 of the Listing Agreement.
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 Listing Agreement.
3. There is no pending litigation and claims other than reported in the Balance Sheet by way of Contingent Liability.

### **We further report that:**

The Board of Directors of the Company is 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 my letter of even date which is annexed as Annexure I and form an integral part of this report.

Date:- 31<sup>st</sup> August, 2016  
Place :- Mumbai

Kavita Raju Joshi  
Company Secretaries  
COP No. 8893



**Annexure 1**

To,  
The Members,  
Jainex Aamcol Limited  
405 15 Sir Vitthalaldas Thackersey Marg,  
& 406, Sharda Chambers,  
New Marine Lines (E)  
Mumbai - 400002.

Our report of even date is to 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 my 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:- 31<sup>st</sup> August, 2016  
Place :- Mumbai

Kavita Raju 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 2015-16)**

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;	Mr. M Z Kothari – Rs.1683998/-p.a Ratio to median remuneration - 9.61 : 1 Mr. Kunal Bafna - Whole Time Director / Chief Financial Officer - Rs. 540000/- p.a Ratio to median remuneration - 3.08 : 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 Remuneration to Whole Time Director/ CFO is increase by Rs 10000/- p.m i.e increase of 28.50%.
3	The percentage increase in the median remuneration of Employees in the financial; year	As on 31-03-2015 100 permanent staff /worker monthly salary of Rs 1635065/-, Average Rs 16350/- As on 31-03-2016 101 permanent staff /worker monthly salary of Rs 1642336/-, Average Rs. 16261/-. There was decrease of Rs. 89/- i.e. 0.54%.
4	The number of Permanent Employees on the rolls of the Company;	As on 31-3-2016 there are 101 Employees permanent on the roll of the Company.
5	The explanation on the relationship between average increase in remuneration and Company performance;	Nominal increase in line with inflation.
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	Remuneration is below the norms of the similar industry.

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2015-16

7	Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last Public offer in case of Listed Companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	No public offer other than first issue price.  On 31-3-15 Rs 58.45  On 31-3-16 Rs 32.00
8	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 6.00% on an average While Managing director's remuneration there is no increase in the period during review. However WTD – CFO 's remuneration is increased by Rs. 10000/- p.m.i.e.28.50% increase
9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company;	No increase in Financial Year 2015-2016
10	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.
11	The ratio of the remuneration of each Key Managerial Personnel to the Profit After Tax of the Company;	Since the Company has incurred loss for the financial year under review, the ratio is not workable
12	The ratio of the remuneration of the highest paid Directors to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and	No employee is getting salary higher then highest paid director
13	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.





**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, 2016**, 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.

**AUDITOR'S 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 31<sup>st</sup> March, 2016, 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 Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the Directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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.

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

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

**Place : Mumbai**  
**Dated : 30<sup>th</sup> May, 2016**

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')**

=====

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 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 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, 2016 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 31<sup>st</sup> March, 2016 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 31<sup>st</sup> March, 2016 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)

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2015-16

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, 2016 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
	Financial year	Due Date	Loan Type		
1.	2016	31.01.2016	Term Loan 15	0.97	More than two months
		29.02.2016		5.00	More than one Month
		31.03.2016		5.00	Less than one Month
		<b>Total (1)</b>		<b>10.97</b>	
2.	2016	31.01.2016	Term Loan 14	5.85	More than two months
		<b>Total (2)</b>	<b>5.85</b>		
3.	2016	31.12.2015	Corporate Loan	2.92	More than three months
		31.01.2016		5.00	More than two months
		29.02.2016		5.00	More than one Month
		30.03.2016		5.00	Less than one Month
		<b>Total (3)</b>		<b>17.92</b>	
		<b>Total 1 to 3)</b>	<b>34.74</b>		

**(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 and hence provisions of Section 192 of the Act are not applicable.

**(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.

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

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

**Place : Mumbai**  
**Dated: 30<sup>th</sup> May, 2016**

**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, 2016 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, 2016, 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 :30<sup>th</sup> May, 2016**

# JAINEX AAMCOL LIMITED ANNUAL REPORT 2015-16

## Balance Sheet as at 31st March 2016

Sr. No	Particulars	Note No.	As at 31.03.2016 ₹	As at 31.03.2015 ₹
<b>I.</b>	<b><u>EQUITY AND LIABILITIES</u></b>			
(1)	<b>Shareholder's Funds</b>			
	(a) Share Capital	2	14993940	14993940
	(b) Reserves and Surplus	3	23323232	31371768
			<b>38317172</b>	<b>46365708</b>
(2)	<b>Non-Current Liabilities</b>			
	(a) Long-Term Borrowings	4	64508685	71492212
	(b) Long-Term Provisions		389897	389897
			<b>64898582</b>	<b>71882109</b>
(3)	<b>Current Liabilities</b>			
	(a) Short-Term Borrowings	5	25567147	25087219
	(b) Trade Payables	6	12836886	15920467
	(c) Other Current Liabilities	7	18686780	17258806
	(d) Short-Term Provisions	8	4053622	4178123
			<b>61144435</b>	<b>62444615</b>
	<b>Total</b>		<b>164360189</b>	<b>180692432</b>
<b>II.</b>	<b><u>ASSETS</u></b>			
(1)	<b>Non-Current Assets</b>			
	(a) <b>Fixed Assets</b>			
	(i) Tangible Assets	9	102832164	116462832
	(ii) Intangible Assets		504898	696179
			<b>103337062</b>	<b>117159011</b>
	(b) Long Term Loans and Advances	10	2481535	2138674
	(c) Other Non-Current Assets	11	141498	282996
	(d) Deferred Tax Assests (Net)	12	1825662	777509
			<b>4448695</b>	<b>3199179</b>
(2)	<b>Current Assets</b>			
	(a) Inventories	13	17603516	22817324
	(b) Trade Receivables	14	33473121	32045270
	(c) Cash and Cash Equivalents	15	4255665	3484984
	(d) Short-Term Loans and Advances	16	1210076	1953811
	(e) Other Current Assets	17	32054	32853
			<b>56574432</b>	<b>60334242</b>
	<b>Total</b>		<b>164360189</b>	<b>180692432</b>

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)
(Rahul Dugar)  
 Managing Director                      Director

(R.A.SINGH)  
 PROPRIETOR  
 Membership No. : 014098  
 Firm Reg. No.: 110271W  
 Place :- Mumbai  
 Dated :- 30th May, 2016

(Kunal Bafna)  
 Whole Time Director and CFO

# JAINEX AAMCOL LIMITED ANNUAL REPORT 2015-16

## Statement of Profit and Loss for the Year ended on 31st March, 2016

Sr. No	Particulars	Note No.	FY 2015-2016 ₹	FY 2014-2015 ₹
I	Revenue from Operations	18	130187814	141183541
II	Other Income	19	1816310	1307242
III	<b>Total Revenue</b>		<b>132004124</b>	142490783
IV	<b>Expenses:</b>			
	Cost of Raw Materials Consumed	20(A)	26794258	30847616
	Changes in inventories of finished goods & work-in-progress	20(B)	1574225	810438
	Employee Benefit Expense	21	36193341	36934228
	Financial Costs	22	12858544	13610592
	Depreciation and Amortization Expense	23	12351538	13732870
	Other Expenses	24	47236198	50255686
	<b>Total Expenses</b>		<b>137008104</b>	146191430
V	Profit before extraordinary items and tax		<b>(5003980)</b>	(3700647)
VI	Extraordinary items (net)		<b>0</b>	0
VII	Profit before tax		<b>(5003980)</b>	(3700647)
VIII	<b>Tax Expense:</b>			
	(1) Current Tax		<b>0</b>	0
	(2) Deferred Tax Credit(-)/Debit(+)		<b>(1048154)</b>	(579543)
			<b>(1048154)</b>	(579543)
IX	Profit for the year		<b>(3955826)</b>	(3121104)
X	<b>Earning per equity share:</b>			
	Basic & Diluted		<b>(2.64)</b>	(2.09)

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, 2016

(Kunal Bafna)  
Whole Time Director and CFO

# JAINEX AAMCOL LIMITED ANNUAL REPORT 2015-16

## Cash Flow Statement for the year ended 31 March, 2016

Sr. No.	Particulars	FY 2015-2016 ₹	FY 2014-2015 ₹
<b>A. Cash flow from operating activities</b>			
1	Net Profit / (Loss) before extraordinary items and tax	(5003980)	(3700647)
	<u>Adjustments for:</u>		
	Depreciation and amortisation	12210040	13591371
	Amortisation of share issue expenses and discount on shares	141498	141499
	Finance costs	12858544	13610592
	Interest income	(377502)	(304611)
2	Operating profit / (loss) before working capital changes	19828600	23338204
	<u>Changes in working capital:</u>		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	(5213808)	(4076644)
	Trade receivables	1427851	4957398
	Short-term loans and advances	(743735)	(4943430)
	Long-term loans and advances	342861	(36700)
	Other current assets	(799)	(444210)
		(4187630)	(4543585)
	<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
	Trade payables	(3083581)	(2392049)
	Other current liabilities	1427974	(4513872)
	Short-term provisions	(124501)	(3304058)
	Long-term provisions	0	0
		(1780108)	(10209979)
	Cash flow from extraordinary items	0	0
	Cash generated from operations	(2407522)	5666394
	Net income tax (paid) / refunds	0	0
3	<b>Net cash flow from / (used in) operating activities (A)</b>	<b>22236122</b>	<b>17671810</b>
<b>B. Cash flow from investing activities</b>			
	Capital expenditure on fixed assets, including capital advances	(2480801)	(1697746)
	Proceeds from sale of fixed assets	0	8000
	Interest received	377502	304611
	Cash flow from extraordinary items	0	0
	<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(2103299)</b>	<b>(1385135)</b>

# JAINEX AAMCOL LIMITED ANNUAL REPORT 2015-16

## Cash Flow Statement for the year ended 31 March, 2016

Sr. No.	Particulars	FY 2015-2016 ₹	FY 2014-2015 ₹
<b>C.</b>	<b>Cash flow from financing activities</b>		
	Proceeds from long-term borrowings	(6983527)	(2701118)
	Net increase / (decrease) in working capital borrowings	479928	(252373)
	Proceeds from other short-term borrowings	0	(5145012)
	Finance cost	(12858544)	(13610592)
	<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(19362143)</b>	<b>(21709095)</b>
	<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>770680</b>	<b>(5422420)</b>
	Cash and cash equivalents at the beginning of the year	3484984	4262390
	<b>Cash and cash equivalents at the end of the year (Refer Note 15)</b>	<b>4255664</b>	<b>(1160030)</b>
	<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 15)	4255665	3484984	
* Comprises:			
a) Cash on hand	86379	48633	
b) Balances with banks			
(i) In current accounts	1146133	499557	
(ii) In earmarked accounts	3023153	2936794	
	<b>4255665</b>	<b>3484984</b>	
<b>Notes:</b>			
(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**

**(R.A.SINGH)**  
**PROPRIETOR**

Membership No. : 014098

Firm Reg. No.: 110271W

Place :- Mumbai

Dated :- 30th May, 2016

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

\_\_\_\_\_  
**(Rahul Dugar)**  
**Director**

\_\_\_\_\_  
**(Kunal Bafna)**  
**Whole Time Director and CFO**

**NOTES FORMING PART OF THE ACCOUNTS**

SR. NO	PARTICULARS
1	<b><u>SIGNIFICANT ACCOUNTING POLICIES</u></b>
1.1	<p><b><u>ACCOUNTING CONVENTION</u></b>                      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 are not applicable during the year to the company.</p>
1.2	<p><b><u>USE OF ESTIMATES</u></b>                      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><b><u>REVENUE RECOGNITION (AS - 9)</u></b>   <b><u>Sale of goods</u></b>                      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><b><u>MISCELLANEOUS EXPENDITURE</u></b>                      Expenses related to increase in authorized share capital and issue thereunder are amortized over a period of five years.</p>
1.5	<p><b><u>INVENTORIES VALUATION (AS - 2)</u></b>                      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</p>

**NOTES FORMING PART OF THE ACCOUNTS**

<b>SR. NO</b>	<b>PARTICULARS</b>
	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.
<b>1.6</b>	<b><u>CASH FLOW STATEMENT (AS - 3)</u></b> Cash Flow Statement is prepared under “Indirect Method”.
<b>1.7</b>	<b><u>CHANGE IN ACCOUNTING POLICIES (AS - 5)</u></b> There is no change in accounting policy during the year save and except the transfer of Revaluation Reserve Account as mentioned in para 1.9 (iv).
<b>1.8</b>	<b><u>DEPRECIATION (AS - 6)</u></b>
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.
d)	Depereciation on revalued portion of fixed assets has been fully adjusted against Revaluation Reserve Account and the balance in Revaluation Reserve Account after adjustment of full impact of revalued portion; has been transferred to Profit & Loss Account.
<b>1.9</b>	<b><u>TANGIBLE/INTANGIBLE FIXED ASSETS (AS-10) AND REVALUATION RESERVE</u></b> The Fixed Assets comprising Leasehold land, Building and Plant and Machinery of the company at Chikalthana Industrial Area, Aurangabad was revalued on <b>01.04.1998</b> and depreciation and amortisation charges on revalued portion from FY 1998 to FY 2015

**NOTES FORMING PART OF THE ACCOUNTS**

SR. NO	PARTICULARS
	were adjusted by debit to revaluation reserve account. During the year, the company has 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 has been transferred to profit and loss account.
i)	95 years Leasehold Land from MIDC in Chikalthana Industrial Area, Aurangabad was revalued on 01.04.1998 at Rs. <b>51,60,000</b> (revalued portion only whose cost of acquisition was <b>NIL</b> ) and thereafter, over the years, the same was amortised against the revaluation reserve until FY 2014 amounting to Rs. <b>12,53,141</b> and the balance amount of Rs. <b>39,06,859</b> has been adjusted fully against revaluation reserve account during the year under audit and thus the revalued cost portion of lease hold land has been fully adjusted and stands at NIL value in the Balance Sheet.
ii)	Factory and Office Building on Leasehold Land at MIDC in Chikalthana Industrial Area, Aurangabad was also revalued on 01.04.1998 at Rs. <b>37,17,012</b> and thereafter over the years, the impact of depreciation on factory and office building on revalued portion amounting to Rs. <b>35,31,161</b> was adjusted against the revaluation reserve until FY 2014 and the balance amount of Rs. <b>1,85,851</b> has been adjusted fully against revaluation reserve during the year under audit.
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. <b>2,50,44,460</b> and thereafter over the years, the impact of depreciation on plant and machinery on revalued portion amounting to Rs. <b>2,50,44,460</b> was adjusted against the revaluation reserve until FY 2014 <b>leaving no balance</b> after above adjustment.
iv)	The residual balance in revaluation reserve account of Rs. <b>16,18,705</b> has been transferred to profit and loss account during the year under audit.



**NOTES FORMING PART OF THE ACCOUNTS**

SR. NO	PARTICULARS
<b>1.10</b>	<b><u>TRANSACTION OF FOREIGN CURRENCY ITEMS (AS - 11)</u></b>
a)	Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction.
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.
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.
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.
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.
<b>1.11</b>	<b><u>EMPLOYEE BENEFITS (AS - 15 Revised)</u></b>
a)	<b><u>Defined Contribution Plan</u></b> 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.
b)	<b><u>Defined benefit plan/ Long Term Compensated Absences.</u></b> The company's Employees Gratuity Fund Scheme managed by the LIC of India is a defined plan. The present value of obligation

**NOTES FORMING PART OF THE ACCOUNTS**

<b>SR. NO</b>	<b>PARTICULARS</b>
	<p>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>
<b>c)</b>	<p><b><u>Compensated Absences</u></b>                      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 seperately.</p>
<b>1.12</b>	<p><b><u>BORROWING COST (AS-16)</u></b>                      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>
<b>1.13</b>	<p><b><u>LEASES (AS-19)</u></b>                      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 revaluatuion reserve created in the accounts. During the year, 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) at MIDC, Aurangabad is continuing on annual rent as charged by MIDC.</p>

**NOTES FORMING PART OF THE ACCOUNTS**

SR. NO	PARTICULARS
<b>1.14</b>	<b><u>TAXES ON INCOME (AS - 22)</u></b>
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.
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.
<b>1.15</b>	<b><u>DISCONTINUING OPERATIONS (AS - 24)</u></b>
	The Company has not discontinued any operations during the year.
<b>1.16</b>	<b><u>IMPAIRMENT OF ASSETS (AS-28)</u></b>
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.
<b>1.17</b>	<b><u>PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (AS-29)</u></b>
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.
<b>1.18</b>	<b><u>BUSINESS SEGMENT</u></b>
	The company operates in a business segment viz. Gear Cutting, Special Cutting Tools and Spline Gauges and is considered single segment operations.
<b>1.19</b>	<b><u>EARNINGS PER SHARE (AS - 20)</u></b>
	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.

**NOTES FORMING PARTS OF THE FINANCIAL STATEMENTS**

**NOTES FORMING PART OF THE ACCOUNTS**

Sr. No	Particulars	As at 31.03.2016 ₹	As at 31.03.2015 ₹
a)	<b><u>NOTE NO: 2 SHARE CAPITAL</u></b> <b>Authorised</b> 30,00,000 (30,00,000) Equity Shares of Rs. 10/- each.	<b>30000000</b>	30000000
	b)	<b><u>Issued, Subscribed &amp; Paid up</u></b> 14,96,338 (14,96,338) Equity Shares of Rs. 10/- each fully paid up	<b>14963380</b>
Less :Calls in Arrears from others		<b>3595</b>	3595
		<b>14959785</b>	14959785
Add : <u>Forfeited Shares</u> 13,662 (13,662) Shares of Rs. 2.50/- each		<b>34155</b>	34155
		<b>14993940</b>	14993940
c)	<b><u>Reconciliation of number of shares</u></b> Shares at the beginning of the year	<b>1496338</b>	1496338
	Add :- Shares issued during the year	<b>0</b>	0
	Less :- Buy back of shares/Reduction in share capital	<b>0</b>	0
	Outstanding shares at the year end	<b>1496338</b>	1496338
d)	Shares held by each shareholder holding more than 5% of the shares		

	31.03.2016		31.03.2015	
	Nos. of Shares	% of holding	Nos. of Shares	% of holding
1 Jainex Foods Private Ltd	<b>577956</b>	<b>38.62%</b>	577956	38.62%
2 Bhagat Singh Dugar	<b>211597</b>	<b>14.14%</b>	212140	14.18%
3 Rahul Bhagat Dugar	<b>95250</b>	<b>6.37%</b>	95250	6.37%
	<b>885506</b>	<b>59.13%</b>	885506	59.17%

**NOTES FORMING PART OF THE ACCOUNTS**

SR. NO	PARTICULARS	As at 31.03.2016 ₹	As at 31.03.2015 ₹
	<b><u>NOTE NO: 2 SHARE CAPITAL</u></b>		
e)	<b><u>Following details during the period from 01.04.2011 to 31.03.2016</u></b>		
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
	<b><u>NOTE NO: 3 RESERVE &amp; SURPLUS</u></b>		
a)	<b><u>Capital Reserve</u></b> As per last Balance Sheet	1500000	1500000
b)	<b><u>Capital Redemption Reserve</u></b> As per last Balance Sheet	3897400	3897400
c)	<b><u>Share Premium Account (on Preferential Allotment) - in FY 13</u></b>	24000000	24000000
d)	<b><u>Revaluation Reserve</u></b> As per last Balance Sheet	5711415	5711415
	Less : Adjustment for balance of revalued portion of fixed assets viz. Leasehold land and Factory & office Building	4092710	0
		1618705	5711415
	Less: Balance transferred to Profit and Loss Account (no longer required)	1618705	0
	Closing Balance	0	5711415

**NOTES FORMING PART OF THE ACCOUNTS**

SR. NO	PARTICULARS	As at 31.03.2016 ₹	As at 31.03.2015 ₹
e)	<b>Surplus - Profit &amp; Loss account</b>		
	As per last Balance Sheet	<b>(3737047)</b>	(615943)
	Add : Net Profit/(Net Loss) for the current year	<b>(3955826)</b>	(3121104)
	Add : Transfer from Revaluation Reserve Account (as per contra)	<b>1618705</b>	0
	Closing Balance	<b>(6074168)</b>	(3737047)
		<b>23323232</b>	31371768
	<b>NOTE NO:4 LONG TERM BORROWINGS (Secured)</b>		
	<b>From Bank of India, Mumbai</b>		
a	Rupee Term Loans - (including interest accrued & due)	<b>24680986</b>	29577740
b	Corporate Loan - (including interest accrued & due)	<b>29518033</b>	29963135
		<b>54199019</b>	59540875
	Less : Shown under other current liabilities Note No. 8	<b>16484734</b>	14843063
		<b>37714285</b>	44697812
	<b>(Unsecured)</b>		
c	Loans & Advances from related parties	<b>26794400</b>	26794400
		<b>26794400</b>	26794400
	Total (a to c)	<b>64508685</b>	71492212

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

TLs	Nature of Security	Terms of Repayments
IV 10	Term Loan of ₹0.30 Lacs (Previous Year ₹ 69.88 Lacs)	Repayable in 24 Quarterly Instalments starting from 31.03.11. Last Instalment due on 31.03.16.
VI 14	Term Loan of ₹56.90 Lacs (Previous year ₹55.83 Lacs )	Repayable in 24 Quarterly Instalments starting from 31.03.12. Last Instalment due on 31.12.17.
VII 15	Term Loan of ₹189.61 Lacs (Previous Year Term Loan of ₹ 170.06 Lacs.)	Repayable in 24 Quarterly Instalments starting from 31.03.13. Last Instalment due on 31.12.18.

**NOTES FORMING PART OF THE ACCOUNTS**

<b>TLs</b>	<b>Nature of Security</b>	<b>Terms of Repayments</b>
VIII 3	Corporate Loan of 15 295.18 Lacs (Previous Year Loan of 15 299.63. Lacs.)	Repayable in 60 Monthly Instalments starting from 31.10.15. 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 13.85% p.a. (previous year 14.35% p.a.) as modified by Bank from time to time.

<b>SR. NO</b>	<b>PARTICULARS</b>	<b>As at 31.03.2016 ₹</b>	<b>As at 31.03.2015 ₹</b>
1	<b>NOTE NO: 5 SHORT TERM BORROWINGS</b> <b>Secured</b> <b>Loans repayable on demand</b> <b>From Bank of India</b>		
a	Cash Credit Account	<b>22833127</b>	23563885
b	Packing Credit Account	<b>2228367</b>	1523334
c	Acceptances under ILCs	<b>505653</b>	0
		<b>25567147</b>	25087219
	(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.		
		<b>25567147</b>	25087219

**NOTES FORMING PART OF THE ACCOUNTS**

SR. NO	PARTICULARS	As at 31.03.2016 ₹	As at 31.03.2015 ₹
	<b><u>NOTE NO: 6 TRADE PAYABLES</u></b>		
	<u>Other than Acceptances</u>		
a)	For Materials/Goods	<b>8590184</b>	11336565
b)	For Expenses	<b>4246702</b>	4583902
		<b>12836886</b>	15920467
	Sundry Creditors due to Micro and SMEs exceeding Rs. 1 lakh.	<b>N.A.</b>	<b>N.A.</b>
	<b><u>NOTE NO: 7 OTHER CURRENT LIABILITIES</u></b>		
	<u>Current maturities of long-term debt (Secured)</u>		
	<b><u>From Bank of India</u></b>		
a	Term Loans and corporate loan	<b>14175000</b>	14125026
b	Interest accrued and due on term loans	<b>1583515</b>	354902
c	Interest accrued and due on corporate loan	<b>726219</b>	363135
	Refer Note No: -4- Long Term Borrowings for details of securities.	<b>16484734</b>	14843063
	<b><u>Others Payables</u></b>		
c	Statutory dues	<b>1507507</b>	1795786
d	Advance/ credit balance of Customers	<b>694539</b>	619957
		<b>18686780</b>	17258806
	<b><u>NOTE NO: 8 SHORT TERM PROVISIONS</u></b>		
a	<b><u>Provision for Employee Benefits</u></b>		
1	Salary & Reimbursements	<b>2976121</b>	3167952
2	Contribution to PF	<b>145843</b>	155900
3	Leave Encashment	<b>931658</b>	854271
		<b>4053622</b>	4178123
b	<b><u>Provision for Taxation</u></b>		
1	Income Tax	<b>0</b>	0
		<b>4053622</b>	4178123



**NOTE No. - 9 - FIXED ASSETS**

(Amt in ₹)

Sr. No	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		Value as at 01.04.2015	Additions	Deductions	As at 31.03.2016	Upto 31.03.2015	For the year	Deductions	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
<b>I</b>	<b>Tangible Assets</b>										
A.	Leasehold Land (Revaluation impact/portion only)*	5338777	0	5160000	178777	1431918	0	1253141	178777	0	3906859
B.	Factory & Office Building*	8732191	0	3717012	5015179	5648999	120299	3531161	2238137	2777042	3083192
C.	Plant and Equipment	224303583	2357949	0	226661532	118491046	10666813	0	129157859	97503673	105812537
D.	Office Equipment	1130370	47634	0	1178004	887331	83582	0	970913	207091	243039
E.	Furnitures & Fixtures	5816505	0	0	5816505	3648580	836066	0	4484646	1331859	2167925
F.	Vehicles	1184921	0	0	1184921	899541	56609	0	956150	228771	285380
G.	Computer	10491221	6300	0	10497521	9527321	186472	0	9713793	783728	963900
	<b>SUB TOTAL (I)</b>	256997568	2411883	8877012	250532439	140534736	11949841	4784302	147700275	102832164	116462832
<b>II.</b>	<b>Intangible Assets</b>										
1	Computer Software	1439497	68918	0	1508415	743318	260199	0	1003517	504898	696179
	<b>SUB TOTAL (II)</b>	1439497	68918	0	1508415	743318	260199	0	1003517	504898	696179
	<b>Total [I+II] (Current Year)</b>	258437065	2480801	8877012	252040854	141278054	12210040	4784302	148703792	103337062	117159011
	<b>(Previous Year)</b>	256747319	1697746	8000	258437065	127686683	13591371	0	141278054	117159011	13983937

**NOTES FORMING PART OF THE ACCOUNTS**

SR. NO	PARTICULARS	As at 31.03.2016 ₹	As at 31.03.2015 ₹
	<b><u>NOTE No: 10 LONG TERM LOANS AND ADVANCES</u></b>		
a	<b><u>Security Deposits</u></b>		
	Un-secured, considered good	890611	547750
b	Deposit for Custom's Appeal - Capital item	200500	200500
c	MAT Credit Entitlements	1390424	1390424
		<b>2481535</b>	2138674
	<b><u>NOTE NO: 11 OTHER NON CURRENT ASSETS</u></b>		
	Pre-liminary Expenses	141498	282996
	<b><u>NOTE NO: 12 DEFERRED TAX ASSETS</u></b>		
	<u>Tax effect on items constituting deferred tax liability</u>		
a)	On difference between book balance and tax balance of fixed assets.	14039834	14323975
b)	<u>Tax effect on items constituting deferred tax assets</u>		
	Leave Encashment	287882	263970
	Preliminary Expenses	43723	87446
	Interest on Term Loan	704427	116492
	Excise Duty Payable	0	99865
	Unabsorbed Depreciation	14829464	14533711
		<b>15865496</b>	15101484
	<b>Net deferred tax assets (a-b)</b>	<b>1825662</b>	777509
	<b><u>NOTE NO: 13 INVENTORIES</u></b>		
a	<u>Raw Materials</u>	7214444	9812542
	Goods in Transit	0	0
		<b>7214444</b>	9812542
b	Work-in-Progress	2537057	3374121
c	<u>Finished Goods</u>		
	Internally Manufactured	5026932	5407333
d	Stores & Spares	1585678	2115750
e	Loose Tools	549249	489547
f	Machines Spares	0	0
g	Spindle, Gear, Diamond Disc	571116	1142231
h	Scraps	119040	475800
		<b>17603516</b>	22817324

NOTES FORMING PART OF THE ACCOUNTS

SR. NO	PARTICULARS	As at 31.03.2016 ₹	As at 31.03.2015 ₹
	<b>NOTE NO: 14 TRADE RECEIVABLES</b>		
a	Outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	5750662	2732703
	Unsecured, considered doubtful	0	0
		<b>5750662</b>	2732703
b	Outstanding for a period less than six months from the date they are due for payment		
	Unsecured, considered good	27722459	29312567
	Unsecured, considered doubtful		0
		<b>27722459</b>	29312567
		<b>33473121</b>	32045270
	<b>NOTE NO: 15 CASH AND CASH EQUIVALENTS</b>		
	<b>Cash and Cash Equivalent</b>		
i	Cash on Hand	86379	48633
ii	Balances with Banks		
	In Current Accounts	1146133	499557
iii	Other Bank Balances		
	In TDR Accounts		
	held as margin against BG and LCs	3023153	2936794
		<b>4255665</b>	3484984
	<b>NOTE NO: 16 SHORT TERM LOANS AND ADVANCES</b>		
a	Loans and advances to Employees	152706	47842
b	Prepaid Expenses	233979	269264
c	Balances with Govt Authorities		
	Balance with Excise Authorities	338561	189598
	Balance with Income Tax Authorities	132285	222402
		<b>470846</b>	412000
d	Other loans and advances	352545	1224705
		<b>352545</b>	1224705
		<b>1210076</b>	1953811

**NOTES FORMING PART OF THE ACCOUNTS**

SR. NO	PARTICULARS	As at 31.03.2016 ₹	As at 31.03.2015 ₹
	<b>NOTE NO:17 OTHER CURRENT ASSETS</b>		
	Interest Accrued on MSEB Deposit	32054	32853
		<b>32054</b>	<b>32853</b>
	<b>NOTE NO: 18 REVENUE FROM OPERATIONS</b>		
a)	<b>SALES</b>		
	Gear Hobs	79232391	94833190
	Milling Cutters	20869059	14987723
	Spline Gauges	13382319	14622495
		<b>113483769</b>	<b>124443408</b>
	<u>Less : Sales Return</u>		
	Gear Hobs	959768	1408973
	Cutters	976697	735360
	Spline Gauges	321837	626814
		<b>2258302</b>	<b>2771147</b>
		<b>111225467</b>	<b>121672261</b>
	Add: Central Excise Duty & ED. Cess Collected	11511320	12032395
	<b>Gross Sales</b>	<b>122736787</b>	<b>133704656</b>
b)	<b>Other Operating Revenues</b>		
	Job Work Charges	5201068	4724297
	Add :Service Tax collected on Job Work	709570	573775
	Scrap /Misc. Sales	1540389	2180813
		<b>7451027</b>	<b>7478885</b>
	Total (a+ b) includes export of Rs.	<b>130187814</b>	<b>141183541</b>
		<b>18228202</b>	<b>23898673</b>
	<b>NOTE NO: 19 OTHER INCOME</b>		
	LBT / Octroi received	1088000	760000
	Income Tax Refund	7092	0
	Misc. Receipts/write-off(net)	(20410)	242631
	Interest Received	349377	304611
	Interest on Income Tax Refund	28125	0
	Exchange Gain on Import (net)	186103	0
	Exchange Gain on Export (net)	178023	
		<b>1816310</b>	<b>1307242</b>

**NOTES FORMING PART OF THE ACCOUNTS**

SR. NO	PARTICULARS	As at																																				
		31.03.2016 ₹	31.03.2015 ₹																																			
<b>NOTE NO: 20 COST OF RAW MATERIALS CONSUMED</b>																																						
A.	<b>Cost of Raw Material Consumed</b>																																					
	Inventory at the beginning of the year	<b>9812542</b>	12298344																																			
	Add : Purchase (net of returns, cenvat + freight & octroi)	<b>24196160</b>	28361814																																			
	Less : Inventory at the end of the year	<b>7214444</b>	9812542																																			
		<b>26794258</b>	30847616																																			
		<table border="1"> <thead> <tr> <th></th> <th>15-16</th> <th>14-15</th> <th></th> <th></th> </tr> <tr> <th>Details of Raw Material</th> <th>Qty in kgs.</th> <th>Qty in kgs.</th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>Consumption</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>a) Import</td> <td align="right">2811 12.64%</td> <td align="right">3775 14.89%</td> <td align="right">3754179 14.01%</td> <td align="right">5225714 16.94%</td> </tr> <tr> <td>c) Indigenous/ Local purchase</td> <td align="right">19435 87.36%</td> <td align="right">21579 85.11%</td> <td align="right">23040079 85.99%</td> <td align="right">25621902 83.06%</td> </tr> <tr> <td></td> <td align="right"><b>22246</b></td> <td align="right">25354</td> <td align="right"><b>26794258</b></td> <td align="right">30847616</td> </tr> <tr> <td></td> <td align="right"><b>100.00%</b></td> <td align="right">100.00%</td> <td align="right"><b>100.00%</b></td> <td align="right">100.00%</td> </tr> </tbody> </table>		15-16	14-15			Details of Raw Material	Qty in kgs.	Qty in kgs.			Consumption					a) Import	2811 12.64%	3775 14.89%	3754179 14.01%	5225714 16.94%	c) Indigenous/ Local purchase	19435 87.36%	21579 85.11%	23040079 85.99%	25621902 83.06%		<b>22246</b>	25354	<b>26794258</b>	30847616		<b>100.00%</b>	100.00%	<b>100.00%</b>	100.00%	
	15-16	14-15																																				
Details of Raw Material	Qty in kgs.	Qty in kgs.																																				
Consumption																																						
a) Import	2811 12.64%	3775 14.89%	3754179 14.01%	5225714 16.94%																																		
c) Indigenous/ Local purchase	19435 87.36%	21579 85.11%	23040079 85.99%	25621902 83.06%																																		
	<b>22246</b>	25354	<b>26794258</b>	30847616																																		
	<b>100.00%</b>	100.00%	<b>100.00%</b>	100.00%																																		
B.	<b>Changes in Inventories</b>																																					
a	<u>Inventories at the end of the year:</u>																																					
	Finished Goods	<b>5026932</b>	5407333																																			
	Work-in-Progress	<b>2537057</b>	3374121																																			
	Scrap	<b>119040</b>	475800																																			
		<b>7683029</b>	9257254																																			
b	<u>Inventories at the beginning of the year:</u>																																					
	Finished Goods	<b>5407333</b>	4750027																																			
	Work-in-Progress	<b>3374121</b>	4842540																																			
	Scrap	<b>475800</b>	475125																																			
		<b>9257254</b>	10067692																																			
	Net (Increase)/Decrease	<b>1574225</b>	810438																																			
<b>NOTE NO: 21EMPLOYEE BENEFITS EXPENSE</b>																																						
a	Salaries, Wages & Allowances	<b>32045272</b>	32351915																																			
b	Contribution to Provident and Other Funds	<b>1756948</b>	1815071																																			
c	Gratuity Fund Contribution	<b>470417</b>	467778																																			
d	Staff Welfare Expenses	<b>1920705</b>	2299464																																			
		<b>36193341</b>	36934228																																			

**NOTES FORMING PART OF THE ACCOUNTS**

SR. NO	PARTICULARS	As at 31.03.2016 ₹	As at 31.03.2015 ₹
	<b><u>NOTE NO: 22 FINANCE COST</u></b>		
a)	<b>Interest expense on:</b>		
	Borrowings from Bank (WC + TL)	12167825	12671472
	Borrowings from Others	387	3349
b)	<b>Other borrowing costs</b>	690332	935771
		<b>12858544</b>	<b>13610592</b>
	<b><u>NOTE NO: 23 DEPRECIATION AND AMORTIZATION EXPENSE</u></b>		
	Depreciation	12210040	13591371
	Preliminary Expenses W/off	141498	141499
		<b>12351538</b>	<b>13732870</b>
	<b><u>NOTE NO: 24 OTHER EXPENSES</u></b>		
a	<b><u>Manufacturing Expenses</u></b>		
	Consumption of Stores Etc	3570409	3692919
	Consumption/Write off of Tools and Spares	1708595	1834297
	Consumption of Packing Materials	643663	621842
	Excise Duty	11527223	12056588
	Service Tax	714894	706266
	Increase /(decrease) of Excise Duty on Finished Goods	(42267)	78295
	Labour Charges (Mfg.)	4006150	4556613
	Power and Fuel	5448367	5067928
	Repairs and Maintenance - Buildings	49863	0
	Repairs and Maintenance - Machinery	787271	1305815
		<b>28414167</b>	<b>29920563</b>
b	<b><u>Administrative &amp; Other Expenses</u></b>		
	Travelling and Conveyance	2633546	2649460
	Sales Commission	6284938	6659890
	Consignment Expenses	2392073	3038203
	Legal and Professional	3069144	2418498
	Miscellaneous Expenses	4442329	5569072
		<b>18822031</b>	<b>20335123</b>
	<b>Total (a+b)</b>	<b>47236198</b>	<b>50255686</b>

**NOTES FORMING PART OF THE ACCOUNTS**

SR. NO	PARTICULARS	As at 31.03.2016 ₹	As at 31.03.2015 ₹
	<b><u>NOTE NO: - 25 - ADDITIONAL INFORMATION</u></b>		
1	<b><u>CONTINGENT LIABILITIES AND COMMITMENTS</u></b>		
	<b><u>(To the extent not provided for)</u></b>		
a)	<b><u>Contingent Liabilities</u></b>		
	(i) Claims against the company not acknowledged as debt	0	0
	(ii) Letters of credits opend 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 (since reduced to two machines) under export obligation against which 100% margin by way of TDR (i.e. 15% of Rs. 119.49 lacs equivalent to Rs.17.92lacs 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. (Net of export obligation fulfilled in FY12, FY13, Fy14, FY 15 & FY 16, balance Export obligations of USD 10703 is to be fulfilled in the year FY -17)	316203	5365330
		<b>2386203</b>	<b>7435330</b>

**NOTES FORMING PART OF THE ACCOUNTS**

SR. NO	PARTICULARS	As at 31.03.2016 ₹	As at 31.03.2015 ₹
b)	<b>Commitments</b>		
	(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
		<b>0</b>	<b>0</b>
		<b>2386203</b>	<b>7435330</b>
2	<b>Payment to Auditors</b>		
	a) As Auditor	<b>50000</b>	50000
	b) For Tax Audit Fees	<b>15000</b>	15000
	c) For Taxation & Other Matters	<b>10000</b>	10000
	d) For Banking Matters	<b>25000</b>	25000
	e) Service Tax	<b>14500</b>	12360
		<b>114500</b>	<b>112360</b>
3	<b>CIF Value of Imports</b>		
	i. Raw Materials;	<b>0</b>	3127033
	ii. Components and Spare Parts;	<b>929452</b>	1226610
		<b>929452</b>	<b>4353643</b>
4	<b>Expenditure in Foreign Currency</b>		
	Travelling	<b>217500</b>	170242
5	<b>Earning in Foreign Exchange</b>		
	Export of goods calculated on FOB basis	<b>18228202</b>	23898673
6	Basic & Diluted Earning Per Share (EPS) computed in accordance with Accounting Standard (AS) 20 "Earning Per Share": (In Rupees)		
	Profit after Tax	<b>(3955826)</b>	(3121104)
	Number of shares fully paid up (net of forfeiture)	<b>1496338</b>	1496338
	Basic & Diluted EPS	<b>(2.64)</b>	(2.09)



**NOTES FORMING PART OF THE ACCOUNTS**

<b>SR. NO</b>	<b>PARTICULARS</b>	<b>As at 31.03.2016 ₹</b>	<b>As at 31.03.2015 ₹</b>
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	<b>501943</b>	686835
	Employers Contribution to state governed Pension Schemes	<b>1075961</b>	928725
	Employers Contribution to state governed Employees State Insurance	<b>422499</b>	784075
		<b>2000403</b>	2399635

**NOTES FORMING PART OF THE ACCOUNTS**

SR. NO	PARTICULARS
b)	<p><b><u>Defined benefit plan/ Long Term Compensated Absences.</u></b>                      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><b><u>Compensated Absences</u></b>                      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 seperately.</p>
8	<p><b><u>Amounts not provided for</u></b></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 dcided 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</p>

**NOTES FORMING PART OF THE ACCOUNTS**

SR. NO	PARTICULARS
	from N. K. Chatterjee for the amounts misappropriated. The amounts so misappropriated will 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	<b><u>Realisable value</u></b> 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	<b><u>Confirmation of Balances</u></b> The balances of trade receivables, trade payables, unsecured loans and loans and advances are subject to confirmation
12	<b><u>Related Party Disclosures</u></b>
a)	<b><u>Related Party and their Relationship</u></b>
	Subsidiaries : NIL
	Associates : Jainex Foods Private Limited Jainex Limited Jainex Imports & Exports Private Limited 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)
	Relatives of Key Management Personnel : NIL

# JAINEX AAMCOL LIMITED ANNUAL REPORT 2015-16

## NOTES FORMING PART OF THE ACCOUNTS

b)	Transactions with Related Party	Nature	Amount FY <b>2015-16</b>	Amount FY 2014-15
	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	<b>1600000</b>	20224000
	<u>Payments to Relatives of Director</u>	Interest	Nil	Nil
	<u>Payments to/from a Firm</u>	Interest	Nil	Nil
		Purchases	Nil	Nil
		Loans Received	<b>1600000</b>	17700000
		Loans Repaid	Nil	0
	Key Management Personnel:	Director's Salary	<b>2223998</b>	2184770
		Allowances, Rent etc.		-
	Relatives of Key Management Personnel :		Nil	Nil
c)	<b>Balances with the related parties:</b>			
	<u>Loans taken</u>			
	Jainex Foods Pvt. Ltd.		<b>7494400</b>	9094400
	Dugar Brothers & Co		<b>19300000</b>	17700000

# JAINEX AAMCOL LIMITED ANNUAL REPORT 2015-16

## NOTES FORMING PART OF THE ACCOUNTS

	Particulars	Amount FY 2015-16	Amount FY 2014-15
13	<p><b>Disclosure as required by Clause 32 of listing Agreement.</b></p> <p>Amount of Loans/Advances in nature of loans outstanding from Subsidiaries and Associates during the year</p> <p style="padding-left: 20px;">Subsidiaries:</p> <p style="padding-left: 20px;">Associates:</p> <p style="padding-left: 20px;">Key Management Personnel:</p> <p style="padding-left: 20px;">Relatives of Key Management Personnel:</p>	<p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p>	<p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p>
14	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

(R.A.SINGH)  
PROPRIETOR

Membership No. : 014098

Firm Reg. No.: 110271W

Place :- Mumbai

Dated :- 30th May, 2016

\_\_\_\_\_  
(M. Z. Kothari)  
Managing Director

\_\_\_\_\_  
(Rahul Dugar)  
Director

\_\_\_\_\_  
(Kunal Bafna)  
Whole Time Director and CFO

---

**JAINEX AAMCOL LIMITED ANNUAL REPORT 2015-16**

---

**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](http://www.jainexaamcol.com), Email Id: [accounts@jainexgroup.com](mailto: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

1. Name : \_\_\_\_\_

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

\_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him

2. Name : \_\_\_\_\_

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

\_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him

3. Name : \_\_\_\_\_

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

\_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him

---

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2015-16

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Sixty-Eighth Annual General Meeting of the Company, to be held on Friday, 30<sup>th</sup> September, 2016 at 10.00 A.M. at 1116, Dalamal Towers, 211, Nariman Point, Mumbai – 400 021; and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars of Resolution
<b>Ordinary Business:</b>	
1.	Adoption of audited Financial Statements of the Company for the Financial Year ended 31 <sup>st</sup> March, 2016 together with the Reports of the Board of Directors and the Auditors thereon.
2.	Re-appointment of Mr. Bhagat Singh Dugar as a Director retiring by rotation.
3.	Re-appointment of M/s. R.A. Singh & Associates, Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.
<b>Special Business:</b>	
4.	Re-appointment of Mr. Mohanlal Zumarlal Kothari as the Managing Director of the Company for a period of three years and to fix the remuneration payable to him.

Signed this \_\_\_\_\_ day of September, 2016

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 ANNUAL REPORT 2015-16

## 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 – EIGHTH ANNUAL GENERAL MEETING - FRIDAY, 30<sup>TH</sup> SEPTEMBER, 2016 AT 10.00 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-Eighth Annual General Meeting of the Company being held on Friday, 30<sup>th</sup> September, 2016 at 10.00 A.M. at 1116, Dalamal Towers, 211, Nariman Point, Mumbai – 400 021.

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

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

Note: Shareholder/Proxy wishinh 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

Electronic voting Sequence Number [EVSN]	USER ID	PASSWORD/PIN



**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-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

I / We hereby exercise my / our vote in respect of the following resolutions to be passed at the Sixty-Eighth Annual General Meeting (AGM) of the Company to be held on **Friday, 30<sup>th</sup> September, 2016 at 10.00 A.M.** in respect of business as stated in the Notice dated 31<sup>st</sup> August, 2016, by conveying my/our assent or dissent to the said resolutions by placing the tick (√) 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 <sup>st</sup> March, 2016 together with the Reports of the Board of Directors and the Auditors thereon.			
2.	Re-appointment of Mr. Bhagat Singh Dugar (DIN: 00013082) as a Director retiring by rotation.			
3.	Re-appointment of M/s. R.A. Singh & Associates, Chartered Accountants (Firm Registration Number 110271W) as Statutory Auditors of the Company & to fix their remuneration.			
4.	Re-appointment of Mr. Mohanlal Zumberlal Kothari as the Managing Director of the Company for a period of three years and to fix the remuneration payable to him.			

---

**Signature of the Shareholder**

**Place:**

**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 Ms. Sonal Praful Kothari, Proprietor of Sonal Kothari & Associates, Practising Company Secretaries (Membership No. ACS 24216; C.O.P No.: 8769) on or before 29<sup>th</sup> September, 2016 [5.00 p.m. IST]. No other form or photocopy thereof is permitted.
5. Ballot Forms received after 29<sup>th</sup> September, 2016 shall be strictly treated as if the reply from the members has not been received.
6. 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.
7. 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.
8. Votes should be cast in case of each resolution, either in favour or against by putting the tick (3) mark in the appropriate column provided in the Ballot Form.
9. 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 23<sup>rd</sup> September, 2016 and as per the Register of Members of the Company.
10. 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.
11. 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.
12. The decision of the Scrutinizer on the validity of a Ballot Form shall be final and binding.

***If Undelivered please return to :***

**JAINEX AAMCOL LIMITED**

405 & 406, Sharda Chambers,  
15, Sir Vitthaldas Thackersey Marg,  
New Marine Lines, Mumbai - 400 020.