

**2020**



**72<sup>nd</sup>**



**ANNUAL REPORT**

**JAINEX AAMCOL LIMITED**



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**CORPORATE INFORMATION**

**BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL**

<b>Mr. Bhagat Singh Dugar</b>	: Chariman
<b>Mr. Mohanlal Zumberlal Kothari</b>	: Managing Director
<b>Mr. Kunal Bafna</b>	: Whole Time Director & Chief Financial Officer
<b>Mr. Rahul Dugar</b>	: Director
<b>Mr. Hitesh Mulraj Papat</b>	: Non-Executive Independent Director
<b>Mr. Sunil Sampatraj Parakh</b>	: Non-Executive Independent Director
<b>Mr. Vinit Ramgopal Kejriwal</b>	: Non-Executive Independent Director
<b>Mr. Manju Jain</b>	: Non-Executive Independent Director

**STATUTORY AUDITORS**

M/s. P.M. Bhargava & Co.  
Chartered Accountants.  
Firm Registration No. 145087W

**BANKERS**

Bank of India, C. P. Tank Branch, Mumbai

**REGISTERED OFFICE:**

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

**REGISTRAR & TRANSFER AGENT**

Link Intime India Pvt. Ltd.  
C-101, 247 Park,  
L.B.S. Marg, Vikhroli (West),  
Mumbai - 400 083

# **JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20**

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## **NOTICE**

Notice is hereby given that the 72nd Annual General Meeting of the Members of Jainex Aamcol Limited will be held on Monday, December 21, 2020 at 11.00 A.M. at the registered office of the Company at 405 & 406, Sharda Chambers, 15 Sir Vitthalidas Thackersey Marg, New Marine Lines, Mumbai – 400020 to transact the following business:

### **ORDINARY BUSINESS:**

- 1) To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2020 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.

### **SPECIAL BUSINESS:**

- 3) To re-appoint Mr. Kunal Bafna (DIN: 00902536) as Whole-time Director of the Company and in this regard, to pass with or without modifications, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and 203 read with Schedule V and Rules framed there under, and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory enactment or amendment, for the time being in force), the relevant provisions of Articles of Association of the Company and subject to such other statutory approvals as may be necessary, consent of the Members of the Company be and is hereby accorded to re-appoint Mr. Kunal Bafna, (DIN: 00902536) as Whole-time Director of the Company for a period of three years w.e.f. October 8, 2019 to October 7, 2022 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 Wholetime Director in such a manner as may be agreed between the Board of Directors and Mr. Kunal Bafna.

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

- A) Gross Annual Salary:- Rs.55,000/- per month inclusive of all perquisites with liberty to the Board to increase the same as it may in its absolute discretion determine from time to time.
- B) Perquisites: In addition to the salary, the appointee shall be entitled to perquisites, allowance, benefits, facilities and amenities (collectively called

“perquisites & allowances such as Medical allowance, Leave Travel, Hospitalization and Accident insurance, Car with Driver or cash equivalent thereof for use on Company's business, Telecommunication facilities and any other perquisites as per the policy/ rules of the Company in force or as may be approved by the Board from time to time.

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

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

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

**RESOLVED FURTHER THAT** the Board be and is hereby authorized at its discretion from time to time to fix the actual remuneration and / or perquisites of Mr. Kunal Bafna, and revise such remuneration and / or perquisites from time to time within the maximum limit specified as above and 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.”

- 4) To re-appoint Mr. Hitesh Mulraj Popat (DIN: 00407897) as an Independent Director of the Company and in this regard, to pass with or without modifications, the following resolution as Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the said Act, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Hitesh Mulraj Popat (DIN: 00407897) whose term as an Independent Director of the Company expired on March 31, 2020 and who meets the criteria prescribed for Independent Directors under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible to be re-appointed as an Independent Director of the Company, be and is hereby re-appointed for a second consecutive term of 5 (five) years with effect from March 31, 2020 and shall not be liable to retire by rotation.

**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.”

- 5) To re-appoint Mr. Sunil Sampatraj Parakh (DIN: 01111159) as an Independent Director of the Company and in this regard, to pass with or without modifications, the following Resolution as Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the said Act, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr.Sunil Sampatraj Parakh (DIN: 01111159)whose term as an Independent Director of the Company expired on March 31, 2020 and who meets the criteria prescribed for Independent Directors under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible to be re-appointed as an Independent Director of the Company, be and is hereby re-appointed for a second consecutive term of 5 (five) years with effect from March 31, 2020 and shall not be liable to retire by rotation.

**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.”

- 6) To re-appoint Mr. Vinit Ramgopal Kejriwal (DIN: 01254554) as an Independent Director of the Company and in this regard, to pass with or without modifications, the following resolution as Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the said Act, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr.Vinit Ramgopal Kejriwal (DIN: 01254554)whose term as an Independent Director of the Company expired on March 31, 2020, who meets the criteria prescribed for Independent Directors under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible to be re-appointed as an Independent Director of the Company, be and is hereby re-appointed for a second consecutive term of 5 (five) years with effect from March 31, 2020 and shall not be liable to retire by rotation.

**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.”

- 7) To re-appoint Ms. Manju Jain (DIN: 01332762 ) as an Independent Director of the Company and in this regard, to pass with or without modifications, the following resolution as Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the said Act, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Ms. Manju Jain (DIN: 01332762) whose term as an Independent Director of the Company expired on March 31, 2020, who meets the criteria prescribed for Independent Directors under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible to be re-appointed as an Independent Director of the Company, be and is hereby re-appointed for a second consecutive term of 5 (five) years with effect from March 31, 2020 and shall not be liable to retire by rotation.

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

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

**Place: Mumbai**

**Date: 12th November, 2020**

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

**Registered Office:**

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



### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“AGM”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share capital of the Company. Members holding more than ten percent (10%) of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. The instrument appointing the Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than Forty Eight (48) hours before the time for holding the AGM. Proxies submitted on behalf of companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable. During the period beginning 24 hrs before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member is entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days notice in writing of the intention to inspect is given to the Company.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business to be transacted at the AGM, is annexed hereto.
3. Corporate Members intending to send their authorized representative(s) to attend the Annual General Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Annual General Meeting.
4. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.
5. Documents in respect of items referred to in the accompanying Notice are available for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. upto the date of the AGM on all working days (except Saturday, Sunday and Public Holidays).
6. 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

## **JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20**

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- 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 Private Limited, Mumbai at the earliest but not later than December 14, 2020.
7. Information as required to be provided pursuant to the requirements of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standards on General Meetings (SS-II) issued by the Institute of Company Secretaries of India with regards to the Director seeking re-appointment at this AGM is given as an Annexure to this Notice.
  8. Electronic copy of Annual Report for the financial year 2019-20 and Notice calling the 72nd AGM of the Company inter alia indicating the process and manner of Remote E-voting 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 2019-20 and Notice of the 72nd 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.
  9. Members/ Proxies are requested to bring the Attendance Slip(s) duly filled in and copies of the Annual Report at the AGM.
  10. 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.
  11. Members are requested to send all communications relating to shares to the Registrar and Share Transfer Agents of the Company at the following address:

**Link Intime India Private Limited**

C 101, 247 Park,

L.B.S.Marg, Vikhroli (West),

Mumbai - 400083.

Tel No. +91 22 49186270,

Fax No. +91 22 49186060

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

12. 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.
13. Instructions and other information for E-voting are as under:
- i) In accordance to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer to its Members facility to exercise their right to vote at the AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (“NSDL”).
  - ii) The Company has approached NSDL for providing e-voting services through e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolution placed by the Company on e-Voting system.
  - iii) The Members may cast their votes through E-voting from a place other than the venue of the AGM (“Remote E-voting”).
  - iv) 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.
  - v) 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.
  - vi) Remote E-voting facility will commence from 9.00 a.m. on December 18, 2020 and will end at 5.00 p.m. on December 20, 2020. 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.

- vii) 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. December 14, 2020.
- viii) The Members whose names appear in the Register of Members / list of beneficial owners as on the cut-off date i.e. December 14, 2020, only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- ix) 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. December 14, 2020, 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).
- x) Ms. Sonal Shah, Practicing Company Secretary (Membership No. ACS24216) 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.
- xi) The Scrutinizer shall, after scrutinizing the votes cast 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 along with the Scrutinizer's Report shall be placed on the website of the Company i.e. [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").

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

### **Instructions for E-voting:**

#### **Step 1: Log-in to NSDL e-Voting system**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices, you can log-in at <https://eservices.nsdl.com/> with your existing

login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.

4. Your User ID details will be as per details given below :
    - a) **For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*).
    - b) **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*).
    - c) **For Members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001\*\*\* and EVEN is 101456 then user ID is 101456001\*\*\*).
  
  5. Your password details are given below:
    - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
    - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
    - c. How to retrieve your 'initial password'?
      - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
  
  6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    - a. Click on "**Forgot User Details/Password?**" (If you are holding shares in your
-

demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- b. **“Physical User Reset Password?”** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
  8. Now, you will have to click on “Login” button.
  9. After you click on the “Login” button, Home page of e-Voting will open.

### **Step 2: Cast your vote electronically on NSDL e-Voting system.**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **Other information:**

- o Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- o It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

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In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and evoting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

### **General Guidelines for shareholders:**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail (**Scrutinizer mail ID**) to with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. 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).
4. 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**

**Place: Mumbai**

**Date:12th November, 2020**

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

### **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)**

**ITEM NO. 3**

As recommended by the Nomination and Remuneration Committee the Board of Directors in its Meeting held on October 8, 2019 re-appointed Mr. Kunal Bafna as the Whole-time Director of the Company for a period of three years w.e.f. October 8, 2019 to October 7, 2022. The re-appointment of Mr. Kunal Bafna and the remuneration payable to him is subject to approval of the Members of the Company. Therefore the consent of members is sought by way of Ordinary Resolution.

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

1. Payment of remuneration is approved by a resolution passed by the Board and, in the case of a company covered under sub-section (1) of section 178 also by the Nomination and Remuneration Committee;
2. The Company has not committed any default in payment of dues to any bank or public Financial Institution or non-convertible debenture holders or any other secured creditor, and in case of default, the prior approval of the bank or public Financial Institution concerned or the non-convertible debenture holders or other secured creditor, as the case may be, shall be obtained by the company before obtaining the approval in the General Meeting.

None of the Directors except Mr. Kunal Bafna is interested in his appointment and remuneration.

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 April 15, 1947 as a Limited Company. Hence, Certificate of Commencement of Business was received on April 15, 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 March 31, 2020:**

The Company has incurred loss of Rs. 29,74,515/- in the financial year 2019-20. 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:**

Name of Appointee	Background Details
Mr. Kunal Bafna	Mr. Kunal Bafna is Qualified Chartered Accountant having more than 28 years of commercial experience in manufacturing industry.

- (ii) Past remuneration:**

Remuneration drawn by Mr.Kunal Bafna for the period from October 10, 2016 to October 7, 2019 was Rs. 55,000/- per month 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. Kunal Bafna is responsible for day-to-day management of the Company, subject to overall supervisor, control and direction of the Board of Directors. Taking into consideration his qualifications and expertise in the related fields, his position as a Whole Time Director and CFO is best suited for the responsibilities of current assigned role.

**(v) Remuneration proposed:**

The Gross Annual Salary of Rs. 55,000/- per month inclusive of all perquisites as approved by the Nomination and Remuneration Committee subject to the approval of the members of the Company.

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

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

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

The above named appointee is related to the Directors personnel of the Company. Mr. Kunal Bafna is son-in-law of Mr. Bhagat Singh Dugar and brother-in-law of Mr. Rahul Dugar, Directors of the Company.

### **III. Other Information**

**(i) Reasons of loss or inadequate profits:**

Company has incurred loss 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**

Company is confident in achieving hike in sales and thereby increases 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 March 31, 2020.

## **JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20**

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

### **ITEM NO. 4**

The Members of the Company at its Annual General Meeting held on September 30, 2015 had approved the appointment of Mr. Hitesh Mulraj Popat (DIN: 00407897) as an Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014, to hold office upto March 31, 2020.

Mr. Hitesh Mulraj Popat, Independent Director of the Company, has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Mr. Hitesh Mulraj Popat has the requisite qualification, skills, experience and expertise in specific functional areas, which is beneficial to the Company and based on the outcome of his performance evaluation, the Nomination and Remuneration Committee recommended and the Board of Directors of the Company approved at their respective meetings held on, March 18, 2020, his re-appointment as an Independent Director for the second term of 5 (five) consecutive years on the Board of the Company w.e.f. April 1, 2020. As per the provisions of Section 149 of the Companies Act, 2013 approval of Members of the Company is required by way of a Special Resolution, for continuance of his appointment as an Independent Director of the Company. Accordingly, the Board of Directors recommends the Resolution set out in Item No. 4 for approval of the members of the Company as Special Resolution.

The required details as per the Secretarial Standards ("SS-2") and Regulation 36(3) of the Listing Regulations, is provided in Annexure A of this Notice.

Except Mr. Hitesh Mulraj Popat, none of the Promoters, Directors, and Key Managerial Personnel of the Company /their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

### **ITEM NO. 5**

The members of the Company at its Annual General Meeting held on September 30, 2015 had approved the appointment of Mr. Sunil Sampatraj Parakh (DIN: 01111159) as an Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014, to hold office upto March 31, 2020.

## **JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20**

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Mr. Sunil Sampatraj Parakh, Independent Director of the Company, has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). Mr. Sunil Sampatraj Parakh as the requisite qualification, skills, experience and expertise in specific functional areas, which is beneficial to the Company and based on the outcome of his performance evaluation, the Nomination and Remuneration Committee recommended and the Board of Directors of the Company approved at their respective meetings held on, March 18, 2020, his re-appointment as an Independent Director for the second term of 5 (five) consecutive years on the Board of the Company w.e.f. April 1, 2020. As per the provisions of Section 149 of the Companies Act, 2013 approval of Members of the Company is required by way of a Special Resolution, for continuance of his appointment as an Independent Director of the Company. Accordingly, the Board of Directors recommends the Special Resolution set out in Item No. 5 for approval of the members of the Company as Special Resolution.

The required details as per the Secretarial Standards (“SS-2”) and Regulation 36(3) of the Listing Regulations, is provided in Annexure A of this Notice.

Except Mr. Sunil Sampatraj Parakh, none of the Promoters, Directors, and Key Managerial Personnel of the Company /their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

### **ITEM NO. 6**

The Members of the Company at its Annual General Meeting held on September 30, 2015 had approved the appointment of Mr. Vinit Ramgopal Kejriwal (DIN: 01254554) as an Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 (hereinafter referred to as ‘the Act’) read with the Companies (Appointment and Qualification of Directors) Rules, 2014, to hold office upto March 31, 2020.

Mr. Vinit Ramgopal Kejriwal, Independent Director of the Company, has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). Mr. Vinit Ramgopal Kejriwal has the requisite qualification, skills, experience and expertise in specific functional areas, which is beneficial to the Company and based on the outcome of his performance evaluation, the Nomination and Remuneration Committee recommended and the Board of Directors of the Company approved at their respective meetings held on March 18, 2020, his re-appointment as an

## **JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20**

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Independent Director for the second term of 5 (five) consecutive years on the Board of the Company w.e.f. April 1, 2020. As per the provisions of Section 149 of the Companies Act, 2013 approval of Members of the Company is required by way of a Special Resolution, for continuance of his appointment as an Independent Director of the Company. Accordingly, the Board of Directors recommends the Special Resolution set out in Item No. 6 for approval of the members of the Company as Special Resolution.

The required details as per the Secretarial Standards (“SS-2”) and Regulation 36(3) of the Listing Regulations, is provided in Annexure A of this Notice.

Except Mr. Vinit Ramgopal Kejriwal, none of the Promoters, Directors, and Key Managerial Personnel of the Company /their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

### **ITEM NO.7**

The Members of the Company at its Annual General Meeting held on September 30, 2015 had approved the appointment of Ms. Manju Jain (DIN: 01332762) as an Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 (hereinafter referred to as ‘the Act’) read with the Companies (Appointment and Qualification of Directors) Rules, 2014, to hold office upto March 31, 2020.

Ms. Manju Jain, Independent Director of the Company, has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). Ms. Manju Jain, has the requisite qualification, skills, experience and expertise in specific functional areas, which is beneficial to the Company and based on the outcome of her performance evaluation, the Nomination and Remuneration Committee recommended and the Board of Directors of the Company approved at their respective meetings held on, March 18, 2020, her re-appointment as an Independent Director for the second term of 5 (five) consecutive years on the Board of the Company w.e.f. April 1, 2020. As per the provisions of Section 149 of the Companies Act, 2013 approval of Members of the Company is required by way of a Special Resolution, for continuance of her appointment as an Independent Director of the Company. Accordingly, the Board of Directors recommends the Special Resolution set out in Item No. 7 for approval of the members of the Company as Special Resolution.

The required details as per the Secretarial Standards (“SS-2”) and Regulation 36(3) of the Listing Regulations, is provided in Annexure A of this Notice.

## **JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20**

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Except Ms. Manju Jain none of the Promoters, Directors, and Key Managerial Personnel of the Company /their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

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

**Place: Mumbai**

**Date:12th November, 2020**

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

**Registered Office:**

405 & 406, Sharda Chambers, 15,  
Sir Vitthaladas Thackersey Marg,  
New Marine Lines, Mumbai-400020  
CIN: L74999MH1947PLC005695  
Tel.: 91-22-2200 2252 Fax: 91-22-2200 2254  
Email: [accounts@jainexgroup.com](mailto:accounts@jainexgroup.com)  
Website: [www.jainexaamcol.com](http://www.jainexaamcol.com)

# JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

## ANNEXURE TO NOTICE

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

<b>Particulars</b>	<b>Details of Director seeking re-appointment at the Annual General Meeting pursuant to retirement by rotation.</b>	<b>Details of Director seeking re-appointment as the Whole-time Director at the Annual General Meeting.</b>
	<b>(1)</b>	<b>(2)</b>
<b>Name of the Director</b>	Mr. Bhagat Singh Dugar	Mr. Kunal Bafna
<b>Director Identification No.</b>	00013082	00902536
<b>Date of Birth</b>	23/10/1945	09/03/1968
<b>Date of appointment</b>	30/07/1999	10/10/2013
<b>Qualification</b>	MBA	CA
<b>Expertise in Specific Functional Area</b>	He is involved in the Business for more than 50 years and has rich experience in Marketing and Management.	He has over 28 years of commercial experience in manufacturing industry.
<b>Directorship held in other listed companies (As on March 31, 2020)</b>	None	None
<b>Chairmanships/ Memberships of the Committees of the Board of Directors of other companies (As on March 31, 2020)</b>	None	None
<b>Shareholding of Directors (As on March 31, 2020)</b>	62,597 Equity shares	94,700 Equity Shares
<b>Relationship between Directors inter-se</b>	Father of Mr. Rahul Dugar, Director of the Company & Father-in-law of Mr. Kunal Bafna, Whole Time Director of the Company.	Son-in-law of Mr. Bhagat Singh Dugar and Brother-in-law of Mr. Rahul Dugar.

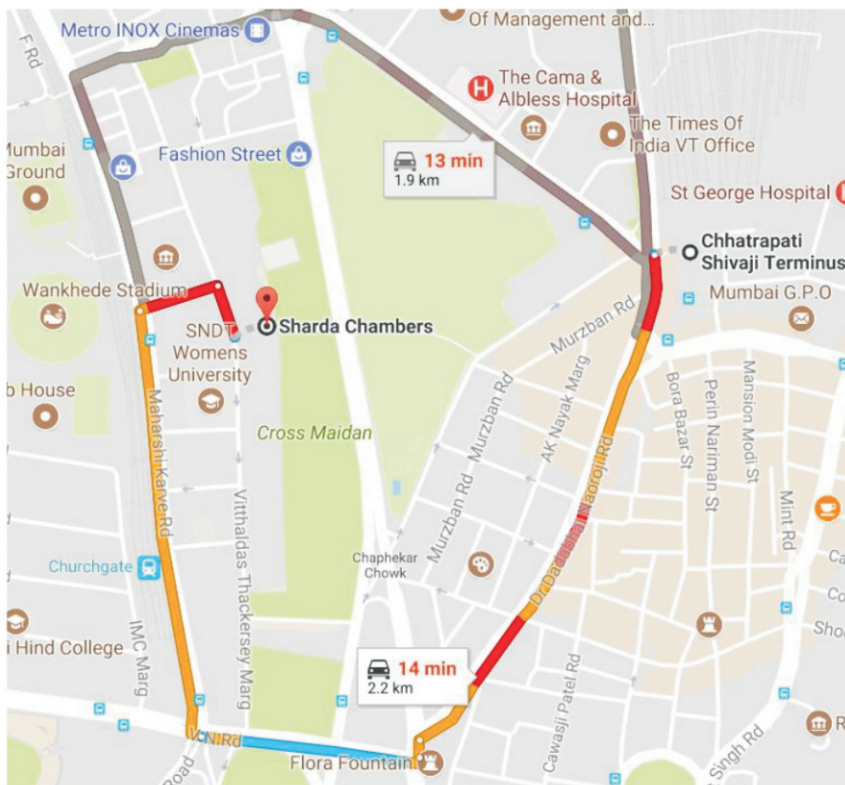
## JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

Particulars	Details of Independent Director seeking re-appointment at the Annual General Meeting	Details of Independent Director seeking re-appointment at the Annual General Meeting	Details of Independent Director seeking re-appointment at the Annual General Meeting	Details of Independent Director seeking re-appointment at the Annual General Meeting
	(3)	(4)	(5)	(6)
<b>Name of the Director</b>	Mr. Hitesh Mulraj Popat	Mr. Sunil Sampatraj Parakh	Mr. Vinit Ramgopal Kejriwal	Ms. Manju Jain
<b>Director Identification Number</b>	00407897	01111159	01254554	01332762
<b>Date of Birth</b>	11/08/1969	08/10/1971	08/08/1969	14/01/1946
<b>Date of appointment</b>	27/03/2015	27/03/2015	27/03/2015	27/03/2015
<b>Qualification</b>	B. Com ACA	B. Com ACA	B. Com	Inter Arts
<b>Expertise in Specific Functional Area</b>	More than 27 years of experience in Finance, Taxation and Planning	More than 25 years of experience in Finance, Taxation and Planning	More than 29 years of experience in Manufacturing and Retail	More than 50 years of experience in Administration, Marketing and Distribution
<b>Directorship held in other listed companies (As on March 31, 2020)</b>	Nil	Nil	Nil	Nil
<b>Chairmanships/ Members hips of the Committees of the Board of Directors of other companies (As on March 31, 2020)</b>	Nil	Nil	Nil	Nil
<b>Shareholding of Directors (As on March 31, 2020)</b>	Nil	Nil	Nil	Nil



## Route map for venue of the AGM

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



# JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

## DIRECTORS' REPORT

### DEAR MEMBERS,

Your Directors have pleasure in presenting the 72nd 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 March 31st, 2020. A summary of the financial results is given below:-

### 1. FINANCIAL PERFORMANCE

The financial performance of the company for the Financial Year 2019-20 in comparison to the previous financial year 2018-19 are summarized below:

(Amount in Rs)

PARTICULARS	2019-20	2018-19
Turnover	13,66,79,396	17,53,59,285
Other Income	5,62,250	2,62,265
<b>Total Revenue</b>	<b>13,72,41,646</b>	<b>17,56,21,550</b>
Earnings before interest, tax, depreciation, exceptional items and amortization (EBITDA)	1,00,38,504	2,80,99,060
Interest	(57,03,202)	(73,96,191)
Depreciation	(1,17,56,212)	(1,20,23,211)
<b>Profit/(Loss) before Extra-ordinary items &amp; Taxes</b>	<b>(74,20,910)</b>	<b>86,79,658</b>
Exceptional items	0	0
Extraordinary items	0	0
<b>Profit/(Loss) before Taxes</b>	<b>(74,20,910)</b>	<b>86,79,658</b>
Current Tax	(7,12,512)	9,11,065
Earlier Year	14,037	0
Deferred Tax	(37,47,920)	16,65,480
<b>Profit/(Loss) after tax</b>	<b>(29,74,515)</b>	<b>61,03,113</b>

### 2. STATE OF COMPANY'S AFFAIRS

During the year under review, there was decrease in the turnover of the company as compared with the previous year i.e. from Rs. 17,53,59,285/- to Rs. 13,66,79,396/-.

The Company has reported Net Loss of Rs. 29,74,515/- against Net Profit of Rs. 61,03,113/- in the previous year.

### 3. TRANSFER TO RESERVES

During the year under review no amount has been transferred towards Reserves in the view of incurred losses.

### **4. SHARE CAPITAL**

The Paid up Share capital as on March 31st, 2020 was Rs. 1,49,93,940/- During the year under review, the Company has not issued any shares with differential rights as to dividend, voting or otherwise or convertible debentures.

### **5. DIVIDEND**

To conserve the funds for future business growth, your Directors have not recommended any dividend on equity shares in respect of the financial year 2019-20.

### **6. 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.

### **7. SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

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

### **8. BOARD MEETINGS**

During the year under review, 8 (Eight) Board Meetings were held on April 1st, 2019; April 30th, 2019; May 30th, 2019; August 14th, 2019; October 8th, 2019; November 13th, 2019; February 14th, 2020 and March 18th, 2020.

### **9. COMMITTEES OF THE BOARD OF DIRECTORS**

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

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

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the March 31st, 2020 and the date of this Boards' Report. However, in view of the lockdown across the country due to the outbreak of COVID pandemic, operations of the Company's/Group's (manufacturing, offices, etc.) are scaled down or shut down from second half of March 2020. The duration of this lockdown is uncertain at this point in time and resumption of full-fledged operations will depend upon directives issued by the Government authorities. While this has adversely impacted the sales performance of the Company, the Company continues to closely monitor the situation and has been taking appropriate actions, as necessary to scale up operations, in due compliance with the applicable

regulations. The Company will continue to closely monitor the situation and take appropriate action as per regulatory guidance. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of the financial statements. The operations have resumed for certain locations in compliance with Government directives in July, 2020.

**11. EXTRACT OF ANNUAL RETURN**

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended March 31st, 2020 made under the provisions of Section 92 (3) of the Act in Form MGT-9 is annexed herewith as **“Annexure A”**.

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

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

**13. LOAN FROM BODY CORPORATE**

Particulars of loan from Body Corporate are provided in Note No. 30 of the financial statements.

**14. LOAN FROM DIRECTORS**

Particulars of loan from Directors of the Company are provided in Note No. 30 of the financial statements.

**15. PARTICULARS OF LOAN GIVEN, INVESTMENTS MADE, GURANTEES GIVEN AND SECURITIES PROVIDED UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

During the Financial Year under review, the Company has not provided any loans and not made any investment, neither given any guarantee nor provided any security.

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

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

The Company has adopted new technologies and corrective measures to cope up with the current market situations. In the course of its operations, processes are

## **JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20**

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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.

The “Foreign Exchange” earned in terms of actual inflows during the financial year 2019-20 is Rs289.12 Lakhs

The Foreign Exchange outgo in terms of actual outflows during the financial year 2019-20 is Rs. 40.86 Lakhs

The details of 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 are attached as “**Annexure B**” which forms part of this report.

### **17. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

1. Pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the relevant rules made thereunder, one-third of the Directors are liable to retire by rotation every year and if eligible, offer themselves for re-appointment at the AGM. Mr. Bhagat Singh Dugar (DIN:00013082), Director, being longest in the office, is liable to retire by rotation at the ensuing Annual General Meeting of the Company and he being eligible has offered himself for reappointment. The Board of Directors recommend his re-appointment and the matter is being placed for seeking approval of members at the ensuing Annual General Meeting of the Company.
2. Mr. Mohanlal Zumbarlal Kothari was re-appointed as the Managing Director of the Company for a period of three years i.e. from April 1st, 2019 to March 31st, 2022 on the terms & conditions and at remuneration plus benefits and perquisites as approved by the Board of Directors in its meeting held on April 1st, 2019 and approved by the Members of the Company in the AGM held on 30th September, 2019.
3. During the year under review, designation of Mr. Bhagat Singh Dugar changed from whole-time Director to the Non-executive Director of the Company w.e.f October 8th, 2019.
4. Mr. Kunal Bafna (DIN: 00902536) was re-appointed as the “Whole-Time Director” of the Company for a period of 3 (Three) years starting from October 8th, 2019 upto October 7th, 2022 in the Board Meeting held on October 8th, 2019. The Board of Directors recommend his reappointment

## **JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20**

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and the matter is being placed for seeking approval of members at the ensuing Annual General Meeting of the Company.

5. Mr. Hitesh Mulraj Popat(DIN: 00407897), whose term as an Independent Director of the Company expired on March 31st, 2020 and who meets the criteria prescribed for Independent Directors under Section 149(6) of the Companies Act, 2013and based on the outcome of his performance evaluation, the Nomination and Remuneration Committee recommended and the Board of Directors of the Company approved at their respective meetings held on, March 18th, 2020, his re-appointment as a Non-Executive Independent Director for the second term of 5 (five) consecutive years on the Board of the Company w.e.f. April 1st, 2020.The Board of Directors recommends his re-appointment and the matter is being placed for seeking approval of members at the ensuing Annual General Meeting of the Company.
6. Mr. Sunil Sampatraj Parakh (DIN: 01111159), whose term as an Independent Director of the Company expired on March 31st, 2020 and who meets the criteria prescribed for Independent Directors under Section 149(6) of the Companies Act, 2013and based on the outcome of his performance evaluation, the Nomination and Remuneration Committee recommended and the Board of Directors of the Company approved at their respective meetings held on, March 18th, 2020, his re-appointment as a Non-Executive Independent Director for the second term of 5 (five) consecutive years on the Board of the Company w.e.f. April 1st, 2020. The Board of Directors recommends his re-appointment and the matter is being placed for seeking approval of members at the ensuing Annual General Meeting of the Company.
7. Mr. Vinit Ramgopal Kejriwal (DIN:01254554), whose term as an Independent Director of the Company expired on March 31st, 2020 and who meets the criteria prescribed for Independent Directors under Section 149(6) of the Companies Act, 2013and based on the outcome of his performance evaluation, the Nomination and Remuneration Committee recommended and the Board of Directors of the Company approved at their respective meetings held on, March 18th, 2020, his re-appointment as a Non-Executive Independent Director for the second term of 5 (five) consecutive years on the Board of the Company w.e.f. April 1st, 2020.The Board of Directors recommends his re-appointment and the matter is being placed for seeking approval of members at the ensuing Annual General Meeting of the Company.
8. Ms. Manju Jain (DIN: 01332762), whose term as an Independent Director of

## **JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20**

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the Company expired on March 31st, 2020 and who meets the criteria prescribed for Independent Directors under Section 149(6) of the Companies Act, 2013 and based on the outcome of her performance evaluation, the Nomination and Remuneration Committee recommended and the Board of Directors of the Company approved at their respective meetings held on, March 18th, 2020, her re-appointment as a Non-Executive Independent Director for the second term of 5 (five) consecutive years on the Board of the Company w.e.f. April 1st, 2020. The Board of Directors recommends her re-appointment and the matter is being placed for seeking approval of members at the ensuing Annual General Meeting of the Company.

9. The Company had appointed Ms. Deepti Joshi (Membership No. A27496) as a Whole-time Company Secretary and Compliance Officer of the Company on April 30th, 2019. However, Ms. Deepti Joshi has resigned w.e.f. August 5th, 2019.
10. The Company has received individual declaration from all the Independent Director(s) of the Company under section 149(7) of the Companies Act, 2013 in respect of meeting the criteria of independence provided under section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

### **18. 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 March 31st, 2020, 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 March 31st, 2020 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 March 31st, 2020 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.

## 19. 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.

## 20. AUDITORS

M/s. P.M. Bhargava & Co., Chartered Accountants, Mumbai, was appointed as Statutory Auditors for a term of 5 years from FY 2017-18 to FY 2021-22 by the members at the 69th AGM of the Company held on September 28th, 2017. They have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

## 21. AUDITOR'S REPORT

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

SR. No.	Auditors' Observation in the auditors' report	Directors' comments on the observations of the auditors mentioned in the auditors' report
1.	"Details of dues set out herein below in respect of customs duty which has not been deposited as at March 31st, 2020 by the company with the appropriate authorities on account of disputes.	Show Cause Notice was issued wrongly by the assessing authority for Special Additional Duty which was already paid; demand for basic



SR. No.	Auditors' Observation in the auditors' report						Directors' comments on the observations of the auditors mentioned in the auditors' report
	Name of Statute	Nature of Dues	Amount in Lacs	Amount in Rs. Lacs paid under protest	Period to which the amount relates	Forum were disputes is pending	
	Customs	Customs Duty	7.14	2.00	2008-2009	Customs and Excise Tribunal, Mumbai-Case is heard and matter is reverted back to the concerned assessing authority to re-look afresh.	custom duty can't be raised now being time barred as advised by company's counsel does not find any merit.

**22. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT**

The Company has appointed Ms. Kavita Raju Joshi, Practicing Company Secretary, bearing Membership No. F9074 and Certificate of Practice No. 8893 to conduct Secretarial Audit of the Company for the financial year 2019-20 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)**. The Secretarial Audit Report contains following observations in their Audit Report:

1. *The Company being a listed company does not have a qualified Company Secretary as the whole-time Compliance officer as required under Regulation 6 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, post resignation of Ms. Deepti Joshi, Company Secretary on August 5, 2019.*
2. *The Company has not complied with Chapter III - Regulation 7(3) i.e. Compliance Certificate signed by Compliance Officer and Authorised*

## **JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20**

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*Representative of Share Transfer Agent (STA) for the half year ended 30th September, 2019.*

3. *The Company has not complied with Regulation 47 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 in all quarters during the financial year ended 31st March, 2020 with respect to publishing of Notice of Board Meeting in the newspapers.*
4. *The Company has not complied with the closure of Trading window as required under SEBI (Prohibition of Insider Trading) Regulation, 2015 for the quarter ended 31st December, 2019.*

### **Board's Reply:-**

The Board ensures in future to make good the non compliances occurred during the period under review.

### **23. 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.

### **24. LISTING OF SHARES**

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

### **25. UNCLAIMED AND UNPAID DIVIDENDS**

The Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

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

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Particulars of Related Party Transactions of the Company are provided in Note No. 30 of the financial statements.

### **27. MANAGEMENT DISCUSSION AND ANALYSIS**

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

**28. NOMINATION AND REMUNERATION POLICY**

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 is annexed to this Report as “Annexure D”.

**29. COMMITTEES OF BOARD**

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

**A. AUDIT COMMITTEE**

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

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

**B. NOMINATION AND REMUNERATION COMMITTEE**

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

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

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

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

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

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

## **JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20**

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The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Woman at Workplace and has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women 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

**NOTE:** The Company has dissolved its CSR Committee as the Company is not required to constitute the same.

### **30. INDEPENDENT DIRECTORS MEETING**

During the year under review, the Independent Directors of the Company met on Friday, February 14, 2020, 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.

### **31. 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.

### **32. VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The provisions of this policy are in line with the provisions of the Section 177(9) of the Act. The 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.

### **33. 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.

### **34. COMPANY AFFIRMATION OF READINESS TOWARDS COVID-19**

The Covid-19 pandemic presented an unprecedented health emergency. In India, early protective measures by the Indian Government were gradually ramped up, culminating into a strict nationwide lockdown starting from March 22nd, 2020. Similar measures to contain this emergency in the form of restrictions on activity and mobility by countries has resulted in a global slowdown, even as there continues to be a severe uncertainty around the duration and intensity of the crisis. This affects all aspects of our lives and will have a wide impact on the economy, which includes our business.

The Company will continue to remain fully aligned with government guidelines and will progressively resume operations in a graded manner. Plans and protocols are in place for return to offices once the lockdown is lifted. To remain safe, short-term and long-term changes in workplace behavior will be necessary and the Company has issued 'Back to Office' guidelines to facilitate this. The Company is actively monitoring the impact of the Covid-19 pandemic on its financial condition, liquidity, operations, suppliers, industry, and workforce. It has used the principles of prudence in applying judgments, estimates and assumptions based on the current estimates. In assessing the recoverability of assets such as goodwill, inventories, financial and other assets, based on current indicators of future economic conditions, the Company expects to recover the carrying amounts of its assets. The extent to which Covid-19 impacts the operations will depend on future developments which remain uncertain.

### **35. 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).

### **36. COST AUDITORS**

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

**37. MAINTAINENCE OF COST RECORDS AS SPECIFIED UNDER SECTION 148(1) OF THE COMPANIES ACT, 2013**

Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the products/services dealt by the Company. Accordingly, maintenance of such accounts and records is not applicable to the Company.

**38. PARTICULARS OF EMPLOYEES**

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

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

**39. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE**

M/s. Sonal Kothari & Associates, Practicing Company Secretary, has issued a certificate as required under the Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of the Companies by Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with section as “**Annexure F**”.

**40. SECRETARIAL STANDARDS**

The Company has in place proper systems to ensure compliance with provisions of the applicable Secretarial Standards issued by the Institute of Company Secretaries of India on Board and General Meetings and such systems are adequate and operating effectively.

**41. ACCOUNTING STANDARDS**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The Financial Statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Act. The transition was carried out from IGAAP as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to Ind AS.

**42. CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There was no change in the nature of business of the Company during the year under review.

#### 43. 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.

#### 44. CORPORATE GOVERNANCE

The Company is not required to comply with the provisions of Regulation 17 to Regulation 27 and clause (b) to clause (i) of sub regulation (2) of Regulation 46 and Para C, D and E of Schedule V as mentioned in Regulations 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which came into force with effect from 01st December, 2015 as the Paid-up Share Capital of the Company is less than Rs.10,00,00,000 (Rupees Ten Crores Only) and the Net Worth of the Company is also less than Rs.25,00,00,000 (Rupees Twenty Five Crores Only) based on the Annual Audited Financial Results of the Company for the quarter and year ended March 31st, 2020.

#### 45. CORPORATE SOCIAL RESPONSIBILITY

During the Financial Year under review, the provisions of section 135 of the Companies Act, 2013 pertaining to Corporate Social Responsibility are not applicable to the company.

#### 46. PERFORMANCE EVALUATION

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

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

- i. the role of a Board Members is clearly defined and understood;
- ii. the Board has ensured that the organization's accomplishments and challenges are communicated to Members and Stakeholders;
- iii. the spread of talent within the Board reflect the Company's needs;
- iv. all Board Members bring valuable skill and experience to the Company;
- v. the composition of the Board is sufficient to carry out the work required of it;
- vi. the matters relating to the Company are discussed in a structured manner;
- vii. the Board knows and understand the Company's mission, vision and strategy; the Board's Meeting agenda clearly reflects strategic plan or priorities;
- viii. the Board papers contain the correct amount and type of information;

- ix. all Board Members participate in important Board discussions;
- x. the Board knows and keep abreast of trends and issues affecting the market in which the Company competes
- xi. the Board understands the business it is governing;
- xii. the Board Members actively engage in networking for the benefit of the Company;
- xiii. the Board Members have sufficient financial skills to ensure that the Board can discharge its governance responsibilities;
- xiv. the Company have relevant internal reporting and compliance systems;
- xv. the Board Members are aware of their risk assessment duties as Directors;
- xvi. there is a clear understanding of the Company's business risk;
- xvii. the Board encourages Directors to pursue opportunities for personal development;
- xviii. the Board have a succession plan in place for the Directors, KMP and Senior Management Personnel;
- xix. responsibilities have been effectively delegated amongst the Executive Directors, KMP and Senior Management Personnel;
- xx. There is good communication between the Board and KMP.

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

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

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

- i. uphold ethical standards of integrity and probity;



- ii. act objectively and constructively while exercising their duties;
- iii. exercise their responsibilities in a bona fide manner in the interest of the Company;
- iv. devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- v. assist the Company in implementing the best corporate governance practices;
- vi. strive to attend all Meetings of the Board of Directors and of the Board committees of which they are members;
- vii. moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between Management and Shareholder's interest;
- viii. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk Management are robust and defensible;
- ix. strive to safeguard the interests of all stakeholders, particularly the minority shareholders;
- x. balance the conflicting interest of the stakeholders;
- xi. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts;
- xii. keep themselves well informed about the Company and the external environment in which it operates;
- xiii. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- xiv. strive to attend the general Meetings of the Company;
- xv. acting within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- xvi. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- xvii. ascertain and ensure that the Company has an adequate and functional vigil mechanism and ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- xviii. report concerns about unethical behavior, 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 scrutinize the performance of Management in Meeting agreed goals and objectives and monitor the reporting of performance;
- v. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- vi. contribute to determine appointment and remuneration of executive Directors, Key Managerial Personnel (KMP) and senior Management;
- vii. exercise objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making.

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

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

The details of program for familiarization of Independent Directors with the Company, industry in which it operates, their roles, rights, responsibilities is made available on the website of the Company – [www.jainexaamcol.com](http://www.jainexaamcol.com).

## 47. INDEPENDENT DIRECTORS

In accordance with Section 149 (7) of the Companies Act, 2013, and Regulation 16(1)(b) of the Listing Regulations, as amended, each Independent Director of the Company has provided a written declaration confirming that he/she meets the criteria of independence as stipulated under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Independent Directors fulfill the conditions specified in Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Listing Regulations and are independent from Management.

## 48. GENERAL

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
4. No fraud has been reported by the Auditors to the Audit Committee or the Board.

## 49. ACKNOWLEDGEMENTS

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

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
FOR JAINEX AAMCOL LIMITED**

**Place: Mumbai**

**Date: 12th November, 2020**

**Mohanlal Zumberlal Kothari  
Managing Director**

**DIN: 01486305**

**Rahul Dugar  
Director**

**DIN : 00013704**

# JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

## ANNEXURE "A"

### FORM NO. MGT – 9 ANNEXURE "A" EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2020

[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>	JAINEX AAMCOL 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 Vitthaladas 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 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083.

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

<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 2019-20

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

#### (i) Category wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				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	4,90,922	53,125	5,44,047	36.36	4,90,922	53,125	5,44,047	36.36	0
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	5,77,956	-	5,77,956	38.62	5,77,956	-	5,77,956	38.62	0
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>10,68,878</b>	<b>53,125</b>	<b>11,22,003</b>	<b>74.98</b>	<b>10,68,878</b>	<b>53,125</b>	<b>11,22,003</b>	<b>74.98</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
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>10,68,878</b>	<b>53,125</b>	<b>11,22,003</b>	<b>74.98</b>	<b>10,68,878</b>	<b>53,125</b>	<b>11,22,003</b>	<b>74.98</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	21,950	21,950	1.47	-	21,950	21,950	1.47	-
c) Central Govt	-	-	-	-	-	-	-	-	-

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

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	
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	1,50,000	-	1,50,000	10.03	1,50,000	-	1,50,000	10.03	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>1,50,000</b>	<b>21,950</b>	<b>1,71,950</b>	<b>11.49</b>	<b>1,50,000</b>	<b>21,950</b>	<b>1,71,950</b>	<b>11.49</b>	<b>0</b>
<b>2. Non-institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	2,433	1,550	3,983	0.26	3,485	1,550	5,035	0.34	0.07
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	18,567	64,020	82,587	5.52	18,625	63,120	81,745	5.46	(0.06)
ii) Individual Shareholders holding nominal share capital in excess of 1 lakh	1,15,355	-	1,15,355	7.71	1,15,355	-	1,15,355	7.71	-
c) Non Residents									
i) Non Resident Indians	200	-	200	0.01	200	-	200	0.01	-
ii) Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
iii) Foreign Nationals	-	-	-	-	-	-	-	-	-
iv) Clearing Members	210	-	210	0.01	-	-	-	-	(0.01)
v) Trusts	-	-	-	-	-	-	-	-	-
vi) Hindu Undivided Families	50	-	50	0.003	50	-	50	0.003	-
vii) Foreign Bodies	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(2):</b>	<b>1,36,815</b>	<b>65,570</b>	<b>2,02,385</b>	<b>13.53</b>	<b>1,37,715</b>	<b>64,670</b>	<b>2,02,385</b>	<b>13.53</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>2,86,815</b>	<b>87,520</b>	<b>3,74,335</b>	<b>25.02</b>	<b>2,87,715</b>	<b>86,620</b>	<b>3,74,335</b>	<b>25.02</b>	<b>0</b>
C. Shares held by Custodian for GDRS & ADRS	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>13,55,693</b>	<b>1,40,645</b>	<b>14,96,338</b>	<b>100</b>	<b>13,56,593</b>	<b>1,39,745</b>	<b>14,96,338</b>	<b>100</b>	<b>0</b>

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

### (ii) Shareholding of Promoters

Shareholders 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	5,77,956	38.62	0	5,77,956	38.62	0	0
Bhagat Singh Dugar	62,597	4.18	0	62,597	4.18	0	0
Bharati Bafna	2,05,200	13.71	0	2,12,700	14.21	0	0.50
Rahul Dugar	20,750	1.39	0	20,750	1.39	0	0
Ketaki Mazumdar	59,720	3.99	0	59,720	3.99	0	0
Ronojoy Mazumdar	53,495	3.58	0	53,495	3.58	0	0
Pravin Chimanlal Vora	27,210	1.82	0	10	0	0	-1.82
Nandita Dugar	24,500	1.64	0	24,500	1.64	0	0
Sujoy Mazumdar	15,575	1.04	0	15,575	1.04	0	0
Kunal Bafna	75,000	5.01	0	94,700	6.33	0	1.32
<b>Total</b>	<b>11,22,003</b>	<b>74.98</b>	<b>0</b>	<b>11,22,003</b>	<b>74.98</b>	<b>0</b>	<b>0</b>

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

Particulars	Shareholding at the beginning of the year)		Shareholding at end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	11,22,003	74.98	-	-
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc)	No Change	No Change		
<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>11,22,003</b>	<b>74.98</b>

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

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

Sl. No.	Shareholder's Names	Shareholding at the beginning of the year		Shareholding at end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	PURUSHOTTAM DAMODARLAL SINGI				
	<b>At the beginning of the year</b>	<b>60,163</b>	<b>4.02</b>		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease	-	-	-	-
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>60,163</b>	<b>4.02</b>
2	PUSHPA GARG				
	<b>At the beginning of the year</b>	<b>44,046</b>	<b>2.94</b>		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease	-	-	-	-
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>44,046</b>	<b>2.94</b>
3	GENERAL INSURANCE CORPN. OF INDIA				
	<b>At the beginning of the year</b>	<b>37,125</b>	<b>2.48</b>	<b>-</b>	<b>-</b>
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease	-	-	-	-
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>37,125</b>	<b>2.48</b>
4	ORIENTAL FIRE & GENERAL INSURANCE CO. LTD				
	<b>At the beginning of the year</b>	<b>30,120</b>	<b>2.01</b>	<b>-</b>	<b>-</b>
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease	-	-	-	-
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>30,120</b>	<b>2.01</b>
5	NEW INDIA ASSURANCE CO. LTD				
	<b>At the beginning of the year</b>	<b>27,585</b>	<b>1.84</b>	<b>-</b>	<b>-</b>
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease	-	-	-	-
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>27,585</b>	<b>1.84</b>
6	NATIONAL INSURANCE CO. LTD				
	<b>At the beginning of the year</b>	<b>27,585</b>	<b>1.84</b>	<b>-</b>	<b>-</b>
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease	-	-	-	-
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>27,585</b>	<b>1.84</b>
7	UNITED INDIA INSURANCE COMPANY LTD.				
	<b>At the beginning of the year</b>	<b>27,585</b>	<b>1.84</b>	<b>-</b>	<b>-</b>
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease	-	-	-	-
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>27,585</b>	<b>1.84</b>



## JAINEX AMCOL LIMITED ANNUAL REPORT 2019-20

Sl. No.	Shareholder's Names	Shareholding at the beginning of the year		Shareholding at end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8	THE SICOM LIMITED				
	<b>At the beginning of the year</b>	<b>21,950</b>	<b>1.47</b>	<b>-</b>	<b>-</b>
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease	-	-	-	-
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>21,950</b>	<b>1.47</b>
9	SHRIKANT GOPALDAS MANTRI				
	<b>At the beginning of the year</b>	<b>11,146</b>	<b>0.74</b>	<b>-</b>	<b>-</b>
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease	-	-	-	-
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>11,146</b>	<b>0.74</b>
10	KANKARIA SECURITIES PVT. LTD.				
	<b>At the beginning of the year</b>	<b>2,418</b>	<b>0.16</b>	<b>-</b>	<b>-</b>
	Transfer on April 5, 2019	100		2,518	0.1683
	Transfer on April 12, 2019	50		2,568	0.1716
	Transfer on April 26, 2019	200		2,768	0.1850
	Transfer on May 24, 2019	370		3,138	0.2097
	Transfer on July 19, 2019	10		3,148	0.2104
	Transfer on September 20, 2019	43		3,191	0.2133
	Transfer on September 30, 2019	250		3,441	0.2300
	Transfer on October 11, 2019	44		3,485	0.2329
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>3,485</b>	<b>0.2329</b>

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

Sl. No.	Shareholder's Names	Shareholding at the beginning of the year		Shareholding at end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	BHAGAT SINGH DUGAR				
	<b>At the beginning of the year</b>	<b>62,597</b>	<b>4.18</b>	<b>-</b>	<b>-</b>
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease	Nil	Nil		
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>62,597</b>	<b>4.18</b>
2.	RAHUL DUGAR				
	<b>At the beginning of the year</b>	<b>20,750</b>	<b>1.38</b>	<b>-</b>	<b>-</b>
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease				
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>20,750</b>	<b>1.38</b>

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Sl. No.	Shareholder's Names	Shareholding at the beginning of the year		Shareholding at end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3	MOHANLAL ZUMBARLAL KOTHARI				
	<b>At the beginning of the year</b>	Nil	Nil	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease	-	-		
	<b>At the end of the year</b>	-	-	Nil	Nil
4.	KUNAL BAFNA				
	<b>At the beginning of the year</b>	75000	5.01	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease	19,700	1.32		
	Date	Reason			
	20-09-2019	Purchase			
	<b>At the end of the year</b>	-	-	94,700	6.33
5.	HITESH POPAT				
	<b>At the beginning of the year</b>	Nil	Nil	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease		-	-	
	<b>At the end of the year</b>	-	-	Nil	Nil
6.	SUNIL PARAKH				
	<b>At the beginning of the year</b>	Nil	Nil	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease		-	-	
	<b>At the end of the year</b>	-	-	Nil	Nil
7.	VINIT KEJRIWAL				
	<b>At the beginning of the year</b>	Nil	Nil	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease		-	-	
	<b>At the end of the year</b>	-	-	Nil	Nil
8.	MANJU JAIN				
	<b>At the beginning of the year</b>	Nil	Nil	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease		-	-	
	<b>At the end of the year</b>	-	-	Nil	Nil

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

### V. INDEBTEDNESS

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

(Rs. In Lacs)

Particulars	Secured Loans Excluding deposits	Unsecured	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount				
- Term Loans	198.07	-	-	198.07
- Vehicle Loans	-	-	-	-
- Working Capital Facilities	246.80	-	-	246.80
- Unsecured Loans	-	281.80	-	281.80
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>444.87</b>	<b>281.80</b>	<b>-</b>	<b>726.67</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition				
- Term Loans	-	-	-	-
- Vehicle Loans	-	-	-	-
- Working Capital Facilities-	-	-	-	-
- Unsecured Loans	-	134.75	-	134.75
- Interest accrued but not due	-	-	-	-
• Reduction				
- Term Loans	198.07	-	-	-198.07
- Vehicle Loans	-	-	-	-
- Working Capital Facilities	32.23	-	-	-32.23
- Unsecured Loans	-	-	-	-
- Interest due but not paid	-	-	-	-
<b>Net Change</b>	<b>-230.30</b>	<b>134.75</b>	<b>-</b>	<b>-95.55</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
- Term Loans	-	-	-	-
- Vehicle Loans	-	-	-	-
- Working Capital Facilities	214.57	-	-	214.57
- Unsecured Loans	-	416.55	-	416.55
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>214.57</b>	<b>416.55</b>	<b>-</b>	<b>631.12</b>

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

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

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		M Z Kothari	Kunal Bafna	
1.	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 (b) Value of Perquisites u/s 17(2) Income Tax Act (c) Profits in lieu of Salary under Section 17(3) Income Tax Act, 1961	20,74,661	7,80,000	28,54,661
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify	- - -	- - -	- - -
5.	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>20,74,661</b>	<b>7,80,000</b>	<b>28,54,661</b>
	Ceiling as per the Act			

#### B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Bhagat Dugar	Rahul Dugar	Hitesh Popat	Sunil Parakh	Vinit Kejriwal	Manju Jain	Total Amt
1.	Independent Directors	-	-	-	-	-	-	-
	Fee for attending Board / Committee Meetings							
	Commission	-	-	-	-	-	-	-
	Others, please specify							
	<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	-	-	-	-	-	-	-

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

### 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  
FOR JAINEX AAMCOL LIMITED**

**Place: Mumbai**  
**Date: 12th November, 2020**

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

**Rahul Dugar**  
**Director**  
**DIN : 00013704**

**ANNEXURES "B"****INFORMATION REQUIRED U/S 134 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES, 2014.****(A) CONSERVATION OF ENERGY:****(i) The steps taken or impact on conservation of energy:**

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

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

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

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

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

**(iii) The capital investment on energy conservation equipments :**

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

**(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATIONS****(i) The efforts made towards technology absorption:**

The company had originally started manufacturing Hobs in collaboration with Messer. Klingelberg Verzahntechnik, Gmbh of Germany and the collaboration ended in 1981. During the period of collaboration the company successfully absorbed the technology and since beginning, the

## **JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20**

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company is continuing the manufacture of Gear Hobs and it is also keeping abreast with the latest technology development abroad.

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

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

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

(iii) **In case of imported Technology (imported during the last 3 years reckoned from the beginning of the financial year):**

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

(iv) **The expenditure incurred on Research & Development (R & D) : Nil**

(C) **FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Foreign Exchange earned in terms of actual inflows during the financial year 2019-20: Rs. 289.12 Lakhs

The Foreign Exchange outgo in terms of actual inflows during the financial year 2019-20: Rs. 40.86 Lakhs

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
FOR JAINEX AAMCOL LIMITED**

Place: Mumbai  
Date:12thNovember, 2020

Mohanlal Zumbarlal Kothari  
Managing Director  
DIN: 01486305

Rahul Dugar  
Director  
DIN : 00013704

**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 MARCH 31, 2020**

To,

**The Members,**

**Jainex Aamcol Limited**

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

Dear Sir,

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

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the financial year ended March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in **Annexure 'I'** for the financial year ended on March 31, 2020, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;



## **JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20**

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- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of External Commercial Borrowings, Foreign Direct Investment and Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999, now known as SEBI (Share based employees Benefits) Regulations, 2014 (not applicable to the Company during the Audit period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the Company during the Audit period);
  - f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 (not applicable to the Company during the Audit period), and
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during the Audit period), and;

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

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

## **JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20**

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

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

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

- 1. The Company being a listed company does not have a qualified Company Secretary as the whole-time Compliance officer as required under Regulation 6 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, post resignation of Ms. Deepti Joshi, Company Secretary on August 5, 2019.*
- 2. The Company has not complied with Chapter III - Regulation 7(3) i.e. Compliance Certificate signed by Compliance Officer and Authorised Representative of Share Transfer Agent (STA) for the half year ended 30th September, 2019.*
- 3. The Company has not complied with Regulation 47 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 in all quarters during the financial year ended 31st March, 2020 with respect to publishing of Notice of Board Meeting in the newspapers.*
- 4. The Company has not complied with the closure of Trading window as required under SEBI (Prohibition of Insider Trading) Regulation, 2015 for the quarter ended 31st December, 2019.*

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

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

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

## **JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20**

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

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

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

**Date: 12th November, 2020**

**Place: Mumbai**

UDIN: F009074B001222781

**Kavita Joshi**  
**Company Secretaries**  
COP No: 8893

## Annexure I

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Date: 12thNovember, 2020**  
**Place: Mumbai**  
UDIN: F009074B001222781

**Kavita Joshi**  
**Company Secretaries**  
COP No: 8893

**ANNEXURE “D”****NOMINATION AND REMUNERATION POLICY**

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

**Definitions:**

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

“**Key Managerial Personnel (KMP)**” means:

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

“**Senior Managerial Personnel**” mean 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:**

## **JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20**

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- 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/ Wholetime 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 2019-20)**

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

1.	The ratio of the remuneration of each Director to the median Remuneration of the employees of the company for the financial year; (Median Salary : 21,914)	Mr. M Z Kothari – Rs. 20,74,661/-p.a. Ratio to median remuneration - 7.89: 1 Mr. Kunal Bafna - Whole Time Director/ Chief Financial Officer-Rs. 7,80,000/- p.a. Ratio to median remuneration – 2.96: 1 Other Directors of the Company are not being paid any remuneration.
2.	the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	There is no increase in the remuneration of Managing Director. However due to Commission, gross is decreased by Rs. 3,33,474/- Remuneration of Mr. Kunal Bafna - Whole Time Director/ Chief Financial Officer is increased by Rs. 1,20,000/- p.a. during the year.
3.	the percentage increase in the median remuneration of Employees in the financial; year	As on 31-03-2019,99 permanent staff / worker monthly salary of Rs. 26,71,277/-, Average Rs. 26,982/- As on 31-03-2020 -95 permanent staff / worker monthly salary of Rs. 21,31,677/-, Average Rs. 22,438/- There was decrease of Rs. 4544/- i.e. 16.84%.
4.	the number of Permanent Employees on the rolls of the Company;	As on 31-3-2020 there are 95 Employees permanent on the roll of the Company.

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

5.	average percentile increase already made in the Salaries of Employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increased in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Salary increase of 5% on an average While Managing director's remuneration is not increased in the period during review and WTD – CFO 's remuneration is increased by Rs.10000/- p.m. i.e. 18.18% in the period during review
6.	The key parameters for any variable component of remuneration availed by the Directors;	It will depend on the Financial outcomes and profitability of the Company, Risk factors and regulatory guidelines and the variable pay shall not exceed 50 % of the fixed pay in a particular year.
7.	Affirmation that the remuneration is as per the remuneration policy of the Company.	It is affirmed that the remuneration is as per the remuneration policy adopted by the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
FOR JAINEX AAMCOL LIMITED

Place: Mumbai

Date: 12th November, 2020

Mohanlal Zumbarlal Kothari

Managing Director

DIN: 01486305

Rahul Dugar

Director

DIN : 00013704

## Annexure-F

### **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To,  
The Members of  
JAINEX AAMCOL LIMITED  
405 & 406, Sharda Chambers,  
15 Sir VitthaldasThackerseyMarg,  
New Marine Lines, Mumbai – 400020

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of JAINEX AAMCOL LIMITED having CIN L74999MH1947PLC005695 and having registered office at 405 & 406, Sharda Chambers, 15 Sir Vitthaldas Thackersey Marg, New Marine Lines, Mumbai – 400020(hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director in Company	DIN	Date of appointment in Company
1.	Mr. Bhagat Singh Dugar	00013082	30-07-1999
2.	Mr. Rahul Dugar	00013704	31-07-2003
3.	Mr. KunalBafna	00902536	10-10-2013
4.	Mr. MohanlalZumbarlal Kothari	01486305	01-04-2007
5.	Mr. Hitesh Mulraj Popat	00407897	27-03-2015
6.	Mr. Sunil Sampatraj Parakh	01111159	27-03-2015
7.	Mr. Vinit Ramgopal Kejriwal	01254554	27-03-2015
8.	Ms. Manju Jain	01332762	27-03-2015

## **JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20**

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

**Place: Thane**

**Date: 12th November, 2020**

**For Sonal Kothari & Associates**

**Sonal Shah**

**Proprietor**

**ACS: 24216**

**COP No.: 8769**

**UDIN: A024216B001218618**

### COMPANY REVIEW

#### Operational Overview

Jainex Aamcol is a leading manufacturer of gear hobs and special cutting tools, inspection tools & precision accessories under the brand “Aamcol” and is a part of Jainex Group. Jainex Group is a conglomerate with offices in all the leading cities of India. Jainex Group deals with steel, gear cutting tools, pneumatic brake systems for railways, and has a turnover of US\$ 20 million.

The company has been catering to a wide range of customers including automobile industries, industrial and special gearbox manufacturers, machine tool manufacturers, and many others. The Company’s product range includes Various Hobs for different applications such as Spur / Helical Gears, Chain Sprocket & Timer Pulleys, Worm Gears, Cutters, and other Inspection Tools & Precision Accessories. By producing international quality products, the company has not only saved country's foreign exchange but also generated it by exporting its products.

The objective of this report is to convey the Management’s perspective on the external environment and market, as well as strategy, operating and financial performance, material developments in human resources and industrial relations, risks and opportunities, and internal control systems and their adequacy in the Company during the Financial Year 2019-20. This should be read in conjunction with the Company’s financial statements, the schedules and notes thereto and other information included elsewhere in the Annual Report. The Company continued its strategic focus on enhancing process efficiency, product quality and customer connect. With an emphasis on manpower training, automation and product innovation, the Company strengthened its positioning in the marketplace.

#### Productivity Enhancement

The Company undertook an array of measures for productivity enhancement like retrofitting/ reconditioning and automation, improvement in use of highspeed cutting tools and cycle time improvement to improve productivity.

#### Safety Measures

Being a safety conscious organisation, the Company imbibes safety across various functions of the entire plant operation. In order to protect the health of workforce at the shop floor level, it curtails the use of hazardous material inside the plant premises.

## ECONOMIC OVERVIEW

### Global Economy

In view of the COVID-19 pandemic, there remains considerable uncertainty around the global economic forecast for 2020. According to the International Monetary Fund ('IMF'), global economy is projected to contract sharply by 4.9% in 2020, surpassing the decline seen during the global financial crisis a decade ago. Stark differences will be observed between impact of the pandemic on advanced economies, and emerging markets and developing economies owing to differences in governance capacity, health care systems, strength of financial institutions, and currency strength.

Advanced economies registered slower growth in CY 2018 at 2.2% as compared to 2.4% in CY 2017. Growth is projected to further slow down to 1.8% in CY 2019 and 1.7% in CY 2020, led by the negative effects of tariff increases in US and China. The new fuel emission policy in Germany, sovereign and financial risk in Italy, contraction in Turkey and an overall weak financial market sentiment will further add to subdued performance in the coming years.

Growth in emerging markets is also expected to slow from 4.5% in CY 2018 to 4.4% in CY 2019 but is seen slowly picking up to 4.8% in CY 2020. Factors such as slowing external demand, rising borrowing costs and persistent policy uncertainties are expected to weigh down growth in CY 2018 and CY 2019. Trade tensions with US will negatively impact China's economy, in addition to the needed financial regulatory tightening. India's economic growth is expected to pick up in FY 2020, benefiting from lower oil prices and a slower pace of monetary tightening, as inflation pressures ease.

In CY 2019, world economic growth is expected to further decelerate to 3.3%, before recovering a bit to 3.6% in CY 2020. Negative effects of tariff increases enacted in US and China will be the primary reason for slow output. Growth rate for the emerging market and developing economies is also likely to witness a slowdown in CY 2019, further impacting output.

Growth is expected to be slower in most advanced economies. Countries in the emerging market and developing economies will also witness a slump in growth due to external demand shock, tightening in global financial conditions, and a plunge in commodity prices. In China, where recovery from the sharp contraction in the first quarter is underway, growth is projected at 1% in 2020, supported in part by policy stimulus. The IMF projects a partial recovery in 2021; however, the level of GDP growth is expected to remain below the pre-COVID-19 trend, with uncertainty about strength of the rebound. India's economy in the Financial Year 2020-21 is projected to grow at a slower pace following a longer period of lockdown and slower rate of recovery than

anticipated. Effective policies and fiscal measures by the Government will be essential to forestall contraction of growth.

### **Indian Economy**

While the global economy is battling headwinds, India's economy continues to be one of the fastest growing major economies in the world. India became the world's sixth-largest economy in FY 2019. The second advanced estimates of Central Statistics Office (CSO) show that India's gross domestic product (GDP) is likely to grow by 7% in FY 2019, slower than 7.2% growth witnessed in FY 2018. However as per International Monetary Fund (IMF) India's GDP is estimated to grow by 7.5 per cent in FY 2020 and is expected to grow 7.7 per cent in FY 2021.

### **INDUSTRY OVERVIEW**

#### **Domestic Automobile Industry**

India is considered to be the world's 4th largest automobile industry, beating Germany. Indian automotive industry (including component manufacturing) is expected to reach Rs 16.16-18.18 trillion (US\$ 251.4-282.8 billion) by 2026. Domestic automobile production increased at 2.36 per cent CAGR between FY16-FY20 with 26.36 million vehicles being manufactured in the country in FY20. Overall, domestic automobiles sales increased at 1.29 per cent CAGR between FY16-FY20 with 21.55 million vehicles being sold in FY20. However, the automotive industry continued to witness strong headwinds with sharp decline across all segments especially in steel-intensive passenger vehicle and commercial vehicle segments. The overall export numbers of the Indian automobile industry witnessed a decline of 24.51 per cent to 2,86,032 units in March 2020. A total of 3,78,914 units were exported in the year-ago month.

The Government aims to develop India as a global manufacturing as well as a research and development (R&D) hub. It has set up National Automotive Testing and R&D Infrastructure Project (NATRIP) centers as well as a National Automotive Board to act as facilitator between the government and the industry. Taking forward Government's Make in India initiative, the players in the industry invested in technology infusion from across the globe and contributed towards making India a manufacturing hub. The automotive after-market in India too is on a higher growth trajectory. The opportunities generated by the disruptions are changing the competitive game for players willing to step beyond their traditional roles and engage with customers in a new and digital environment.

#### **Opportunities, Threat and Mitigation Strategies:**

Being a manufacturer of components for end-user industries, the Company is prone to

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market vagaries with rapid technological development and unique economic cycles. In addition, the regulatory and macroeconomic environments have a direct impact on the business. The Company has been quick to respond to any market challenges, thus making smart come backs. The Company has in place a robust mechanism to preempt merging risks and take meaningful corrective actions in a timely manner. Some of the key risks that may emerge are enlisted below, with the corresponding mitigation measures that can be adopted by the Company.

### **Product Risks:**

Risk: The Company supplies to leading brands which have strict norms and insist on adherence to compliance with quality and technical standards for auto components used as raw materials. The Company has to ensure superior precision and quality, as the product quality directly impacts the reputation and profitability.

Mitigation: The Company invests in maintenance and upgradation of its manufacturing facilities and in employee skill development. It also follows various quality and productivity enhancing initiatives to maintain competitiveness. Regular feedback from clients aids in mitigating product quality risk. Adequate product liability insurance is also in place to safeguard the interests of the Company.

### **Market risks:**

Risks: The Company derives most of its revenue from few large customers. Any glitch in the customer relations with them will have an adverse impact on the Company's revenues.

Mitigation: Our Company is currently having a large pool of customer base and has planned to diversify its base and is working accordingly. Our Company is not

only working towards client diversification but also business diversification.

### **Financial Risks:**

Risk: The Company is exposed to changes in foreign exchange rates, interest rates, credit availability and liquidity.

Mitigation: The Company has in place adequate hedging mechanisms and closely monitors macro policy changes to foresee any likely movements in interest rates.

### **Raw Material Risks:**

Risks: Input costs being a primary cost for the Company, they have a significant impact on the financials of the organisation.

Mitigation: Robust procurement policy, expertise in inventory management, understanding of price fluctuation and long-lasting relationships with suppliers including pass-through clauses enables the Company in ensuring timely, regular and adequate supply of raw materials.

### **Technology Risks:**

Risk: The Company supplies to reputed OEMs that are abreast with market changes on the technology front. These marquee players are constantly on the look-out for quality supplies with

superior efficiency. The Company is challenged to promptly respond to the evolving demands and also needs to be prepared to face the risk of technological obsolescence.

**Mitigation:** Our Company is well focused on modernization and technology upgradation and has been a forerunner in terms of adding new and advanced gears to the industry.

### **Regulatory Risks:**

**Risk:** The Company is exposed to changes in laws, regulations, policies and

other Governmental actions including those affecting environmental matters, employee welfare, safety, wastage emissions.

**Mitigation:** The Company has a dedicated compliance team which foresees any regulatory changes and developments in laws that govern it and its clients. It takes course corrections in a timely fashion to avoid any such major disruption.

### **Segment wise or Product-wise Performance**

The Company's segment-wise performance for the financial year 2019-20 is as under:  
(Amt. in Lacs)

Sl. No.	Segment	Performance
1.	Gear Hobs	964.34
2.	Milling Cutters	189.34
3.	Spline Gauges	149.27

### **Internal Control Systems and their Adequacy**

The Company is committed to good corporate governance practices and has well-defined systems and processes covering all the corporate functions and units. It also has an Internal Audit Process to provide reasonable assurance regarding the effectiveness and efficiency of operations, safe-guarding of assets, reliability of financial records and reports and compliance with applicable laws and regulations. The Company has an elaborate system of identifying key business risks and taking mitigating steps.

In order to be future-ready, the Company is focused on creating an organisation culture which is built on a strong foundation of agility and innovation.

Well-documented policies and procedures enable the Company to strictly adhere to all applicable procedures, laws, rules and statutes. Any variance from budgetary allocations are promptly reported and corrected to ensure strict compliance.

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The Audit Committee of the Board oversees the Audit function through regular reviews of audit findings and monitoring corrective actions taken on the same.

### **Discussion on Financial Performance With Respect to Operational Performance**

During the financial year 2019-20 under review, the turnover of the Company decreased from Rs. 17.53Crores in F.Y. 2018-19 to Rs. 13.66Crores, thus resulting in loss of the Company after deducting the Finance Costs, Depreciation and Taxes from Net Profit of Rs. 61.03 Lacs in the previous financial year to loss of Rs. 29.74 Lacs in the current financial year.

### **SUPPORT SYSTEMS**

The Company is constantly focusing on enhancing its process efficiency, product quality and customer connect. The Company believes that the employees are not a resource but the most valuable assets of the Company and will play a key role in its future growth. Planned efforts are made to develop and retain talent. The Company provides growth opportunities to internal talent by assigning them higher responsibilities with suitable exposure and training. The Company undertakes various training and development programmes regularly in order to upgrade its human resources and keep them abreast of the changing requirements.

### **Cautionary Statement**

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



**P.M. BHARGAVA & CO**  
CHARTERED ACCOUNTANTS  
FRN 145087W

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## **Independent Auditors' Report**

To,  
**The Members of**  
**Jainex Aamcol Limited**

### **Report on Audit of the Standalone Ind AS Financial Statements**

#### **Opinion**

We have audited the standalone financial statements of **Jainex Aamcol Limited** (“the Company”), which comprise the Balance Sheet as at 31st March 2020, the statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, (“IND AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss (including other comprehensive income), its statement of changes in equity and its Cash Flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (**SAs**) specified under section **143(10)** of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI)

## **JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20**

together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements<sup>1</sup>.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how audit addressed the matter is provided in the context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Sr. No.	Key Audit Matters	Auditor's response
1.	<p><b><u>Actuarial valuation, provisions of arrears and funding of Gratuity under Defined Benefit Plan.</u></b>                      The company's Employees Gratuity Fund Scheme is managed by the LIC of India as defined benefit plan. The present value of obligations based on past experience and actual valuation done by LIC read with the compliance of applicable IND AS in this regard has been considered and provided in the financial statements subject however to funding and payment of arrears to LIC as reflected in the company's financial statements Note No. 30 item (8)(b)(iii). Since the valuation of</p>	<p><b><u>Audit procedure performed</u></b></p> <ol style="list-style-type: none"> <li>1. We have performed procedure to ensure that the provision for gratuity is adequately made including the year/s upto the financial year under audit as per the computation made by the company under the Payment of Gratuity Act as amended from time to time vis-à-vis the statement/computation of gratuity provided by LIC.</li> <li>2. The company is in arrear of Rs. 58.55 lakhs upto FY 2020 for funding to LIC.</li> <li>3. We assessed the disclosures in accordance with IND AS 19.</li> </ol>

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

Sr. No.	Key Audit Matters	Auditor's response
	<p>gratuity is done by LIC with their vast experience in the field at actuals, hence no third party actuarial valuation is taken as the management is of the view that the company has made provision at actuals which in their view is generally higher than the actuarial valuation if taken.</p>	
2.	<p><b><u>Actuarial valuation and funding of leave salary</u></b>                      The company has provided for the actual leave encashment liability as per company rules at the balance sheet date based on permissible accumulated leave balance of the employees at last salary drawn. Since leave encashment liability at actual is fully provided, no actuarial valuation is considered necessary by the management. However, provision is made for leave encashment during the year and unpaid liability at year end is Rs. 19.93lakhs.</p>	<p><b><u>Audit procedure performed</u></b></p> <ol style="list-style-type: none"> <li>1. We have performed procedure to ensure that the provision for leave salary (encashment) is adequately made including the year/s upto the financial year under audit as per the actual computations made as per company rules for payment of leave salary at actuals and therefore no actuarial valuation is considered necessary by the management.</li> <li>2. The unpaid liability at the year end is of Rs. 19.93 lakhs upto FY 2020.</li> <li>3. We assessed the disclosures in accordance with IND AS 19.</li> </ol>
3.	<p><b><u>Impairment of Assets</u></b>                      Impairment of assets has been recognized and losses where ever applicable has been charged to Profit &amp; Loss account.</p> <p>As of each balance sheet date, the carrying amount of assets is tested for impairment so as to determine; the provision for impairment loss, if any, required, or the reversal, if any, required or impairment has been recognized in previous year.</p>	<p><b><u>Audit procedure performed</u></b></p> <ol style="list-style-type: none"> <li>1. Our audit procedures included company's accounting policies with respect to impairment in accordance with IND AS 36 "Impairment of Assets".</li> <li>2. We performed test of controls over impairment process through inspection of evidence of performance of these controls.</li> <li>3. We performed the following tests of details:                             <ol style="list-style-type: none"> <li>a) We obtained the management's impairment assessment.</li> <li>b) We have obtained and evaluated the technical and performance analysis.</li> </ol> </li> <li>4. We accordingly assessed the disclosures in accordance with IND AS 36 "Impairment of Assets"</li> </ol>

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

Sr. No.	Key Audit Matters	Auditor's response
4.	<p><b>Recognition of Tax Credits.</b></p> <p><b>a) Deferred Tax Assets of Rs. 24.47 lakhs</b> 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. 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.</p> <p><b>b) Minimum Alternate Tax (MAT) credit.</b> The company has recognized Minimum Alternate Tax (MAT) credit receivable of Rs. 33.45 lakhs as at 31<sup>st</sup> March, 2020.</p>	<p><b>Audit procedure performed</b></p> <ol style="list-style-type: none"> <li>1. Our audit procedures included company's accounting policies with respect to recognition of tax credits/debits in accordance with IND AS 12 "Income Taxes"</li> <li>2. We performed test of controls over recognition of tax credits/debits through inspection of evidence of performance of these controls.</li> <li>3. We involved our tax consultant who evaluated the tax positions by comparing it with prior years and past precedents.</li> <li>4. We discussed the future business plans and financial projections with the company.</li> <li>5. We assessed the management's long term financial projections and the key assumptions used in the projections by comparing it to approved business plans and projections.</li> <li>6. We assessed the disclosures in accordance with IND AS 12 "Income Taxes"</li> </ol>
5.	<p><b>Company Secretary</b> The company had appointed a qualified company secretary pursuant to the provisions of Section 2(24), 2(51) and Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration Managerial Personnel) Rules, 2014 w.e.f. 30th April, 2019 and had filed necessary forms on MCA portal on 16/05/2019. However, the said appointee resigned wef 05-08-2019 and since then the company had no qualified Company Secretary as required under Section 203(1)(ii) of Companies Act, 2013. The company however has been making efforts to appoint a company secretary but has not been able to source the suitable candidate till date. However the company, in the meantime; has been engaging the services of qualified professional company secretaries for day to day and periodical statutory compliances under the Companies Act.</p>	<p><b>Audit procedure performed</b></p> <ol style="list-style-type: none"> <li>1. We have been explained that company, has been making efforts to appoint a company secretary but is not able to source the suitable candidate till date. However, the company in the meantime has been engaging the services of qualified practicing company secretaries for its day to day and statutory compliances under the Companies Act and other statutory/SEBI laws.</li> </ol>

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

The Company's Board of Directors is responsible for the preparation and presentation of these Ind As financial statements in terms of requirements of the Act that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS Accounting Standards (Ind AS)(specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of the preparation of the Ind AS financial statements by the Directors of the Company, as aforesaid.

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

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

## **Other Information, such as "Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matter**

Our opinion on the Ind AS financial statements and financial information certified by the management, and our report on Other Legal and Regulatory Requirements below, is not modified being the only statutory auditor of the company which has no branch or branch auditors.

### **Report on Other Legal and Regulatory Requirements**

1. Pursuant to 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 paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and records.
  - c) The Balance Sheet, the Statement of Profit & Loss including the statement of other comprehensive income, statement of changes in he

equity and the cash flow statement dealt with by this report are in agreement with the books of account.

- d) In our opinion the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015, as amended;
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**” to this Report.
- g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act and is subject to members' approval in one case.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us.
- i) The Ind AS financial statements disclose the impact of pending litigations on its financial position in Ind AS financial statements – Refer Note 30(9) to the Ind AS financial statements;
  - i. 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.
  - ii. 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 P. M. BHARGAVA & CO**  
**CHARTERED ACCOUNTANTS**  
**FRN 145087W**

**P. M. BHARGAVA**  
**(PROPRIETOR)**  
**M. No. 100595**

Place : MUMBAI  
Date : 30TH JUNE, 2020  
UDIN : 20100595AAAAAD9632

## ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph under "Report on Other Legal and Regulatory Requirements" section of our report to the members of the Jainex Aamcol Ltd. of even date)

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

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

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

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets other than furniture & fixtures and office equipments.
- (b) All the assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the Company.

**(ii) In respect of the Company's Inventories**

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

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

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

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

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

**(v) In respect of Loans/Deposits taken**

The Company has carried forward and additional unsecured loans/deposits received during the year from four related parties viz. a body corporate as a shareholder, two directors and shareholders and a firm in which directors are interested and also firm's two partners (50%) are shareholders. During the year, the company has not accepted any deposits from public and does not

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

have any unclaimed deposits as at March 31, 2020. The compliance under the Act as amended is pending for compliance.

**(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 was generally regular in depositing undisputed statutory dues including provident fund (except in 1 month by 2 days) employees state insurance, income tax, customs duty, GST 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, customs duty, GST and any other material statutory dues in arrears as at 31<sup>st</sup> March, 2020 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, 2020 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	Customs and Excise Tribunal, Mumbai – Case is heard and matter is reverted back to the concerned assessing authority to re-look afresh and is still pending for order.

There were no dues of income tax and GST which have not been deposited as at 31<sup>st</sup> March, 2020 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 not defaulted in repayment of term loan installments of **Bank of India** and the term loans stand closed during the year.

- (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 loan. 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 provisions of section 197 read with Schedule V to the Act and is subject to members' approval in one case.
- (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 sections 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 Standalone Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24 Related Party Disclosure specified under section 133 of the Act.
- (xiv) **In respect of preferential allotments, private placement of shares and convertible debentures**  
During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, the clause (xiv) of the Order is not applicable to the company.
- (xv) **In respect of non cash transactions under section 192**  
In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors. Accordingly, the clause (xv) of the Order is not applicable to the company.

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

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

for **P. M. BHARGAVA & CO**  
**CHARTERED ACCOUNTANTS**  
**FRN 145087W**

**P. M. BHARGAVA**  
**(PROPRIETOR)**  
**M. No. 100595**

Place : MUMBAI

Date : 30TH JUNE,2020

UDIN : 20100595AAAAAD9632

## **ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph under "Report on Other Legal and Regulatory Requirements" section of our report to the members of the Jainex Aamcol Ltd. 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')**

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1. We have audited the internal financial controls over financial reporting of Jainex Aamcol Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

2. 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.



5. 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**

6. 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 the stand alone Ind AS 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

8. In our opinion, 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, 2020, 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.

for **P. M. BHARGAVA & CO**  
**CHARTERED ACCOUNTANTS**  
**FRN 145087W**

**P. M. BHARGAVA**  
**(PROPRIETOR)**  
**M. No. 100595**

Place: MUMBAI

Date : 30TH JUNE, 2020

UDIN : 20100595AAAAAD9632

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# JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

## JAINEX AAMCOL LIMITED Balance Sheet as at 31st March 2020

Sr. No.	PARTICULARS	Note No.	As at 31st March, 20 ₹	As at 31st March, 19 ₹
I.	<b>ASSETS</b>			
(1)	<b>Non-Current Assets</b>			
	(a) Property, Plant and Equipment	2	65996753	77604953
	(b) Intangible Assets	3	302237	98868
	(c) Financial Assets			
	(i) Others	4	4557662	3721593
	(d) Deferred Tax Assets (Net)	5	2446771	0
	<b>Total Non-Current Assets</b>		<b>73303423</b>	<b>81425414</b>
(2)	<b>Current Assets</b>			
	(a) Inventories	6	29712863	31685355
	(b) Financial Assets			
	(i) Trade Receivables	7	29272614	42606315
	(ii) Cash and Cash Equivalents	8	699642	1207683
	(iii) Other Bank Balances	9	15000	15000
	(c) Other Current Assets	10	2097778	1470950
	<b>Total Current Assets</b>		<b>61797897</b>	<b>76985303</b>
	<b>Total Assets</b>		<b>135101320</b>	<b>158410717</b>
II.	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Equity</b>			
	(a) Equity Share Capital	11	14993940	14993940
	(b) Other Equity	12	20828126	23802642
	<b>Total Equity</b>		<b>35822066</b>	<b>38796582</b>
(2)	<b>Liabilities</b>			
	<b>Non-Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	13	0	2500000
	(ii) Others	14	41654639	28180849
	(b) Provisions	15	389897	389897
	(c) Deferred Tax Liabilities (Net)	5	0	1301149
	<b>Total Non-Current Liabilities</b>		<b>42044536</b>	<b>32371895</b>
(3)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	16	21457086	24680417
	(ii) Current Maturities - Long-Term	17	0	17306532
	(iii) Trade Payables	18		
	(a) Dues of micro & small enterprises		56344	607931
	(b) Dues of creditors other than micro and small enterprises		21113270	27832987
	(b) Other Current Liabilities	19	7788808	7722153
	(c) Provisions	20	6819209	7364256
	(d) Current Tax Liabilities (net)	21	0	1727963
	<b>Total Current Liabilities</b>		<b>57234718</b>	<b>87242241</b>
	<b>Total Liabilities</b>		<b>99279254</b>	<b>119614136</b>
	<b>Total Equity and Liabilities</b>		<b>135101320</b>	<b>158410717</b>

Notes to the Financial Statements - Note Nos. 1 to 30

In terms of our report attached.

For P. M. BHARGAVA & CO.

CHARTERED ACCOUNTANTS

(P.M.BHARGAVA)  
PROPRIETOR

Membership No. : 100595

Firm Reg. No.: 145087W

Place :- Mumbai

Dated :- 30th June, 2020

(M. Z. Kothari)  
Managing Director  
(DIN : 01486305)

(Rahul Dugar)  
Director  
(DIN : 00013704)

(Kunal Bafna)

Chief Financial Officer & Whole-time Director  
(DIN : 00902536)

# JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

## JAINEX AAMCOL LIMITED. Statement of Profit and Loss for the Year ended on 31st March, 2020

Sr. No.	PARTICULARS	Note No.	For the year Ended 31st March, 20 ₹	For the year Ended 31st March, 19 ₹
	<b>INCOME</b>			
I	Revenue from Operations	22	136679396	175359285
II	Other Income	23	562250	262265
III	<b>Total Income (I + II)</b>		<b>137241646</b>	<b>175621550</b>
IV	<b>Expenses:</b>			
	Cost of Materials Consumed	24	34781995	42187724
	Changes in inventories of finished goods & work-in-progress	25	2055035	2168626
	Employee Benefit Expense	26	46189038	52399074
	Finance Costs	27	5703202	7396191
	Depreciation and Amortization Expense	28	11756212	12023211
	Other Expenses	29	44177074	50767067
	<b>Total Expenses</b>		<b>144662556</b>	<b>166941892</b>
V	<b>Profit/(Loss) before Exceptional Items and Tax</b>		<b>(7420910)</b>	<b>8679658</b>
VI	Extraordinary items (net)		0	0
VII	<b>Profit/(Loss) before Tax (V-VI)</b>		<b>(7420910)</b>	<b>8679658</b>
VIII	<b>Tax Expense:</b>			
	Current Tax		0	1797268
	Tax for Earlier Year		14037	0
	Deferred Tax Credit(-)/Debit(+)		(3747920)	1665480
	Mat credit re-instatement/lapse		(712512)	783763
	MAT Credit C/f		0	(1669966)
			<b>(4446395)</b>	<b>2576545</b>
IX	<b>Profit/(Loss) for the year (VII-VIII)</b>		<b>(2974515)</b>	<b>6103113</b>
X	<b>Other Comprehensive Income/(loss)</b>			
A.	<b>Item that will not be reclassified to profit or loss</b>			
	(i) Re-measurement gains/(losses) on defined benefit obligations		0	0
	(ii) Income tax effect on above		0	0
B.	<b>Item that may be reclassified to profit or loss:</b>			
	(i) Re-measurement gains/(losses) on defined benefit obligations		0	0
	(ii) Income tax effect on above		0	0
	<b>Total Other Comprehensive Income/(Loss) for the year (A+B)</b>		<b>0</b>	<b>0</b>
XI.	<b>Total Comprehensive Income/(Loss) for the period comprising profit/ (loss) and other Comprehensive Income (IX-X)</b>		<b>-2974515</b>	<b>6103113</b>
XII.	<b>Earnings/(Loss) per equity share (of ₹ 10 each) from continuing operations as there is no discontinued operation</b>			
	Basic and Diluted (in ₹ per share)		-1.99	4.08

Notes to the Financial Statements - Note Nos. 1 to 30

In terms of our report attached.

For P. M. BHARGAVA & CO.

CHARTERED ACCOUNTANTS

(P.M.BHARGAVA)

PROPRIETOR

Membership No. : 100595

Firm Reg. No. : 145087W

Place :- Mumbai

Dated :- 30th June, 2020

(M. Z. Kothari)  
Managing Director  
(DIN : 01486305)

(Rahul Dugar)  
Director  
(DIN : 00013704)

(Kunal Bafna)  
Chief Financial Officer & Whole-time Director  
(DIN : 00902536)

# JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

## JAINEX AAMCOL LIMITED

### Cash Flow Statement for the year ended 31st March, 2020

Sr. No.	Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
<b>A.</b>	<b>Cash flow from operating activities</b>		
1	Net Profit / (Loss) before extraordinary items and tax	(7420910)	8679658
	<i>Adjustments for:</i>		
	Depreciation and amortisation	11496212	11468897
	Impairment in respect of Other Property and Plant & Equipment	260000	554314
	Amortisation of share issue expenses and discount on shares	0	0
	(Profit)/Loss on sale of Assets	0	(39753)
	Finance costs	5703202	7396191
	Interest income	(869)	(51675)
		<b>10037635</b>	28007632
2	Operating profit / (loss) before working capital changes		
	<i>Changes in working capital:</i>		
	<i>Adjustments for (increase) / decrease in operating assets:</i>		
	Inventories	(1972492)	(335970)
	Trade receivables	(13333701)	141954
	Financial assets - Loans		
	Other current assets	626828	740472
	Non current - Loans	836069	963617
		<b>(13843297)</b>	1510073
	<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
	Trade payables	(7271304)	(9274315)
	Others	0	0
	Current Long term Borrowing (maturities)	(17306532)	973899
	Other Current Liabilities	66655	770551
	Current Provisions	(545048)	1171628
	Current tax liabilities (net)	(1727963)	1453692
		<b>(26784192)</b>	(4904544)
	Cash flow from extraordinary items	0	0
	Cash generated from operations	12940895	6414617
	Net income tax (paid) / refunds (Including MAT effect)	698475	(911065)
3	<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(2204785)</b>	20681949
<b>B.</b>	<b>Cash flow from investing activities</b>		
	Capital expenditure on fixed assets, including capital advances	(351381)	(6166827)
	Proceeds from sale of fixed assets	0	53571
	Interest received	869	51675
	Cash flow from extraordinary items	0	0
	<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(350512)</b>	(6061581)

# JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

## JAINEX AAMCOL LIMITED

### Cash Flow Statement for the year ended 31st March, 2020

Sr. No.	Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
<b>C.</b>	<b>Cash flow from financing activities</b>		
	Proceeds from long-term borrowings (TLs/Usl)	10973790	(8129341)
	Net increase / (decrease) in working capital borrowings	(3223331)	228182
	Proceeds from other short-term borrowings	0	0
	Finance cost	(5703202)	(7396191)
	<b>Net cash flow from / (used in) financing activities (c)</b>	<b>2047257</b>	<b>(15297350)</b>
	<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(508041)</b>	<b>(676981)</b>
	Cash and cash equivalents at the beginning of the year	1222683	1899664
	<b>*Cash and cash equivalents at the end of the year (Refer Note 8)</b>	<b>714642</b>	<b>1222683</b>
	Reconciliation of Cash and cash equivalents with the Balance:		
	Cash and cash equivalents as per Balance Sheet(Refer Note 8)	714642	1222683
	* Comprises:		
a)	Cash on hand	31179	74045
b)	Balances with banks		
	(i) In current accounts	668463	1133638
	(ii) In earmarked accounts	15000	15000
		<b>714642</b>	<b>1222683</b>

**Notes:**

(i) Figures for previous year have been rearranged/regrouped wherever necessary.

In terms of our report attached.

For P. M. BHARGAVA & CO.  
CHARTERED ACCOUNTANTS

(P.M.BHARGAVA)  
PROPRIETOR

Membership No. : 100595  
Firm Reg. No.: 145087W  
Place :- Mumbai  
Dated :- 30th June, 2020

(M. Z. Kothari)  
Managing Director  
(DIN : 01486305)

(Rahul Dugar)  
Director  
(DIN : 00013704)

(Kunal Bafna)

Chief Financial Officer & Whole-time Director  
(DIN : 00902536)

# JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

## Statement of Change in Equity for the year ended March 31, 2020

### A. Equity Share Capital

Particulars	No. of Shares	Amount in ₹
<b>Balance as at April 1, 2018</b>	1496338	14993940
Issued during the year	0	0
<b>Balance as at March 31, 2019</b>	1496338	14993940
Issued during the year	0	0
<b>Balance as at March 31, 2020</b>	1496338	14993940

### B. Other Equity

Particulars	Reserves and Surplus				Amount in ₹		
	Capital Reserve	Capital Redemption Reserve	Share Premium Account	Retained Earnings	Total Reserve other than OCI	Item of other comprehensive item	Total
<b>Balance as at April 1, 2018</b>	1500000	3897400	24000000	(8512065)	20885335	(3185806)	17699529
Profit/(Loss) for the year FY 2019				6103113	6103113		6103113
Other Comprehensive Income/(loss) for FY 19							
<b>Balance as at March 31, 2019</b>	1500000	3897400	24000000	(2408952)	26988448	(3185806)	23802642
Profit/(Loss) for the year FY 2020				(2974515)	(2974515)		(2974515)
Other Comprehensive Income/(loss) for FY 2020							
<b>Balance as at March 31, 2020</b>	1500000	3897400	24000000	(5383468)	24013932	(3185806)	20828126

In terms of our report attached.

For P. M. BHARGAVA & CO.  
CHARTERED ACCOUNTANTS

(P.M.BHARGAVA)  
PROPRIETOR

Membership No. : 100595  
Firm Reg. No.: 145087W  
Place :- Mumbai  
Dated :- 30th June, 2020

(M. Z. Kothari)  
Managing Director  
(DIN : 01486305)

(Rahul Dugar)  
Director  
(DIN : 00013704)

(Kunal Bafna)

Chief Financial Officer & Whole-time Director  
(DIN : 00902536)

**Notes forming part of the Accounts**

**1 SIGNIFICANT ACCOUNTING POLICIES**

Sr. No	Particulars
1	<p><b><u>COMPANY INFORMATION</u></b>                      Jainex Aamcol Limited ("the company") is a public limited company incorporated with its Registered Office in Mumbai, Maharashtra, India. The company is listed on the Bombay Stock Exchange (BSE). The company has a manufacturing unit in Aurangabad, Maharashtra for manufacture of Gear Cutting Tools viz. gear hobs, milling cutters and spline gauges. The functional and presentation currency of the company is Indian Rupee ("₹") which is the currency of the primary economic environment in which the company operates. As on 31st March, 2020, Jainex Foods Pvt Ltd owns 38.62% of the equity shares of the company, and has the ability to influence the company's operations. The financial statements for the year ended March 31, 2020 were approved by the Board of Directors on June 30, 2020.</p>
2	<p><b><u>SIGNIFICANT ACCOUNTING POLICIES</u></b></p>
2.01	<p><b><u>ACCOUNTING CONVENTION</u></b>                      The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.</p>
a)	<p><b><u>Statement of compliances</u></b>                      The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended by MCA <b>vide notification no. G.S.R.404(E) dated 6 April 2016 amending Schedule III (Balance Sheet and Profit and Loss Accounts format) of the Companies Act 2013.</b></p>
b)	<p><b><u>Basis of preparation</u></b></p>
(i)	<p>The financial statements have been prepared under the historical cost convention on the basis of going concern and in accordance with generally accepted accounting principles and IND AS of ICAI as per provisions of the Companies Act 2013 read with notes appearing in financial statements.</p>

**Notes forming part of the Accounts**

**1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

Sr. No	Particulars
(ii)	<p><b><u>Covid Impact</u></b>                      The Company has assessed the impact of COVID-19 on its financial statements based on the internal and external information upto the date of approval of these financial statements and the Company expects to recover the carrying amounts of its intangible assets, trade receivables and inventories. The Company will continue to monitor the future economic conditions and assess its impact on its financial statements. The Company had no term loan outstanding at year end and therefore no benefits or moratorium had been taken on the term loans. However, as per announcement by Government and RBI guidelines , the Company has taken eligible benefits by way of defferment of interest on working capital loans and Guaranteed Emergency Credit Line (GECL) after year end.</p>
c)	<p><b><u>USE OF ESTIMATES AND ACCOUNTING JUDGEMENTS</u></b></p>
(i)	<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>
(ii)	<p><b><u>Impairment (IND. AS 36)</u></b>                      Impairment of assets has been recognized and losses, where ever applicable; has been charged to Profit &amp; Loss account.                       As of each balance sheet date, the carrying amount of assets is tested for impairment so as to determine -</p> <ol style="list-style-type: none"> <li>i. the provision for impairment loss, if any, required, or</li> <li>ii. the reversal, if any, required or impairment has recognized in previous year.</li> </ol>



**Notes forming part of the Accounts**

**1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

Sr. No	Particulars
(iii)	<p><b><u>Useful life of property, plant and equipment and intangible assets :- (IND. AS 16)</u></b></p> <p>The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each report period. This reassessment may result in change in depreciation and amortization expense in future periods.</p>
(iv)	<p><b><u>Taxes on Income and Valuation of deferred tax assets:- (IND AS 12)</u></b></p> <p>Current tax is determined as the amount of tax payable in respect of taxable income for the year, as per applicable tax rates and laws.</p> <p>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 as described in relevant Note to financial statements.</p>
(v) a)	<p><b><u>Provisions, contingent liabilities and contingent assets (IND AS 37)</u></b></p> <p><b>Provisions</b></p> <p>The provisions are recognised and measured by using a substantial degree of estimation.</p> <p>Provisions are recognized in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date.</p>
(i)	<p><b><u>Constructive obligation is an obligation that derives from an entity's actions where:</u></b></p> <p>by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and;</p>

**Notes forming part of the Accounts**

**1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

Sr. No	Particulars
(ii)	as a result, the entity has created a valid expectation on the part of those other parties that it will discharge such responsibilities.
b)	<p><b><u>Contingent liabilities</u></b> Contingent liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved in the issue.</p>
c)	<p><b><u>Contingent assets</u></b> Contingent assets are disclosed after a careful evaluation of the facts and legal aspects of the matter involved in the issue.</p>
(vi)	<p><b><u>Fair value measurements of financial instruments (IND AS 32)</u></b> The company has no financial instruments / investments hence fair value measurement is not applicable.</p>
(vii)	<p><b><u>Employee Benefits and Retirement obligations (IND AS 19)</u></b></p>
a)	<p><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 are recognised during the year in which the employee renders the related services.</p>
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 obligations based on past experience and actual valuation done by LIC read with the compliance of applicable IND AS in this regard has been considered and provided in the financial statements subject however to payment of arrears as reflected in the company's financial statements under the head Other Comprehensive Income (OCI). Since the valuation by LIC is based on their vast experience at actuals, no third party actuarial valuation is taken by the management.</p>

**Notes forming part of the Accounts**

**1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

Sr. No	Particulars
c)	<p><b><u>Compensated Absences</u></b>                      The company has provided for the actual leave encashment liability at the balance sheet date based on permissible accumulated leave balance of the employees at the last salary drawn. Since leave encashment liability at actual is fully provided, no actuarial valuation is considered necessary by the management.</p>
2.02	<p><b><u>Property, plant and equipment (IND AS 16)</u></b>                      Tangible and intangible property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes all direct costs and expenditure incurred to bring the asset to its working condition and location for its intended use. Related trial run expenses (net of revenue), borrowing cost during construction/irreccion period and commisioning are capitalised where ever and whenever applicable. The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognized in the statement of profit and loss.</p>
2.03	<p><b><u>Depreciation and amortization of property, plant and equipment and intangible assets</u></b></p> <p>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</p> <p>b) Depreciation on additions is provided on pro-rata basis from the date of intended use. Depreciation on deletions is provided on pro-rata basis till the date of its effective use.</p> <p>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.</p>

**Notes forming part of the Accounts**

**1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

Sr. No	Particulars
2.04	<p><b><u>Leases (IND AS 17)</u></b>                      The company's '95 years Leasehold Land at MIDC Aurangabad was acquired on annual economic rent of Rupee One in 1974.</p>
2.05	
a	
(i)	<p><b><u>Financial assets</u></b>  <b><u>Cash and bank balances</u></b>  <u>Cash and bank balances consist of</u>                      (i) Cash and cash equivalents includes cash in hand, balances held with banks which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value. These balances with banks are unrestricted for withdrawal and usage.                       (ii) Other bank balances which includes balances and deposits with banks that are restricted for withdrawal and usage.</p>
(ii)	<p>Other financial assets are taken at cost or net realisable value as the case may be.</p>
2.05	
b	
	<p><b><u>Financial Liabilities</u></b>  <b><u>Trade and other payables / liabilities</u></b>                       (i) Trade and other payables / liabilities are initially measured at fair value / cost as recorded in the books.                       (ii) Interest bearing bank loans, overdrafts, term liabilities and other debts are initially measured at fair value / cost as recorded in the books using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in the statement of profit and loss.                       (iii) The company de-recognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.</p>

**Notes forming part of the Accounts**

**1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

Sr. No	Particulars
2.06	<b><u>Inventories - (IND AS 02)</u></b>
(i)	Inventories are stated at the lower of cost and net realizable value. Cost is ascertained on a weighted average basis. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realizable value is the price at which the inventories can be realized in the normal course of business.
(ii)	Stores and spare parts are carried at lower of cost and net realizable value.
(iii)	Provisions are made to cover slow moving and obsolete items based on historical experience of utilization on a product category basis, which involves individual businesses considering their product lines and market conditions.
(iv)	However, based on above, the inventories are valued as under 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 valued at cost. e) Tools and Spares are valued at cost . f) Scraps are valued at realisable value
2.07	<b><u>Non-current assets held for sale and discontinued operations</u></b> The company had classified as non current fixed assets held for sale as mentioned in Note to financial statements under the head Property, Plant and Equipments in previous year and has now been provided as impairment under the head Depreciation, amortisation, impairment and obsolescence and impaired value of such assets has been considered under the head other current assets .  The company has not discontinued any operations during the year.

**Notes forming part of the Accounts****1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

Sr. No	Particulars
2.08	<p data-bbox="200 345 487 370"><b><u>Revenue from operations.</u></b></p> <p data-bbox="114 410 588 435">(i) <b><u>Sales and other operational income</u></b></p> <p data-bbox="200 475 972 792">Revenue from sale of goods is recognised when the company has transferred to the buyer the significant risks and rewards of ownership and no longer retains control over the goods sold. The amount of revenue can be measured reliably. It is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Depending on the contractual terms, risks and rewards of ownership is transferred when the delivery is completed. In case of exports, sale delivery is completed on issuance of bill of lading/air way bill.</p> <p data-bbox="114 833 354 857">(ii) <b><u>Other income</u></b></p> <p data-bbox="114 898 972 954">(a) Interest income is accrued on time proportion basis, by reference to the principal outstanding and effective interest rate applicable.</p> <p data-bbox="114 995 972 1084">(b) Other income viz exchange gain/ loss , misc. receipts, bad debts recovery etc. are accounted on generally accrual basis except recovery of bad debts, misc receipts which are accounted on receipt basis.</p> <p data-bbox="86 1125 705 1149">2.09 <b><u>Foreign currency transactions and translations</u></b></p> <p data-bbox="200 1190 972 1442">Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not re-translated-<b>not applicable.</b></p>

**Notes forming part of the Accounts**

**1 SIGNIFICANT ACCOUNTING POLICIES**

Sr. No	Particulars
	Assets and liabilities with functional currency other than the functional currency of the Company have been translated using exchange rates prevailing on the balance sheet date and such profit or loss arising on translation of such items has been charged to profit and loss account and no translation reserve has been created being not material.
2.10	<p><b><u>Borrowing costs (IND AS 23)</u></b></p> <p>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 save and except non provision of interest on certain interest free unsecured loans from promoters/directors/shareholders is recognized as an expense on accrual basis.</p>
2.11	<p><b><u>Earnings per share (IND AS 33)</u></b></p> <p>'Basic/Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the number of equity shares outstanding during the year.</p>
2.12	<p><b><u>Segment reporting (IND AS 108)</u></b></p> <p>The company's main product lines are in gear cutting tools viz. gear hobs and miling cutters which contributes over 88% of its revenue. The contribution from the balance operation viz. spline guage is mostly involving common processes and use of the same machineries of main product lines and thus the company's operations is considered as a single segment.</p>
2.13	<p><b><u>Change in Accounting Policy (IND AS 8)</u></b></p> <p>There is generally no change in accounting policy.</p>

# JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

Jainex Aamcol Limited

Notes forming part of the Financial Statements (Contd.)

## NOTE No. [ 2 ] - Property, Plant and Equipments

Sr. No	Class of assets	Cost				Depreciation				Impairment charged for the year	Net carrying amount	
		Value as at 01.04.2019	Additions	Deductions	As at 31.03.2020	Upto 31.03.2019	For the year	Deductions	Upto 31.03.2020		As at 31.03.2020	As at 31.03.2019
I.	<b>Tangible Assets</b>											
A.	UN-IMPAIRED ASSETS											
	Leasehold Land *	178777	0	0	178777	178777	0	0	178777	0	0	0
B.	Factory & Office Building * (Owned)	5603724	0	0	5603724	2603123	138956	**	2742079	0	2861645	3000601
C.	Plant and Equipment (Owned)	231625028	0	0	231625028	158833719	11052280	0	169885999	0	61739029	72791309
D.	Office Equipment	1313547	33265	0	1346812	1131981	43961	0	1175942	0	170870	181566
E.	Furniture & Fixtures	5911305	0	0	5911305	5434856	55456	0	5490312	0	420993	476449
F.	Vehicles	908563	0	0	908563	863137	0	0	863137	0	45426	45426
G.	Computer	10876090	39856	0	10915946	10026487	130668	0	10157155	0	758791	849603
		256417034	73121	0	256490155	179072080	11421321	0	190493401	0	65996753	77344953
No												
II.	<b>IMPAIRED ASSETS</b>											
	(held for sale)											
	Plant and Equipment (Owned)	4035306	0	0	4035306	3775306	0	0	3775306	260000	0	260000
		4035306	0	0	4035306	3775306	0	0	3775306	260000	0	260000
	<b>TOTAL</b>	260452340	73121	0	260525461	182847386	11421321	0	194268707	260000	65996753	77604953
	(Previous Year)	288597177	6166827	4311664	280452340	174318618	11457987	3483532	182293073	554314	77604953	

(\*) Please refer Note 1 - (2.02), (2.03) and (2.04) of Significant Accounting Policies.

(\*\*) Impaired assets re-classified to hold for sale during FY 19

(#) Impairment amounting to Rs.260000 (previous year Rs.554314) has been charged to profit & loss during the year.

## NOTE No. [ 3 ] - Intangible Assets

Sr. No	Class of assets	Cost				Depreciation				Impairment charged for the year	Net carrying amount	
		Value as at 01.04.2019	Additions	Deductions	As at 31.03.2020	Upto 31.03.2019	For the year	Deductions	Upto 31.03.2020		As at 31.03.2020	As at 31.03.2019
I.	<b>Intangible Assets</b>											
	Computer Software	1508415	278260	0	1786675	1409547	74891	0	1484438	0	302237	98868
		1508415	278260	0	1786675	1409547	74891	0	1484438	0	302237	98868
	<b>Previous Year</b>	1508415	0	0	1508415	1398637	10970	0	1409547	0	98868	



# JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

## Notes forming part of the Financial Statements (Contd.)

Sr. No.	Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
	<b>NOTE No. [ 4 ]</b>		
	<b>Financial Assets :</b>		
	<b>Others - Non-Current</b>		
	<u>Un-secured, considered good</u>		
a	Security Deposits	1012312	888755
b	Deposit with Custom's Appeal - Capital item	200000	200000
c	MAT Credit Entitlements	3345350	2632838
		<b>4557662</b>	<b>3721593</b>
	<b>NOTE No. [ 5 ]</b>		
	<b>Deferred Tax Assets (Net)</b>		
	<u>Tax effect on items constituting deferred tax liability</u>		
a)	On difference between book balance and tax balance of fixed assets.	<b>7316014</b>	8593568
b)	<u>Tax effect on items constituting deferred tax assets</u>		
	Leave Encashment	518258	441582
	On Employees benefits - Gratuity	1522386	1334094
	On bonus	683526	0
	Unabsorbed Depreciation c/f-as per IncomeTax	7038615	5516743
		<b>9762785</b>	<b>7292419</b>
	<b>Net Deferred Tax Assets (+) /Liabilities (-)(a-b)</b>	<b>2446771</b>	<b>-1301149</b>
	<b>NOTE No. [ 6 ]</b>		
	<b>Inventories</b>		
a	Raw Materials	14360081	14288331
b	Work-in-Progress	3992978	6970179
c	Finished Goods - Internally Manufactured	7425575	7200968
d	Stores	2621025	2728023
e	Tools & Spares	615645	497854
f	Machines Spares	0	0
g	Scraps	697559	0
		<b>29712863</b>	<b>31685355</b>
	For mode of valuation refer Note No. 1 - (2.06) of Significant Accounting Policies		

# JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

## Notes forming part of the Financial Statements (Contd.)

Sr. No.	Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
	<b>NOTE No. [ 7 ]</b>		
	<b>Financial Assets :</b>		
	<b>Current : Trade Receivables</b>		
	<b>Unsecured</b>		
a	Outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	<b>2390723</b>	2190884
	Unsecured, considered doubtful	<b>0</b>	0
		<b>2390723</b>	2190884
b	Outstanding for a period less than six months from the date they are due for payment		
	Unsecured, considered good	<b>26881891</b>	40415431
	Unsecured, considered doubtful	<b>0</b>	0
		<b>26881891</b>	40415431
		<b>29272614</b>	42606315
	<b>Note :</b> No trade receivables are due from directors or other officers of the Company or any of them either severally or jointly with any other person. No any debts/receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.		
	<b>NOTE No. [ 8 ]</b>		
	<b>Financial Assets :</b>		
	<b>Current : Cash and Cash Equivalents</b>		
i	<u>Balances with Banks</u>		
	In Current Accounts	<b>668463</b>	1133638
ii	Cash on Hand	<b>31179</b>	74045
		<b>699642</b>	1207683

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

### Notes forming part of the Financial Statements (Contd.)

Sr. No.	Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
	<b>NOTE No. [ 9 ]</b>		
	<b>Financial Assets :</b>		
	<b>Current : Other Bank Balance</b>		
	<u>Other Bank Balances</u>		
	<u>In TDR Accounts</u>		
	held as margin against BG/LCs	15000	15000
		<b>15000</b>	15000
	<b>NOTE No. [ 10 ]</b>		
	<b>Financial Assets :</b>		
	<b>Other Current Assets</b>		
	Unsecured, considered good		
a	<u>Prepaid Expenses</u>	150295	319320
b	<u>Balances with Govt Authorities</u>		
	Balance with GST - Subject to reconciliation of input tax credit	1465680	824548
	Balance with Income Tax (refund)	54975	0
		<b>1520655</b>	824548
c	<u>Others</u>	426829	327082
		<b>2097778</b>	1470950
	<b>NOTE No. [ 11 ]</b>		
	<b>Equity Share Capital</b>		
a)	<b>Authorised</b>		
	Equity Shares of Rs. 10/- each. ₹	3000000	3000000
	Number of shares	300000	300000
b)	<b>Issued, Subscribed &amp; Paid up</b>		
	Equity Shares of Rs. 10/- each. ₹	14963380	14963380
	Number of shares	1496338	1496338
	Less : Calls in Arrears from others	3595	3595
		<b>14959785</b>	14959785
	Add : <u>Forfeited Shares</u>		
	Equity Shares of Rs. 2.50/- each. ₹	34155	34155
	Number of shares	13662	13662
		<b>14993940</b>	14993940

# JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

Notes forming part of the Financial Statements (Contd.)

Sr. No.	Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
c)	<b>Reconciliation of number of shares</b> Issued, subscribed and fully paid up outstanding at the beginning of the year Add :- Shares issued during the year Outstanding shares at the year end	1496338 0 1496338	1496338 0 1496338
d)	<b>Shareholder holding more than 5% of the equity shares at the end of the year:</b>		
		31.03.2020	31.03.2019
		Nos. of Shares	% of holding
		Nos. of Shares	% of holding
	1 Jainex Foods Private Ltd	577956	38.62%
	2 Bharti Bafna	212700	14.21%
	3 Kunal Bafna	94700	6.33%
		885356	59.17%
e)	<b>Equity shares movement during the 5 years preceding March 31, 2020</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 & class of shares bought back	0	0
f)	Terms of any securities convertible into equity shares issued along with the earliest date of conversion in descending order starting from the farthest such date.	0	0
g.	<b>Terms/rights attached to equity shares</b> The Company has only one class of shares capital, i.e. equity shares having face value of Rs.10 per share. Each holder of equity share is entitled to one vote per share held.		

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

Notes forming part of the Financial Statements (Contd.)

Sr. No.	Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
	<b>NOTE No. [ 12 ]</b>		
	<b>Other Equity</b>		
a)	<b>Capital Reserve</b> As per last Balance Sheet	<b>1500000</b>	1500000
b)	<b>Capital Redemption Reserve</b> As per last Balance Sheet	<b>3897400</b>	3897400
c)	<b>Share Premium Account</b> As per last Balance Sheet (On Preferential Allotment in FY 13)	<b>24000000</b>	24000000
d)	<b>Retained Earnings</b> As per last Balance Sheet Add :- Profit for the year	<b>(2408952)</b> <b>(2974515)</b> <b>(5383468)</b>	(8512065) 6103113 (2408952)
e)	<b>Other Comprehensive Income (OCI)</b> As per last Balance Sheet Add :- Movement in OCI (Net) during the year	<b>(3185806)</b> <b>(3185806)</b>	(3185806) (3185806)
	<b>Total Other Equity</b>	<b>20828126</b>	23802642
	<b>Nature and purpose of reserves:</b>		
a)	<b>Capital Reserve</b> Capital Reserve represents central subsidy received from central government in respect of its Aurangabad unit/project set up in 1976.		
b)	<b>Capital Redemption Reserve</b> Capital Redemption Reserve represents amount on account of redemption of preference shares with requisite approval.		

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

### Notes forming part of the Financial Statements (Contd.)

Sr. No.	Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
c)	<b>Share Premium Account</b> Securities Premium Reserve is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.		
d)	<b>Retained Earnings</b> Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement of loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company. However the Company has negative retained earnings.		
e)	<b>Other Comprehensive Income (OCI)</b> This represents provisions of arrears of employees gratuity on applicability of IND. As & will be timely dealt in Profit & Loss account.		
	<b>NOTE No. [ 13 ]</b>		
	<b>Financial Liabilities :</b>		
	<b>Borrowings - Non Current</b>		
	<b>(Secured)</b>		
	<b>From Bank of India, Mumbai</b>		
a	Rupee Term Loans	0	11300071
b	Corporate Loan	0	8506461
		0	19806532
	Less : Shown under other current liabilities as current maturities - Note No. 17	0	17306532
		0	2500000
	Total (a to b)	0	2500000

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

Notes forming part of the Financial Statements (Contd.)

Sr. No.	Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
a)	<b><u>Interest accrued but not due</u></b>		
	Term Loans	0	8320
	Corporate Loan	0	6461
	(a)	0	14781
b)	<b><u>Interest due and in default but paid after year end</u></b>		
	Term Loans	0	0
	Corporate Loan	0	0
	(b)	0	0
c)	<b><u>Default in Repayment of Principal</u></b>		
	Term Loans	0	6875961
	Corporate Loan	0	0
	(c)	0	6875961
d)	<b><u>Period of Default</u></b>		
	Term Loans	0	<b>Between 1 to 16 months</b>
	Corporate Loan	0	0

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

	Nature of Security	Terms of Repayments - as per bank sanction
1.	Term Loan of ₹ 0 Lacs including interest of ₹ 0 (Previous Year Term Loan of ₹ 113 Lacs including interest of ₹ 8,320)	Repayable in 24 quarterly Instalments starting from January, 2013. Last Instalment due on 31.12.2018, SINCE CLOSED DURING THE YEAR
2.	Corporate Loan of ₹ 0 Lacs including interest of ₹ 0 (Previous Year Loan of ₹ 85.06 Lacs including interest of ₹ 6,461.)	Repayable in 60 Monthly Instalments starting from 31.10.2015. Last Instalment due on 30.09.20. SINCE CLOSED DURING THE YEAR.
	<b><u>Prime Security</u></b> Above Term Loans were 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 12.15% p.a. (previous year 13.15% p.a.) as modified by Bank from time to time.

# JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

Notes forming part of the Financial Statements (Contd.)

Sr. No.	Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
	<b>NOTE No. [ 14 ]</b> <b>Other Financial Liabilities :</b> <b>Others - Non-Current</b> <b>(Unsecured)</b> Loans & Advances from related parties	<b>41654639</b>	28180849
		<b>41654639</b>	28180849
	<b>NOTE No. [ 15 ]</b> <b>Provisions - Non-Current</b> Claims of Ex-employees	<b>389897</b>	389897
	<b>NOTE No. [ 16 ]</b> <b>Financial Liabilities :</b> <b>Borrowings - Current</b> <b>Secured</b> <b>Loans repayable on demand</b> From Bank of India		
1	a Cash Credit Account	<b>20751772</b>	23621917
a	b Packing Credit Account	<b>705314</b>	1058500
		<b>21457086</b>	24680417
	<b>Prime Security</b> (Secured against hypothecation of Raw Materials, Work in Process, Finished Goods and Receivables) <b>Collateral Securities</b> (The above limits are collaterally secured by Equitable Mortgage of company's Land and Building situated at L/3,Chikhalthana, MIDC Indl Estate, Aurangabad) and hypothecation of Plant & Machinery.		
	<b>NOTE No. [ 17 ]</b> <b>Financial Liabilities :</b> <b>Current Maturities of Long-Term Borrowings</b> <b>(Secured)</b> <b>From Bank of India</b>		
a	Term Loan/Corporate loan	<b>0</b>	17291751
b	Interest accrued but not due on term loan	<b>0</b>	8320
c	Interest accrued but not due on corporate loan	<b>0</b>	6461
		<b>0</b>	17306532
	Refer Note No: - 13 - Borrowings - non current		



# JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

Notes forming part of the Financial Statements (Contd.)

Sr. No.	Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
	<b><u>NOTE No. [ 18 ]</u></b>		
	<b><u>Financial Liabilities :</u></b>		
(a)	Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.	<b>56344</b>	607931
(b)	<b><u>Current - Trade Payables</u></b>		
	<b><u>Other than Acceptances</u></b>		
	For Materials/Goods	<b>13781575</b>	18776265
	For Expenses	<b>7331696</b>	9056722
		<b>21113270</b>	27832987
	<b><u>NOTE No. [ 19 ]</u></b>		
	<b><u>Other Current Liabilities</u></b>		
a	Statutory dues	<b>7024282</b>	7017571
b	Advance/ Credit balance of customers	<b>764526</b>	704582
		<b>7788808</b>	7722153
	<b><u>NOTE No. [ 20 ]</u></b>		
	<b><u>Current Liabilities :</u></b>		
	<b><u>Provisions</u></b>		
a	<b><u>Provision for Employee Benefits</u></b>		
1	Salary & Reimbursements	<b>4653516</b>	5493082
2	Contribution to PF	<b>172394</b>	172782
3	Leave Encashment	<b>1993299</b>	1698392
		<b>6819209</b>	7364256
	<b><u>NOTE No. [ 21 ]</u></b>		
	<b><u>Current Tax Liabilities (net)</u></b>		
	Income Tax	<b>0</b>	1727963
		<b>0</b>	1727963

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

Notes forming part of the Financial Statements (Contd.)

Sr. No.	Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
	<b>NOTE No. [ 22 ]</b>		
	<b>Revenue from operations</b>		
a)	<b>SALES</b>		
	Sales      Returns      Net		
	Gear Hobs	97954780	1521162
	Milling Cutters	19277190	343277
	Spline Gauges	15195759	268830
		132427729	2133269
		130294460	130294460
	<b>Total Sales</b>	<b>130294460</b>	<b>167874030</b>
b)	<b>Other Operational Income</b>		
	Job Work Charges	4013792	5207526
	Scrap /Misc. Sales	853914	2277729
	EXPORT INCENTIVE / MEIS	1517230	0
		6384936	7485255
	Total (a+ b)	<b>136679396</b>	<b>175359285</b>
	<b>includes export of Rs.</b>	<b>28911632</b>	<b>31590169</b>
	<b>NOTE No. [ 23 ]</b>		
	<b>Other Income</b>		
	Income Tax Refund	2390	0
	Misc. Receipts/write-off(net)	34593	0
	Interest Received	869	51675
	Misc. income ( impaired assets)	260000	0
	Exchange Gain on Export (net)	264398	170837
	Profit on car sale	0	39753
		562250	262265

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

Notes forming part of the Financial Statements (Contd.)

Sr. No.	Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹																																								
	<b>NOTE No. [ 24 ]</b>																																										
	<b>Cost of Raw Material Consumed</b>																																										
	Inventory at the beginning of the year	<b>14288331</b>	12590985																																								
	Add : Purchase (net of returns, cenvat + freight & octroi)	<b>34853744</b>	43885070																																								
		<b>49142076</b>	56476055																																								
	Less : Inventory at the end of the year	<b>14360081</b>	14288331																																								
		<b>34781995</b>	42187724																																								
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="text-align: center;">19-20</th> <th style="text-align: center;">18-19</th> <th style="width: 50%;"></th> <th style="width: 50%;"></th> </tr> <tr> <th style="text-align: center;">Qty in kgs.</th> <th style="text-align: center;">Qty in kgs.</th> <th style="text-align: center;">Qty in kgs.</th> <th style="text-align: center;">Qty in kgs.</th> <th style="text-align: center;">Qty in kgs.</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">22</td> <td style="text-align: center;">64</td> <td style="text-align: center;">115998</td> <td style="text-align: center;">292905</td> <td style="text-align: center;">0.11%</td> </tr> <tr> <td style="text-align: center;">0.11%</td> <td style="text-align: center;">0.23%</td> <td style="text-align: center;">0.33%</td> <td style="text-align: center;">0.69%</td> <td style="text-align: center;">0.69%</td> </tr> <tr> <td style="text-align: center;">20669</td> <td style="text-align: center;">28035</td> <td style="text-align: center;">34665996</td> <td style="text-align: center;">41894818</td> <td style="text-align: center;">99.89%</td> </tr> <tr> <td style="text-align: center;">99.89%</td> <td style="text-align: center;">99.77%</td> <td style="text-align: center;">99.67%</td> <td style="text-align: center;">99.31%</td> <td style="text-align: center;">99.31%</td> </tr> <tr> <td style="text-align: center;">20690</td> <td style="text-align: center;">28099</td> <td style="text-align: center;">34781995</td> <td style="text-align: center;">42187724</td> <td style="text-align: center;">100.00%</td> </tr> <tr> <td style="text-align: center;">100.00%</td> <td style="text-align: center;">100.00%</td> <td style="text-align: center;">100.00%</td> <td style="text-align: center;">100.00%</td> <td style="text-align: center;">100.00%</td> </tr> </tbody> </table>		19-20	18-19			Qty in kgs.	Qty in kgs.	Qty in kgs.	Qty in kgs.	Qty in kgs.	22	64	115998	292905	0.11%	0.11%	0.23%	0.33%	0.69%	0.69%	20669	28035	34665996	41894818	99.89%	99.89%	99.77%	99.67%	99.31%	99.31%	20690	28099	34781995	42187724	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%		
	19-20	18-19																																									
Qty in kgs.	Qty in kgs.	Qty in kgs.	Qty in kgs.	Qty in kgs.																																							
22	64	115998	292905	0.11%																																							
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99.89%	99.77%	99.67%	99.31%	99.31%																																							
20690	28099	34781995	42187724	100.00%																																							
100.00%	100.00%	100.00%	100.00%	100.00%																																							
	<b>NOTE No. [ 25 ]</b>																																										
	<b>Changes in Inventories</b>																																										
a	<u>Inventories at the end of the year:</u>																																										
	Finished Goods	<b>7425575</b>	7200968																																								
	Work-in-Progress	<b>3992978</b>	6970179																																								
	Scrap	<b>697559</b>	0																																								
		<b>12116112</b>	14171147																																								
b	<u>Inventories at the beginning of the year:</u>																																										
	Finished Goods	<b>7200968</b>	7483846																																								
	Work-in-Progress	<b>6970179</b>	8644171																																								
	Scrap	<b>0</b>	211756																																								
		<b>14171147</b>	16339773																																								
	Net (Increase)/Decrease	<b>2055035</b>	2168626																																								

# JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

Notes forming part of the Financial Statements (Contd.)

Sr. No.	Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
	<b><u>NOTE No. [ 26 ]</u></b>		
	<b><u>Employees Benefits Expenses</u></b>		
a	Salaries, Wages & Allowances (*)	<b>40957315</b>	46732124
b	Contribution to Provident and Other Funds	<b>2135444</b>	2117088
c	Gratuity Fund Contribution	<b>1124200</b>	1093608
d	Staff Welfare Expenses	<b>1972080</b>	2456254
		<b>46189038</b>	52399074
	(*)		
	<b>Includes Remuneration to Whole Time Directors</b>	<b>2854661</b>	3068135
	<b><u>NOTE No. [ 27 ]</u></b>		
	<b><u>Finance Cost</u></b>		
a)	<b>Interest expense on:</b>		
	Borrowings from Bank (WC + TL)	<b>3570450</b>	6466392
	Borrowings from Others	<b>1263193</b>	286344
b)	<b>Other borrowing costs</b>	<b>869559</b>	643455
		<b>5703202</b>	7396191
	<b><u>NOTE No. [ 28 ]</u></b>		
	<b><u>Depreciation, amortisation, impairment and obsolescence</u></b>		
	Depreciation	<b>11496212</b>	11468897
	Impairment	<b>260000</b>	554314
		<b>11756212</b>	12023211

# JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

Notes forming part of the Financial Statements (Contd.)

Sr. No.	Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
	<b><u>NOTE No. [ 29 ]</u></b>		
	<b><u>Other Expenses</u></b>		
a	<b><u>Manufacturing Expenses</u></b>		
	Consumption of Stores etc.	3213270	4020849
	Consumption/Write off of Tools and Spares	2977571	2185623
	Consumption of Packing Materials	673924	833803
	Labour Charges (Mfg.)	4828899	6386446
	Power and Fuel	6551942	6846591
	Repairs and Maintenance - Buildings	54394	79811
	Repairs and Maintenance - Machinery	4275573	6494511
	Repairs and Maintenance - Others	325897	386743
		<b>22901469</b>	<b>27234377</b>
b	<b><u>Administrative &amp; Other Expenses</u></b>		
	Travelling and Conveyance	3081535	2420652
	Sales Commission	6789506	7602676
	Consignment Expenses	1967345	3353171
	Legal and Professional	3153781	4454605
	Miscellaneous Expenses	6283437	5701586
		<b>21275605</b>	<b>23532689</b>
	<b>Total (a+b)</b>	<b>44177074</b>	<b>50767067</b>
	<b><u>NOTE No. [ 30 ] - Additional information</u></b>		
1	<b><u>Contingent liabilities</u></b>		
	<b><u>(To the extent not provided for)</u></b>		
(i)	Claims against the company not acknowledged as debt	0	0
(ii)	Letters of credits opened awaiting shipment/delivery.	0	0
(iii)	Guarantees	0	0

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

Notes forming part of the Financial Statements (Contd.)

Sr. No.	Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
<b>2</b>	<b><u>Commitments</u></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>3</b>	<b><u>Payment to Auditors</u></b>		
a)	Statutory Auditor	<b>75000</b>	75000
b)	Tax Auditor		
i)	Tax Audit Fees	<b>25000</b>	25000
ii)	Taxation & Other Matters	<b>15000</b>	15000
iii)	Banking Matters	<b>25000</b>	25000
iv)	GST/Service Tax	<b>11700</b>	11700
		<b>76700</b>	76700
		<b>151700</b>	151700
<b>4</b>	<b><u>CIF Value of Imports</u></b>		
i.	Raw Materials;	<b>0</b>	853562
ii.	Components and Spare Parts;	<b>2259831</b>	4756413
		<b>2259831</b>	5609975
<b>5</b>	<b><u>Expenditure in Foreign Currency</u></b>		
	Travelling	<b>214510</b>	<b>493736</b>
	Commission	<b>471729</b>	<b>284904</b>
	Exhibition Expenses	<b>309158</b>	<b>0</b>
	Books and Periodicals	<b>0</b>	<b>31258</b>
	Repairs to Plant & Machinery (SMS)	<b>3090425</b>	<b>0</b>
<b>6</b>	<b><u>Earning in Foreign Exchange</u></b>		
	Export of goods calculated on FOB basis	<b>28911632</b>	<b>31590169</b>

# JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

Notes forming part of the Financial Statements (Contd.)

Sr. No.	Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
7	<b><u>Earning per Share (EPS) - Basic &amp; Diluted - computed as per IND AS 33</u></b>		
(i)	Profit after tax	-2974515	6103113
(ii)	Number of shares fully paid up (net of forfeiture)	1496338	1496338
(iii)	Nominal value of equity shares	10	10
(iv)	Basic earning per share	-1.99	4.08
(v)	Diluted earning per share	-1.99	4.08
8	<b><u>The Disclosure on "Employee Benefits" as per Ind AS 19 and the Companies (Accounting Standards) Rules, 2006.</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 are recognised during the year in which the employee renders the related services.		
	Contribution to Defined Contribution Plan, recognised and charged off during the year are as under.		
	Employer's Contribution to state governed Provident Fund	646560	632580
	Employer's Contribution to state governed Pension Schemes	1326083	1319822
	Employer's Contribution to state governed Employees State Insurance Scheme.	357834	357834
		<b>2330477</b>	<b>2310236</b>

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

Notes forming part of the Financial Statements (Contd.)

Sr. No.	Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
b)	<p><b><u>Defined Benefit Plan/ Long Term Compensated Absences.</u></b></p> <p>The company's Employees Gratuity Fund Scheme managed by the LIC of India is a defined plan. The present value of obligations based on past experience and actual valuation done by LIC read with the compliance of applicable IND AS in this regard has been considered and provided in the financial statements subject however to payment of arrears as reflected in the company's financial statements under the head ' Other Comprehensive Income (OCI) '. Since the valuation by LIC is based on their vast experience and at actuals , no third party actuarial valuation was considered by the management.</p> <p><b>The amount of obligation as at the year end is determined as per actual valuation done by LIC under the Company's Employees Group Gratuity Scheme maintained with LIC Aurangabad under their master policy no. 66567 and policy no.703000405.</b></p>		
i)	<p><b><u>Value of obligation as at 1st April 2019</u></b></p> <p>Interest Cost</p> <p>Current Service Cost</p> <p>Actual Losses/(Gains) interest including for earlier years on policy reinvested</p> <p>Benefit paid</p> <p><b><u>Value of obligation as at 31st March 2020</u></b></p>	<p>8745050</p> <p>256609</p> <p>746284</p> <p>372337</p> <p>732186</p> <p>9388094</p>	<p>6959116</p> <p>182019</p> <p>1075522</p> <p>617239</p> <p>88846</p> <p>8745050</p>



## JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

Notes forming part of the Financial Statements (Contd.)

Sr. No.	Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
ii)	<b><u>Fair value of Assets</u></b>		
(a)	<b><u>with LIC</u></b>		
	Plan Assets at beginning of period	3517382	2348687
	Expected return on Plan Assets	256609	182019
	Actual Company Contribution	387590	1075522
	Benefits paid	-732186	-88846
	Net Asset(liability) at the end of period	3429395	3517382
(b)	Bank balance in Gratuity trust account	103368	96537
	Total fair value of assets	3532763	3613919
iii	Excess/(Short) payments (i -ii) (provided but not funded)	(5855331)	(5131131)
c)	<b><u>Compensated Absences</u></b>		
	The company has provided for the actual leave encashment liability as per company rules at the balance sheet date based on permissible accumulated leave balance of the employees at the last salary drawn. Since leave encashment liability at actual is fully provided, no actuarial valuation is considered by the management. However, provision made for leave encashment during the year and unpaid liability at year end are as under.		
	Provision made for the year in Profit & Loss account	373544	354318
	Unpaid Liability ( <b>non funded</b> ) under leave encashment at year end	1993299	1698392
9	<b><u>Amounts not provided for</u></b>		
a)	<b>Import against LC (DA/DP) for purchase of raw materials.</b>	<b>0</b>	<b>0</b>

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

### Notes forming part of the Financial Statements (Contd.)

Sr. No.	Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
b)	<p><b><u>Claims by ex-employees</u></b> On account of claims by two ex-employees recorded in the accounts as liability amounting to Rs. 0.67 lacs and Rs. 3.23 lacs out of which the claim of Rs.3.23 lacs has been decided in favour of the late ex-employee for their claim on LIC. Any additional probable liability arising in connection with the said cases; will be provided at the time of claim, if any, by LIC on the company.</p>	0	0
c)	<p>On account of additional custom duty demand of Rs. 7,13,812/- on a CNC machine imported in FY 07 - 08 and contested in appeal before the Customs , Excise and Service Tax Appellate Tribunal at Mumbai against which an amount of Rs. 2,00,000/- was deposited to admit the appeal. The custom authorities issued SCN (show cause notice) in the said matter demanding the said amount as CVD instead of basic custom duty. The matter came up in hearing before Tribunal, at Mumbai on 3rd May 2018. The counsel for the company represented and argued that the issue of SCN was bad in law as it did not pertain to issue under SCN / dispute. The Hon'ble Tribunal had remanded back the matter to the concerned authority but no fresh notice of hearing has been issued till date.</p> <p>The above provisions being possible but not probable have not been made as the company believes that none of the above contingencies would have material adverse effect on the company's financial conditions, results of operations or cash flows.</p>	713812	713812

# JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

## Notes forming part of the Financial Statements (Contd.)

Sr. No.	Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
10	<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 Jainex Enterprise Dugar Brothers & Company Metagame Venture Private Limited	
	Key Management Personnel	: Mr. B. S. Dugar (Chairman) Mr. M. Z. Kothari (Managing Director) Mr. Kunal Bafna (Whole Time Director and CFO)	
b)	Relatives of Key Management Personnel : Nil		
	Transactions with Related Party	Nature	Amount FY 2019-20
			Amount FY 2018-19
	Subsidiaries		Nil
	Directors	Sitting Fees to Directors	Nil
		Interest to Director	939454
		Reimbursement of exp.	Nil
		Loans Received	13000000
		Loans Repaid	Nil
			0
			0

## JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

### Notes forming part of the Financial Statements (Contd.)

Transactions with Related Party	Nature	Amount FY 2019-20	Amount FY 2018-19
<u>Payments to Body Corporates</u>	Purchases - items for sales promotion	Nil	187500
	Loans Received	<b>1000000</b>	2650000
	Repayment of Loans	<b>700000</b>	<b>3500000</b>
	Interest	<b>203277</b>	132712
	Professional Fees	<b>397172</b>	
<u>Payments to Relatives of Director</u>	Interest	Nil	Nil
<u>Payments to/from a Firm in which directors are partner</u>	Interest	<b>120330</b>	94028
	Purchases	Nil	Nil
	Loans Received	Nil	<b>3500000</b>
	Loans Repaid	Nil	Nil
Key Management Personnel	Director's Salary Allowances, Rent etc.	<b>2854661</b>	<b>3068135</b>
Relatives of Key Management Personnel :		Nil	Nil
c) Balances with the related parties			
<u>Loans taken</u>			
Jainex Foods Pvt. Ltd.		<b>4179019</b>	3891047
Dugar Brothers & Co		<b>23717752</b>	23735802
B.S. Dugar		<b>13230794</b>	0
Kunal Bafna		<b>527074</b>	554000

# JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

Notes forming part of the Financial Statements (Contd.)

Sr. No.	Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
11	<p><b><u>Disclosure as required by Clause 32 of listing Agreement.</u></b></p> <p>Amount of Loans/Advances in nature of loans outstanding from Subsidiaries and Associates during the year</p> <p>Subsidiaries</p> <p>Associates</p> <p>Key Management Personnel</p> <p>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>
12	<p><b><u>Company Secretary</u></b></p> <p>The company had appointed a qualified company secretary pursuant to the provisions of Section 2(24), 2(51) and Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration Managerial Personnel) Rules, 2014 w.e.f. 30th April, 2019 and had filed necessary forms on MCA portal on 16/05/2019. However, the said appointee resigned w.e.f. 05-08-2019 and since then the company had no qualified Company Secretary as required under Section 203(1)(ii) of Companies Act, 2013. The company however has been making efforts to appoint a company secretary but has not been able to source the suitable candidate till date. However the company, in the meantime: has been engaging the services of qualified professional company secretaries for day to day and periodical statutory compliances under the Companies Act.</p>		
13	<p><b><u>Confirmation of Balances</u></b></p> <p>The balances of trade receivables, trade payables, unsecured loans and loans and advances are subject to confirmation.</p>		
14	<p>Figures for previous year have been rearranged/regrouped wherever necessary.</p>		
<p>As per our report of even date attached In terms of our report attached. For P. M. BHARGAVA &amp; CO. CHARTERED ACCOUNTANTS</p> <div style="display: flex; justify-content: space-between; align-items: flex-end; margin-top: 20px;"> <div style="text-align: center;"> <p>(P.M.BHARGAVA) PROPRIETOR</p> <p>Membership No. : 100595 Firm Reg. No.: 145087W Place :- Mumbai Dated :- 30th June, 2020</p> </div> <div style="text-align: center;"> <p>(M. Z. Kothari) Managing Director (DIN : 01486305)</p> </div> <div style="text-align: center;"> <p>(Rahul Dugar) Director (DIN : 00013704)</p> </div> <div style="text-align: center; margin-top: 20px;"> <p>(Kunal Bafna)</p> <p>Chief Financial Officer &amp; Whole-time Director (DIN : 00902536)</p> </div> </div>			

# JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

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## 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

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 2019-20**

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Seventy-Second Annual General Meeting of the Company, to be held on Monday, December 21, 2020 at 11.00 A.M. at 405 & 406, Sharda Chambers, 15, Sir Vitthaladas Thackersey Marg, New Marine Lines, Mumbai-400020; and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars of Resolution
<b>Ordinary Business:</b>	
1	Adoption of audited Financial Statements of the Company for the Financial Year ended March 31, 2020 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.
<b>Special Business:</b>	
3	To re-appoint Mr. Kunal Bafna (DIN: 00902536) as Whole-time Director of the Company
4	To re-appoint Mr. Hitesh Mulraj Popat (DIN:00407897) as an Independent Director of the Company.
5	To re-appoint Mr. Sunil Sampatraj Parakh (DIN:01111159) as an Independent Director of the Company.
6	To re-appoint Mr. Vinit Ramgopal Kejriwal (DIN:01254554) as an Independent Director of the Company.
7	To re-appoint Ms. Manju Jain (DIN: 01332762) as an Independent Director of the Company.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2020

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 2019-20**

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## **JAINEX AAMCOL LIMITED**

**Corporate Identity Number (CIN): L74999MH1947PLC005695**

**Registered Office: 405 & 406, Sharda Chambers, 15, Sir  
VitthalDasThackerseyMarg, 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**

**SEVENTY-SECOND ANNUAL GENERAL MEETING –MONDAY,  
DECEMBER 21, 2020 AT 11.00 A.M**

### **ATTENDANCE SLIP**

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

Sr. No.

<b>Name and address of the Shareholder</b>	
<b>Joint holder(s)</b>	
<b>Regd. Folio/DP ID &amp; Client ID</b>	
<b>Number of Shares</b>	

I certify that I am a Registered Shareholder/Proxy for the Registered Shareholder of the Company. I hereby record my presence at the Seventy-Second Annual General Meeting of the Company being held on Monday, December 21, 2020 at 11.00 A.M. at 405 & 406, Sharda Chambers, 15, Sir VitthalDas Thackersey Marg, New Marine Lines, Mumbai-400020.

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

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



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

**ELECTRONIC VOTING PARTICULARS**

<b>E-Voting Event Number [EVEN]</b>	<b>USER ID</b>	<b>PASSWORD/PIN</b>
<b>115005</b>		

# JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20

## JAINEX AAMCOL LIMITED

Corporate Identity Number (CIN): L74999MH1947PLC005695

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

Thackersey Marg, New Marine Lines, Mumbai – 400020.

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

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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

## **JAINEX AAMCOL LIMITED ANNUAL REPORT 2019-20**

I / We hereby exercise my / our vote in respect of the following resolutions to be passed at the Seventy-Second Annual General Meeting (AGM) of the Company to be held on Monday, December 21, 2020 at 11.00 A.M. in respect of business as stated in the Notice dated November 12, 2020 by conveying my/our assent or dissent to the said resolutions by placing the tick (√) mark in the appropriate boxes given below:

<b>Sr. No.</b>	<b>Item No.</b>	<b>No. of shares held</b>	<b>I / We assent to the resolution [FOR]</b>	<b>I / We dissent to the resolution [AGAINST]</b>
1.	Adoption of audited Financial Statements of the Company for the Financial Year ended March 31, 2020 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.	To re-appoint Mr. Kunal Bafna (DIN: 00902536) as Whole-time Director of the Company			
4.	To re-appoint Mr. Hitesh Mulraj Popat (DIN: 00407897) as an Independent Director of the Company.			
5.	To re-appoint Mr. Sunil Sampatraj Parakh (DIN: 01111159) as an Independent Director of the Company.			
6.	To re-appoint Mr. Vinit Ramgopal Kejriwal (DIN: 01254554) as an Independent Director of the Company.			
7.	To re-appoint Ms. Manju Jain (01332762) as an Independent Director of the Company.			

**Place:**

**Signature of the Shareholder**

**Date:**

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

## INSTRUCTIONS

1. The Ballot Form is provided for the benefit of the members who do not have access to e-voting facility.
2. A member can opt for only one mode of voting i.e. either through e-voting or by ballot or by physically voting at the AGM. If a member casts multiple votes, then voting done through e-voting shall be considered valid. In case a member casts votes by ballot and also physically votes at the AGM, then the votes cast by ballot shall be considered valid.
3. The Scrutinizer will collate the votes downloaded from the e-voting system, the votes cast by ballot and the votes cast on poll at the AGM to declare the final result for each of the resolutions forming part of the Notice of the AGM.
4. Please complete and sign the Ballot Form and send it, so as to reach the Scrutinizer Mrs. Sonal Shah, Proprietor of Sonal Kothari & Associates, Practising Company Secretaries (Membership No. ACS 24216; C.O.P. No.: 8769). The last date for the receipt of postal ballot forms or e-voting shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority. No other form or photocopy thereof is permitted.
5. The Ballot Form should be signed by the member as per the specimen signature registered with the Company/Depositories. In case of joint holding, the Form should be completed and signed by the first named member and in his/her absence, by the next named joint holder. A Power of Attorney holder (POA) may vote on behalf of a member, mentioning the registration no. of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of votes by Ballots not permitted through proxy.
6. In case the shares are held by companies, trusts, etc. the duly completed Ballot Form should be accompanied by a certified copy of the relevant Board Resolution / Authorization.
7. Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the appropriate column provided in the Ballot Form.
8. The Voting rights of the shareholders shall be in proportion of the share held by them in the paid-up equity share capital of the Company as on 14<sup>th</sup> December, 2020 and as per the Register of Members of the Company.

9. A member may request for a duplicate Ballot Form, if so required. However, duly filed in and signed duplicate Ballot Form should reach the Scrutinizer not later than the date and time specified in serial no. 4 above.
10. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms shall be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which make it difficult for the Scrutinizer to identify either the member or as to whether the votes are cast in favour of or against or if the signature cannot be verified.
11. The decision of the Scrutinizer on the validity of a Ballot Form shall be final and binding.





**If Undelivered please return to :**

**JAINEX AAMCOL LIMITED**

CIN : L74999MH1947PLC005695

405 & 406, Sharda Chambers,

15, Sir Vitthaladas Thackersey Marg,

New Marine Lines, Mumbai - 400 020.