



20th
Annual Report
2016-2017

JINDAL COTEX LIMITED

**BOARD OF DIRECTORS**

Mr. Sandeep Jindal	Managing Director
Mr. Rajesh Khanna	Independent Director
Mr. Anil Kumar	Independent Director
Ms. Alisha	Independent Director

KEY MANAGERIAL PERSONNEL

Mr. Sandeep Jindal	Managing Director
Mr. Anil Kumar	Company Secretary

MANAGER ACCOUNTS

Gurvinder Singh

REGISTERED & CORPORATE OFFICE AND WORKS

VPO Jugiana, G.T. Road,
Ludhiana 141 017
CIN No: L17115PB1998PLC021084
Phones: (0161) 2511840
Fax: (0161) 2511843
Email: cs@sjgroup.in
Website: www.jindalcotex.com

REGISTRAR & SHARE TRANSFER AGENTS

Bigshare Services Private Limited,
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri East,
Mumbai - 400059 - Maharashtra
Phones: (022) 62638200
Fax: (022) 62638209
Email ID: info@bigshareonline.com

WIND MILL

J-289, Village Pithla,
Distt. Jaisalmer,
Rajsthan

UNITS

Bija, Tehsil Khana,
Unit – II, Village Mandiala Kalan,
Distt. Ludhiana- 141412

AUDITORS

M/s Raj Gupta & Co.,
Chartered Accountants
SCO -549/10, Satluj Tower,
Opp. Petrol Pump,
Fountain Chowk,
Ludhiana 141001

BANKERS

Oriental Bank of Commerce
State Bank of India
Allahabad Bank
Corporation Bank
Punjab & Sind Bank
Bank of Baroda
Punjab National Bank
Central Bank of India

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**NOTICE**

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of JINDAL COTEX LIMITED will be held on Thursday, 28th day of September, 2017 at 9.00 A.M. at the Registered Office of the Company at V.P.O. Jugiana, G.T. Road, Ludhiana, to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March, 2017 and Profit & Loss Account for the year ended on that date together with the reports of the Director's and Auditor's thereon.
2. To appoint a director in place of Mr. Sandeep Jindal (DIN 01639743) who retires by rotation and being eligible offers himself for re-appointment.
3. To Re-appoint auditors of the company and to fix their remuneration.

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made there under, the reappointment of M/s. Raj Gupta & Co., Chartered Accountants, (Registration No. 000203N), approved in the 16th Annual General Meeting to hold office till the conclusion of 21st Annual General Meeting (subject to ratification of re-appointment by the members at every AGM) be and is hereby ratified in this Annual General Meeting till the conclusion of next Annual General Meeting on a remuneration as may be agreed upon by the Auditors and Board of Directors of the company".

**BY ORDER OF THE BOARD
FOR JINDAL COTEX LIMITED**

PLACE : Ludhiana (Sandeep Jindal)
DATED: 1st September, 2017 Managing Director
Din: 01639743

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to vote on his/her behalf at the meeting. The proxy need not be a member of the company. The proxy in order to be effective must be deposited at the Registered Office of the company at least 48 hours before the time for the meeting. The blank Proxy form is enclosed.
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights.

2. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, 25th September, 2017 to Wednesday, 27th September, 2017 (both days inclusive).
3. Members desiring any information as regards accounts are requested to write to the company at its Registered Office at least 10 days before the date of Annual General Meeting so as to enable the Management to keep the information ready.
4. The relevant details as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice.
5. The members who have not registered their e-mail addresses so far, are requested to register the same in respect of electronic holdings with the depository through their depository participants. Members who are holding shares in physical form are requested to get their e-mail addresses registered with the Registrar & Transfer Agent, M/s Bigshare Services Private Limited, Mumbai.
6. The Shareholders are requested to notify change of address, if any, immediately to the Registrar & Transfer Agent, M/s Bigshare Services Private Limited, Mumbai mentioning their Folio Number.
7. Annual accounts and related documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the company
8. Notice of the 20th Annual General Meeting and Annual Report for 2016-17 will also be available on the Company's website www.jindalcotex.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. For any communication, the shareholders may also send their request to the Company's Email Id i.e. cs@sjgroup.in

Voting through electronic means;

1. In compliance with the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2015, the Company is providing facility to members to exercise their right to vote at the 20th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting



Services provided by Central Securities Depository Limited (CSDL).

The voting period begins on Monday, 25th September, 2017, 9:00 A.M. and ends on Wednesday, 27th September, 2017, 05:00 P.M. During this period shareholders' as on the cut-off date Friday, 22nd September, 2017 holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue
3. The instructions for e-voting are as under:
 - (i) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (ii) Click on Shareholders.
 - (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (iv) Next enter the Image Verification as displayed and Click on Login.
 - (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vi) If you are a first time user follow the steps given below:

For members holding shares in demat and physical form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company /Depository Participant are requested to use the first two letters of their name and the 8 digits of the Client Id/Folio Number in the PAN field. In case the Folio Number is less than 8 digits enter the applicable number of 0's before the

DOB	number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with Folio Number 1 then enter RA00000001 in the PAN field. Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details or date of birth as recorded in your demat account Detail or in the company records for the said demat account or folio. If both the details are not recorded with the depository or company please enter the member id / folio number in the dividend bank details instruction (5)

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant Jindal Cotex Limited on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you



- wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) **Note for Institutional Shareholders**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and Register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
4. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off date (record date) of 22nd September, 2017.
5. M/s Reecha Goel & Associates, Company

Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

6. The Scrutinizer shall within a period not exceeding three (3) days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

**BY ORDER OF THE BOARD
FOR JINDAL COTEX LIMITED**

PLACE : Ludhiana

DATED: 1st September, 2017

(Sandeep Jindal)

Managing Director

Din: 01639743

**Information pursuant to Corporate Governance Clause of the Listing Agreement/ SEBI (LODR) Regulations, 2015 regarding the Directors seeking appointment/re-appointment in the Annual General Meeting**

Name of the Director	Sandeep Jindal
Date of Birth	02.03.1977
Date of Appointment	10.12.1998
Expertise in specific functional area	18 years of Industrial experience
Qualification	Commerce Graduate
Directorship of other companies	"Jindal Medicot Limited "Jindal Specialty Textiles Limited "Himachal Textile Park Limited "Jindal Holdings and Investment Limited "Jindal Info Media Pvt Ltd "Jindal International FZE "Jindal Cycles Private Limited "Jindal Technotex Limited
Chairmanships/ Memberships of Committees of other companies	"Jindal Specialty Textiles Limited 1) Audit Committee Chairman 2) Nomination and Remuneration Committee Member
Number of shares held	407844
Relationship with other Directors	Not related to any other director of the company

**DIRECTOR'S REPORT**

Dear Members,

The Directors of your Company have pleasure in presenting their 20th Annual Report on the affairs of the company together with Audited Annual Accounts for the financial year ended 31st March, 2017.

Financial Results (Rs. in lacs)

Particulars	2016-17	2015-16
Turnover & Other Income	608.02	370.35
Profit Before Depreciation, Interest, & Tax (PBDIT)	(250.42)	(1917.92)
Interest and Financial Expenses	3.44	2552.14
Profit Before Depreciation & Tax (PBDT)	(253.86)	(4470.06)
Depreciation	661.76	723.02
Profit Before Tax (PBT)	(915.62)	(5193.08)
Less- Provision for Tax (Including Deferred Tax)	-	0.45
Profit for the year (PAT)	(915.62)	(5193.53)
Add - Surplus brought forward From previous Year		
Profit available for Appropriations	(915.62)	(5193.53)
Appropriations		
Proposed Dividend	--	--
Bonus Shares Issued	--	--
Surplus Carried to Balance Sheet	(915.62)	(5193.53)

Your company could achieve total revenue of Rs. 6.08 Crores during the year under review as against Rs. 3.70 Crores in the previous year. The company has suffered a loss of Rs. 9.16 Crores as against loss of Rs. 51.93 Crores in the previous year which is primarily due to provision for Bad Debts.

During the year under review, both the manufacturing units of the company situated at VPO Jugiana, Ludhiana and Village Mandiala Kalan were leased out. Since all the bank accounts of the company have become sub-standard over a period of time the banks have started recovery action against the Company. The company is, however, working on restructuring with bank(s) or their assignees for the operation of these units.

Dividend

Your directors do not recommend any dividend for the year under review.

Management Discussion & Analysis Report

The Management Discussion and Analysis of financial conditions and results of operation of the company for the year under review is attached to this Report.

Subsidiaries

The consolidated Financial statements presented by the Company include financial information of its subsidiaries prepared in compliance with applicable Accounting Standards are attached to and form part of the Annual Report. Annual accounts of the subsidiary companies and the related detailed information will be made available to the shareholders of the holding and subsidiary companies' seeking such information at any point of time.

Further, the annual accounts of the subsidiary companies will also be kept for inspection by any shareholders at the Registered Office of the holding company and that of the subsidiary companies concerned.

The company has the following subsidiaries:-

Jindal Specialty Textiles Ltd.

The company has set up facilities for the manufacture of technical textile products like banner fabrics, general tarpaulin, truck sidings etc. at its project at Village Thathal, Tehsil Amb, District Una, Himachal Pradesh. The company has achieved sales turnover and other income of Rs. 137.53 Crores for the year under review as against of Rs. 68.89 Crores in the previous year.

Jindal Medicot Ltd

The company has set up facilities for the manufacture of the technical textile products like cotton crepe bandage, absorbent cotton, cotton balls, pads, dental rolls etc. at its project at Village Thathal, Tehsil Amb, District Una, Himachal Pradesh. The company has achieved sales turnover and other income of Rs. 34.88 Crores as against of Rs. 30.65 Crores in the previous year.

Jindal International FZE

This is 100% subsidiary of our company set up in free zone in UAE. The company is engaged in the general trading activities.

Directors and Key Managerial Personnel

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013 and Articles of Association of the company, Sh. Sandeep Jindal (DIN 01639743), will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board has recommended his appointment to the members of the company at the ensuing Annual General Meeting.

During the year under review, Sh. Rajinder Jindal, Sh. Ramesh Jindal, Sh. Aman Jindal and Sh. Sahil Jindal, Directors of the company resigned from the Board. The Board wishes to place on record its deep sense of appreciation for the valuable contributions made by them to the Board and the company during their tenure as Director of the company.

Corporate Governance

A separate report on Corporate Governance is enclosed as a part of this Annual Report. A certificate from the Auditors of the Company regarding compliance with the Corporate Governance norms stipulated, is annexed to the Report on Corporate Governance.

Board Evaluation

The Board carried out a formal annual performance evaluation of its own performance and that of its Committees and Individual Directors as required under the provisions of the Companies Act, 2013 and



Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Declaration By Independent Directors

The Independent directors have submitted their declaration to the Board that they fulfill all the requirements as stipulated under section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent directors of the company.

Prevention of Sexual Harassment at Workplace

The Company is committed to provide a safe and conducive work environment to its employees, during the year under review.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Separate Meeting of Independent Directors

The company's Independent Directors met on 24th January, 2017, without the attendance of Non-Independent Directors. All the Independent Directors were present at the meeting. The Independent Directors in its meeting reviewed the performance of Non-Independent Directors and the Board as a whole.

Directors' Responsibility Statement

Pursuant to the provisions of section 134(5) of the Companies Act, 2013, with respect to Directors responsibility statement, the Directors hereby confirm that:-

- a) In the preparation of Annual Accounts the applicable Accounting Standards have been followed and that there are no material departures;
- b) They have selected such Accounting Policies and applied them consistently and made prudent judgments & estimates that are reasonable so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the company as on date;
- c) They have taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing & detecting the fraud and other irregularities;
- d) The Annual Accounts have been prepared on 'going concern basis'.
- e) They had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Auditors

M/s. Raj Gupta & Co., Chartered Accountants, (Registration No. 000203N), have been appointed as Statutory Auditors of the company at the last Annual General Meeting held on 30th September, 2014 till the conclusion of the 21st Annual General Meeting subject to ratification by the members at every consequent Annual General Meeting. Therefore, ratification for the appointment of M/s. Raj Gupta & Co., Chartered Accountants, Statutory Auditors of the company is being sought from the members at the ensuing Annual General Meeting. The report of the auditors of the company is self explanatory and has been explained in notes to accounts and hence does not call for any further comments.

Cost Audit

Pursuant to the provisions of section 148(3) of the Companies Act, 2013, the company has appointed M/s. Gurvinder Chopra & Co., Cost Accountants as Cost Auditor of the company, for conducting audit of cost records in respect of manufacturing activities of the company for the financial year 2016-17. The Cost Audit Report for the year ended 31st March, 2017 will be submitted with Ministry of Corporate Affairs, Government of India.

Secretarial Audit

According to the provisions of Section 204 of the Companies Act, 2013, the company has engaged the services of M/s. Reecha Goel & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year 2016-17 and Secretarial Audit Report for the financial year 2016-17 is attached and forms part of the annual report.

Energy Conservation, Technology Absorption & Foreign Exchange

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 as regard disclosure of particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed hereto and forms part of this report.

Fixed Deposits

During the year under review, your company has not accepted any fresh fixed deposits from the public. Due to severe financial constraints, the company could fulfill its obligation in part for the repayment of fixed deposits, which has become due for repayment after the time extended by the Hon'ble Company Law Board, New Delhi.

Particulars of Employees

No employee is covered under the provisions of section 197 (12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.

**Corporate Social Responsibility (CSR):**

During the year under review, the company was not required to spend any amount on Corporate Social Responsibility activities as required under section 135 and Schedule VII of the Companies Act, 2013, as the company had incurred losses during the three immediately preceding financial years.

Green Initiative

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies. Further, as per the provisions of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the company may send financial statements and other documents by electronic mode to its members. Your company has decided to join the MCA in its environmental friendly initiative. Accordingly, the company propose to send documents such as Annual Report and other communications to the shareholders via electronic mode at the registers email address of the shareholders. Further, to support this green initiative of the Government, the shareholders are requested to register their email Id with their depository participant with whom they are having demat account.

Vigil Mechanism

Pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 read with Companies (Meetings of Board and its powers) Rules, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company established, a Vigil Mechanism process whereby any employee, directors, customers, vendors etc., can report the genuine concerns or grievances to the members of the Audit Committee about unethical behavior, actual or suspected fraud so that appropriate action can be taken to safeguard the interest of the company. However, no such complaint was received during the year under review. The Vigil Mechanism Policy has been uploaded on the website of the company at www.jindalcotex.com.

Related Party Transactions

The Related Party Transactions made during the financial year 2016-17 were on arm's length basis and in the ordinary course of business. There were no materially significant related party transactions with the company's Promoters, Directors, Key Managerial Personnel or their relatives, which could have a potential conflict with the interest of the company. The Related Party Transactions has been reported and annexed hereto in this annual report.

Extract of Annual Return

As required pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 is forming a part of this Annual Report.

Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes to financial statements annexed hereto in this annual report.

Remuneration Ratio of the Directors/ Key Managerial Personnel (KMP)/ Employees:

The information required pursuant to section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Companies (Particulars of Employees) Rules, 1975 in respect of employees of the company and Directors is furnished as under:

S. No.	Name	Designation	Remuneration paid FY 2016-17	Remuneration paid FY 2015-16	Increase in remuneration from previous year
1	Sandeep Jindal	MD	4,50,000	4,50,000	-
2	Yash Paul Jindal	Director	6,00,000	6,00,000	-
3	Anil Kumar	CS	6,58,020	5,55,660	1,02,360

Risk Management Policy

Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. The policy of the company on risk management is provided elsewhere in this Annual Report in Management Discussion and Analysis.

Associates Companies

Pursuant to section 129(3) of the Companies Act, 2013 a statement containing silent features of financial statement of Associates companies in Form AOC-1 is annexed with financial statements.

Industrial Relations

Industrial relations remained cordial throughout the year and the Directors express their appreciation towards the workmen for their co-operation and hope for continued cordial relations in the years to come.

Acknowledgement

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from Bankers, Government Departments, Shareholders and other Business Associates for their continued and valuable co-operation & support extended to the company.

We take this opportunity to place on record our warm appreciation for the employees at all levels for their dedicated services and valuable contributions towards the growth of the Company.

**For and on behalf of the Board
For Jindal Cotex Limited**

Date: 30th May, 2017

Place: Ludhiana

**(Sandeep Jindal)
Managing Director
DIN: 01639743**

**(Rajesh Khanna)
Director
DIN: 06971227**

**ANNEXURE TO THE DIRECTORS' REPORT**

Information as per Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2017:-

I. CONSERVATION OF ENERGY**FORM A**

	PARTICULARS	UNIT	2016-17	2015-16
A	POWER & FUEL CONSUMPTION			
	a) Electricity purchased			
	Units	KWH in lacs	--	--
	Amount	Rs. In lacs	--	--
	Rate per unit	Rs. Per unit	--	--
	b) Own generation		--	--
	Through Diesel Generator	KWH In lacs	--	--
	Units per litre	Units	--	--
	Cost of Diesel/LDO	Rs. In lacs	--	--
	Rate per unit	Rs. Per unit	--	--
B.	CONSUMPTION PER UNIT OF PRODUCTION		--	--
	Synthetic and Cotton Yarn	KWH/Kg	--	--

II. TECHNOLOGY ABSORPTION

Efforts made in Technology Absorption are furnished as per Form B of the Annexure to the Rules are as under:-

A) RESEARCH AND DEVELOPMENT (R&D)

- a) Specific areas in which Research & Development is carried out by the company
Research & Development is carried out for improvement in the production process, appraisal of alternative raw materials and quality of existing products.
- b) Benefits derived as a result of above R&D
The company has been continuously improving the quality of its existing products and also been able to reduce the cost of production.
- c) Future Plan of Action
 - 1 Increase in Productivity
 - 2 Reduction in operational costs
- d) Expenditure on R&D : Nil

B) TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION**a) Efforts made**

The company is making efforts for adaption of latest technology in all its units, optimization of processes and efficient utilization of inputs on-going basis.

b) Particulars of technology imported in the last five years

- a) Technology Imported Nil
- b) Year of Import N.A.
- c) Has the technology been fully absorbed N.A

III. FOREIGN EXCHANGE EARNINGS AND OUTGO**(Rs. in Lacs)**

S. No.	PARTICULARS	2016-17	2015-16
A)	Foreign Exchange Earning		
	FOB Value of Exports	--	--
	Interest and Dividend	--	--
B)	Foreign Exchange Outgo		
	Raw Material	--	--
	Capital Goods and Advances	--	--
	Stores & Spares	--	--
	Foreign Travelling Expenses	--	--
	Interest on Foreign currency loans	--	--

**CORPORATE GOVERNANCE REPORT**

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. Company's Philosophy on the Code of Governance

The company aims at not only its own growth but also maximization of benefits to the shareholders, employees, customers, Government and also the general public at large. For this purpose the company continuously strives to improve its level of overall efficiency through good corporate governance which, envisages transparency, professionalism and accountability in all its operations.

2. Board of Directors**a) Composition**

The Board of Directors of your company has an optimum combination of executive and non executive directors with rich knowledge and experience in Industry & other sectors for providing strategic guidance and direction to the company.

At Present, the company has Four Directors (including Woman Director) on its Board with Non Executive Independent Director as Chairman of the company. The number of Non-Executive Independent Directors are three. The Independent Directors are professionals in their field and posses background of financial and legal. During the year under review there was no pecuniary relationship or business transaction with Independent directors with the company. Besides independent directors, there is one Executive Director on the Board who is capable in handling diverse nature of business of the Company. The composition of the Board is as per the requirements of Regulation 17 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b) Meetings of Board and its Committees

Meetings of Board and its committee were held as and when required. During the year, under review, the Board of Directors met 9(Nine) times on 20.05.2016, 30.05.2016, 22.06.2016, 15.07.2016, 13.08.2016, 02.11.2016, 14.11.2016, 30.12.2016 and 14.02.2017.

The names, categories of Directors on the Board, their attendance at the board meeting during the year and the last Annual General Meeting, and also the number of directorships and Committee membership held by them in other companies are as per details given below:-

Name of Directors	Designation	Category	No. of Board Meeting Attended	Attendance at last AGM	No. of directorship of other Indian public limited companies	No. of chairmanship/ membership of committees in other Companies
Sh. Sandeep Jindal	Managing Director	Promoter Executive	8	Yes	5	2
Sh. Yash Paul Jindal &	Director	Promoter, Non-Executive	9	Yes	1	Nil
Sh. Ramesh Jindal \$	Director	Promoter, Non-Executive	7	Yes	1	Nil
Sh. Rajinder Jindal \$	Director	Promoter, Non-Executive	7	Yes	1	Nil
Sh. Aman Jindal \$	Director	Promoter, Non-Executive	7	Yes	1	Nil
Sh. Sahil Jindal \$	Director	Promoter, Non-Executive	7	Yes	1	Nil
Sh. Rajesh Khanna	Director	Non-Executive, Independent	9	Yes	Nil	Nil
Sh. Anil Kumar	Director	Non-Executive, Independent	7	No	Nil	Nil
Ms. Nisha Rani*	Director	Non-Executive, Independent	-	No	Nil	Nil
Ms. Alisha#	Director	Non-Executive, Independent	2	No	2	2

\$ Ceased as promoter Director w.e.f. 14th November, 2016

& Ceased as promoter director w.e.f 30th December, 2016

*Ceased as Independent Director w.e.f. 22nd June, 2016

Appointed as additional director in the category of Independent directors w.e.f.22nd June, 2016

**c) Code of Conduct:**

The Company has laid down a Code of Conduct for all Board members and senior management of the company. The code has been circulated to all the members of the Board and senior management and they have affirmed the compliance with the code of conduct. A declaration to this effect signed by the Managing Director forms part of the annual report.

d) Promoters/Directors Shareholding as on 31st March, 2017 :-

Name of Directors	No. of Shares	% of total Equity Capital
Sh. Yash Paul Jindal	2261918	5.03
Sh. Sandeep Jindal	407844	0.91
Sh. Ramesh Jindal	2636008	5.86
Sh. Rajinder Jindal	2587052	5.75
Sh. Aman Jindal	844050	1.88
Sh. Sahil Jindal	810000	1.80

*None of other director holds any share in the equity share capital of the company.

3. Others Committees at Board level**(A) Audit Committee**

The Audit Committee of the company comprises of the following members namely Sh. Rajesh Khanna, Sh. Sandeep Jindal and Sh. Anil Kumar. All members of audit committee have wide exposure and possess sound knowledge in the field of accounts, finance, audit etc. Sh. Rajesh Khanna is the Chairman of the Audit Committee.

The terms of reference of the Audit Committee cover all the matters specified under Listing Regulations and section 177 of the Companies Act, 2013. During the year 2016-17, the audit committee met on four occasions. The minutes of audit committee meetings were placed before the Board of Directors in the subsequent board meetings.

The attendance of the members of the audit committee is mentioned below:-

Name of Director	Category	No. of Meetings held & attended
Sh. Rajesh Khanna	Non Executive and Independent Director	4
Sh. Sandeep Jindal	Executive Director	4
Sh. Anil Kumar	Non Executive and Independent Director	4

(B) Nomination and Remuneration Committee

During the year under review, the Nomination and Remuneration Committee was reconstituted consequent upon the resignation given by Ms. Nisha Rani. The reconstituted Nomination and Remuneration Committee comprises of the following Directors namely Sh. Rajesh Khanna, Sh. Anil Kumar and Ms. Alisha. Sh. Anil Kumar is the Chairman of the said Committee.

The terms of reference of Nomination and Remuneration Committee include the followings:-

To identify persons who are qualified to become Directors and who may be appointed in senior management accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal. To carry out evaluation of every Director's performance. To formulate the criteria for determining qualifications, positive attributes and independence of a Director, recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel. To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance.

(C) Corporate Social Responsibility Committee

During the year under review, the Corporate Social Responsibility Committee was reconstituted consequent upon the resignation given by Ms. Nisha Rani. The reconstituted Corporate Social Responsibility Committee comprises of the following Directors namely Sh. Sandeep Jindal, Sh. Rajesh Khanna and Ms. Alisha.

Due to the average net profit for the last three years being negative, the company has not spend any amount on social activities during the year under review.

**(D) Stakeholders Relationship Committee**

The Stakeholders Relationship Committee comprises of the following Directors namely Sh. Rajesh Khanna, Sh. Sandeep Jindal and Sh Anil Kumar. Sh. Rajesh Khanna is the Chairman and Sh. Anil Kumar, Company Secretary is the compliance officer of the said committee.

The Stakeholders Relationship Committee specifically looks into the redressal of shareholders/investor's complaints, if any, on non-receipt of annual report, dividend payments etc. and also matters related to share transfer, issue of duplicate share certificate, dematerializations etc.. During the year, under review, The Stakeholders Relationship Committee met on four occasions.

(E) Risk Management Committee

The Risk Management Committee comprises of the following Directors namely Sh. Sandeep Jindal and Sh. Rajesh Khanna. The Risk Management Committee ensure that the company has an appropriate and effective risk management system with appropriate policies, which carries out risk assessment and ensures that risk mitigation plans are in place at regulars interval.

4. Annual General Meetings

The details of the last three annual general meetings are given as follows:-

Date & time	Year	Venue	No. of Special Resolution Passed
30.09.2016 at 09.00 A.M.	2015-16	Regd. Office: V.P.O. Jugiana, G.T. Road, Ludhiana	Nil
30.09.2015 at 10.00 A.M.	2014-15		Nil
30.09.2014 at 10.00 A.M.	2013-14		3

The company has not passed any resolution through postal ballot during the last Annual General Meeting held on 30th September, 2016.

5. Disclosures:**a. Subsidiaries Companies**

- i. The Audit Committee of the Company reviews the financial statements of subsidiary companies and in particular the project expenditure made by subsidiary companies.
- ii. The minutes of Board meeting of subsidiary companies are periodically placed before the Board of the company. The Board is periodically informed about all the significant transactions and arrangements entered into by the subsidiaries companies.

b. Related Party transaction

All the related parties transactions entered during the year were at arm's length basis as per the provisions of the Companies Act, 2013 and under Listing Regulations. The details of Related Party transactions are given in Note No. 27 of the Audited Accounts of the company for the year ended 31st March, 2017. There were no material transactions during the year 2016-17 that are prejudicial to the interest of the company.

c. Disclosure of Accounting Treatment

The company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) referred in section 133 of the Companies Act, 2013 in the preparation of financial statements

d. Detailed Management Discussion and analysis Report have been included in this Annual Report.**e. The company has complied with all the mandatory requirements of SEBI (LODR) Regulations, 2015 relating to Corporate Governance.****6. Statutory Compliance, Penalties and Strictures :**

The Company has complied with statutory compliance and no penalty or stricture is imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital markets during the last year.

7. Means of Communication:

The quarterly/annual results of the company have been forwarded to the listed Stock Exchanges and also published in daily newspapers viz English Newspaper 'Financial Express' and Punjabi newspaper 'Desh Sewak'. The results of the company are also made available at the website of the company www.jindalcotex.com.

8. General Shareholders information:**a. 20th Annual General Meeting**

Date	:	Thursday, 28 th September, 2017
Time	:	9.00 A.M.
Place	:	V.P.O. Jugiana, G.T. Road, Ludhiana



- b. **Financial Year** : 1st April to 31st March
c. **Listed on stock** : BSE Limited
Exchanges : Phiroze Jeejee Bhoy Towers, Dalal Street, Mumbai-400 001
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai-400 051

(Annual Listing fees for the financial year 2017-18 has been paid to the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited)

- d. **Stock Code**
BSE : 533103
NSE : JINDCOT
e. **ISIN No:-**
NSDL : INE904J01016
CDSL : INE904J01016

f. **Market Price Data:**

The month wise highest and lowest and closing share prices of the company from vis – a – vis BSE Sensex during the year from April, 2016 to March, 2017 is given below:-

Month	Share Price of Jindal Cotex Ltd				BSE Sensex			
	High	Low	Closing	% change over last month's closing	High	Low	Closing	% change over last month's closing
April, 2016	11.19	8.21	9.00	7.14	26,100.54	24,523.20	25,606.62	1.05
May, 2016	10.60	8.50	8.93	(0.78)	26,837.20	25,057.93	26,667.96	4.14
June, 2016	9.90	8.01	8.99	0.67	27,105.41	25,911.33	26,999.72	1.24
July, 2016	20.00	8.90	18.02	100.44	28,240.20	27,034.14	28,051.86	3.90
August, 2016	24.35	16.70	18.40	2.11	28,532.25	27,627.97	28,452.17	1.42
September, 2016	21.50	16.20	16.90	-8.15	29,077.28	27,716.78	27,865.96	(2.06)
October, 2016	22.20	17.00	21.30	26.03	28,477.65	27,488.30	27,930.21	(0.23)
November, 2016	21.95	14.10	17.65	(17.14)	28,029.80	25,717.93	26,652.81	(4.57)
December, 2016	18.10	14.05	14.75	(16.43)	26,803.76	25,753.74	26,626.46	(0.10)
January, 2017	18.00	14.16	16.55	12.20	27,980.39	26,447.06	27,655.96	3.87
February, 2017	17.30	14.45	14.45	(12.69)	29,065.31	27,590.10	28,743.32	3.93
March, 2017	15.20	12.30	13.15	(8.99)	29,824.62	28,716.21	29,620.50	3.05

g. **Share Transfer System:**

The company has appointed M/s. Bigshare Services Private Limited, 1st Floor, Bharat Tin Works Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai - 400059, RTA, as the Registrar and transfer agent for the Equity shares of the Company to provide services in both physical and electronic mode.

The Stakeholders Relationship Committee deals with various matters relating to share transfer through transfer agent of the Company. As per the arrangement with Transfer Agents, the list of valid transfers prepared by them in respect of share transfer cases and objections, if any, is placed before the Stakeholders Relationship Committee of the company.

As stipulated by the Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out Reconciliation of Share Capital Audit. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors.

h. **Distribution Schedule as on 31/03/2017:**

No. of Shares	No. of Shareholders	% to total Shareholders	No. of Shares held	% to total share held
Upto 500	5,564	73.67	845,733	1.88
501-1000	829	10.98	703,175	1.56
1001-2000	400	5.29	625,462	1.39
2001-3000	212	2.81	552,752	1.23
3001-4000	100	1.32	361,844	0.80
4001-5000	86	1.14	413,816	0.92
5001-10000	149	1.97	1,123,324	2.50
Above 10000	213	2.82	40,377,034	89.72
Total	7,553	100	45,003,140	100

**I. Shareholding Pattern as on 31/03/2017**

Category	No. of Shares held	% to total paid up Share capital
Promoter and Promoter Group	9,565,854	21.26
Foreign Institutions Investors	13,390,600	29.75
Bodies Corporate	5,264,811	11.70
Clearing Member	780,813	1.74
NRI	163,027	0.36
Public (Individual)	15,838,035	35.19
TOTAL	45,003,140	100

j. Dematerialization of Shares and Liquidity:

As on 31st March, 2017, 100% of the equity capital was in dematerialized form with NSDL and CDSL. The shares of the company are traded on BSE Limited and National Stock Exchange of India Limited and have good liquidity.

k. Outstanding GDRs/ ADRs/any other convertibles Instruments:

The entire GDRs issued on 30th June, 2010 has been converted into equity shares. Further, the company has not issued any GDRs/ADRs during the year.

l. Plant Locations:-

- i. VPO Jugiana, Ludhiana (Punjab)
- ii. Village Mandiala Kalan, Bija, (Punjab)
- iii. Wind Mill - J - 289, Village Pithla, Jaisalmer (Rajasthan)

Plant Location of subsidiaries:-

- Jindal Medicot Limited
VPO Thathal, Tehsil Amb,
District Una, Himachal Pradesh
- Jindal Specialty Textiles Limited
VPO Thathal, Tehsil Amb,
District Una, Himachal Pradesh

m. Corporate and Registered Office:

V.P.O. Jugiana, G.T. Road,
Ludhiana - 141017
Tel. No. 0161 - 2511840
Fax No. 0161- 2511843
CIN NO: L17115PB1998PLC021084
Email ID: cs@sjgroup.in
Website: www.jindalcotex.com

n. Registrar and Transfer Agent:

Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri East,
Mumbai - 400059 - Maharashtra
Fax: 022- 62638209
Tel. No. : 022-62638200
Email :info@bigshareonline.com

o. Compliance Officer:

Mr. Anil Kumar,
Company Secretary
Email ID: cs@sjgroup.in

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The Management discussion and Analysis Report, is a reflection of the current state of business of the company. It also deals with opportunities and challenges faced by your company and future outlook.

Industry structure & Outlook

India's textiles sector is one of the oldest Industries in Indian economy. The country continues to be the only country other than China to have full textile chain. The Textile Industry has played a key role in the country's progress and continues to hold a dominant position in country's economic structure as it provides employment to over 40 million peoples and contribute about 5% to India's GDP.

Indian Textile Industry continues to face stiff competition from China, Bangladesh, Sri Lanka and other emerging economies. The relative competitiveness of Industry is dependent upon the raw cotton prices, exchange rates and prevalent interest rates regime. However, the future of the Indian Textile Industry looks optimistic supported by strong domestic consumption as well as rising export demands. The Government of India and Ministry of Textiles took several initiatives to further strengthen the nation's textile industry.

Financial Analysis and Review of operations**(On standalone basis):****Product wise performance**

Particulars	Year ended March 31, 2017			Year ended March 31, 2016		
	Qty in MT	Sales Amount (Rs. in lacs)	As % to Total Sales	Qty in MT	Sales Amount (Rs. in lacs)	As % to Total Sales
Textiles						
Knitted Cloth	15.40	493.50	90.41	7.10	255.47	84.57
Total (A)	15.40	493.50	90.41	7.10	255.47	84.57
Wind Mill						
Elect. Sales	--	52.35	9.59	--	46.60	15.43
Total (B)	--	52.35	9.59	--	46.60	15.43
Total (A+B)	15.40	545.85	100.00	7.10	302.07	100

Financial Analysis**Revenue Break – up:****(Rs. in lacs)**

Particulars	2016-17	% to Total Income	2015-16	% to Total Income
Sales	545.85	89.77	302.07	81.56
Other Income	62.17	10.23	68.28	18.44
Total Income	608.02	100.00	370.35	100.00

The net turnover of the company has been increased to Rs. 545.85 lacs in the year 2016-17 as against Rs. 302.07 lacs in the previous year.

Profitability/Losses**(Rs. in lacs)**

Particulars	2016-17	% of turnover	2014-15	% of turnover
Profit/losses before depreciation, interest and tax	(250.42)	(45.88)	(1917.92)	(634.92)
Interest	3.45	0.63	2552.14	844.88
Profit/losses before Depreciation	(253.87)	(46.51)	(4470.06)	(1479.81)
Depreciation	661.75	121.23	723.02	239.35
Profit/losses before tax	(915.62)	(167.74)	(5193.08)	(1719.16)
Tax (Previous year)			0.45	0.15
Profit/losses after Tax	(915.62)	(167.74)	(5193.53)	(1719.31)

**Resource Utilization****a) Fixed Assets**

The gross fixed assets remains same as at 31st March, 2017 are Rs.15936.75 lacs(15936.68 lacs in the previous year). The net fixed assets (including work-in-progress & capital advances) as on 31st March, 2017 are Rs.11464.35 lacs as compared to Rs. 12126.03 lacs in the previous year.

b) Investments

The Company has made investments (net of provision) in its subsidiaries to the tune of Rs.122.89 lacs by way of equity capital.

c) Current Assets

Sundry debtors (Net of Provision) of the Company are Rs 923.71 lacs in the year 2016-17 as against Rs. 821.83 lacs in the previous year. Inventory level is at Rs 68.21 lacs in the year 2016-17 as against Rs. 491.40 lacs in the previous year. Cash and cash equivalents increased from Rs. 16.17 lacs in the year 2015-16 to Rs. 64.89 lacs in the year 2016-17

Risk and Concerns

Government policies are critical to the success of the Textile Industry. Further, increase in the power cost, raw materials prices and non availability of skilled labour has become hindrance in the long term sustainability of the textile industry. Moreover, depreciation of Indian rupee against US dollar has serious impact on textile industry.

In spite of the above mentioned facts, we are of the firm opinion that the future of the Textile Industry is quite promising. We hope that with the recoveries in economies of U.S.A and European Union will propel the growth of the Textile Industry.

Internal Control and their Adequacy

Your Company has in place adequate systems of Internal control systems commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses executing transactions with proper authorization. Processes for formulating and reviewing long term business plans have been laid down to ensure adequacy of the control system, adherence to the management decisions and legal compliances. The company uses ERP (Enterprise Resource Planning) system to record data for accounting. The Internal control system is adequate and commensurate with the nature of its business and size of its operations, though continues efforts are being made to strengthening the same.

Material Development in terms of Human Resources

Your company believes that human resource is its most valuable resource and it is the quality and dynamism of human resources that enables it to make a significant contribution to enhance stakeholder's value. Your company has taken lot of initiatives to train its employees. Human Resources are considered to be a form of capital and wealth of the company. During the year, industrial relations remained cordial.

Cautionary Statement

Statements made herein on Management Discussion & Analysis, describing the Company's expectations or predictions are "forward-looking statements", considering the applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. The actual results may differ from those expected or predicted. Prime factors that may make a difference to the company's performance include market conditions, input cost, Government policies/regulations, economic conditions, and other incidental factors.

**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To
The Members of
Jindal Cotex Limited,

We have examined the compliance of the conditions of Corporate Governance by Jindal Cotex Limited for the year ended on 31st March, 2017 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

**FOR RAJ GUPTA & CO.
Chartered Accountants,
Firm Regn. No. : 000203N**

**Date: 1st September, 2017
Place: Ludhiana**

**(Raj Gupta)
Partner
M. No. 017039**

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT BY MANAGING DIRECTOR

The Company has a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company in terms of Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to further strengthen corporate governance practices of the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them.

**Date: 1st September, 2017
Place: Ludhiana**

**(Sandeep Jindal)
Managing Director
DIN: 01639743**

**EXTRACT OF ANNUAL RETURN
FORM MGT-9**

(Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the company (Management & Administration) Rules, 2014)

1. Registration & other details:

S. No.	Particulars	Details
i	CIN	L17115PB1998PLC021084
ii	Registration Date	18-02-1998
iii	Name of the company	M/s Jindal Cotex Limited
iv	Category/sub-category of the company	Company limited by shares
v	Address of the Registered office & contact details	VPO Jugiana, G. T. Road, Ludhiana (Pb) -141017 cs@sjgroup.in Ph : 0161-2511840, Fax : 0161-2511843
vi	Whether listed company	Yes
vii	Name, Address & contact details of the registrar & transfer agent, if any	Bigshare Services Private Limited, 1st Floor, Bharat Tin Works Building Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059

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

S. No.	Name & Description of main products/services	NIC code of the product/service	% to total turnover of the company
I	Textile	113-Spinning, weaving and finishing to textiles	90.41%

III. Particulars of Holding, Subsidiary and Associate Companies:

S. No.	Name of the company	Address of the company	CIN	Holding / Subsidiary/ Associate Company	% of shares held
1	Jindal Medicot Limited	VPO Jugiana, G. T. Road, Ludhiana (Pb)	U17100PB2008PLC031964	Subsidiary	51.35
2	Jindal Specialty Textiles Limited	VPO Jugiana, G. T. Road, Ludhiana (Pb)	U17100PB2008PLC031968	WOS	100
3	Himachal Textile Park Limited	Upmahal, Ramnagar, VPO Thathal, Tehsil Amb, District Una, H.P.	U74990HP2009PLC031264	Associates	23.29
4	Jindal International FZE	Jebel Ali Free Zone, Post Box - 261943 Dubai (U.A.E.)	--	WOS	100

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of total equity)**(I) Category-wise Share Holding**

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	
(A) Promoter									
1. Indian									
(a) Individual/HUF	9604399	-	9604399	21.34	9565854	-	9565854	21.26	(0.09)
(b) Central Government	-	-	-	-	-	-	-	-	-
(c) State Government	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	-	-	-	-	-	-	-	-	-
(e) FI/Banks	-	-	-	-	-	-	-	-	-
(f) Any other	-	-	-	-	-	-	-	-	-
Sub Total(A)(1)	9604399	-	9604399	21.34	9565854	-	9565854	21.26	(0.09)
(2) Foreign									



(a) Individual/HUF	-	-	-	-	-	-	-	-	-
(b) Central Government	-	-	-	-	-	-	-	-	-
(c) State Government	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	-	-	-	-	-	-	-	-	-
(e) FI/Banks	-	-	-	-	-	-	-	-	-
(f) Any other	-	-	-	-	-	-	-	-	-
Sub Total(A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	9604399	-	9604399	21.34	9565854	-	9565854	21.26	(0.09)
B Public Shareholding									
1. Institutions									
a) Mutual Funds/ UTI	-	-	-	-	-	-	-	-	-
b) FI / Banks	-	-	-	-	-	-	-	-	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors	13390600	-	13390600	29.75	13390600	-	13390600	29.75	-
h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
j) Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	13390600	-	13390600	29.75	13390600	-	13390600	29.75	-
2. Non- Institutions									
a) Bodies Corporate	6622629	-	6622629	14.72	5254811	-	5254811	11.68	(3.04)
b) Individuals									
Individuals - i. Individual shareholders holding nominal share Capital up to Rs 1 lakh	4638832	5	4638837	10.31	4236583	5	4236588	9.41	(0.89)
ii. Individual shareholders holding nominal share Capital in excess of Rs. 1 lakh.	9018644	-	9018644	20.04	11590351	-	11590351	25.75	5.71
c) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
d)									
i) Clearing Member	1514988	-	1514988	3.37	780813	-	780813	1.74	(1.63)
ii) Employee	-	-	-	-	-	-	-	-	-
iii) Trust	-	-	-	-	-	-	-	-	-
iv) Foreign Nationals									
v) Non resident Indian (NRI)	201947	-	201947	0.45	173027	-	173027	0.38	(0.07)
vi) Non resident Indian (Repat)	-	-	-	-	-	-	-	-	-
vii) Non resident Indian (Non Repat)	-	-	-	-	-	-	-	-	-
viii) Overseas Bodies Corporates	11096	-	11096	0.02	11096	-	11096	0.02	-
Sub-Total (B)(2)	22008136	5	22008141	48.90	22046681	5	22046686	48.99	0.09
Shareholding (B)= (B)(1)+(B)(2)	35398736	5	35398741	78.66	35437281	5	35437286	78.74	0.09
TOTAL (A)+(B)	45003135	5	45003140	100	45003135	5	45003140	100	-
C Shares held by Custodians for GDRs									
i) Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
ii) Public	-	-	-	-	-	-	-	-	-
Grand Total (A)+(B)+(C)	45003135	5	45003140	100	45003135	5	45003140	100	-



(ii) SHAREHOLDING OF PROMOTERS

SN	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding at the end of year			% Change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbers to total share	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	
1	Ramesh Kumar Jindal	2747816	6.11	5.86	2636008	5.86	5.86	(0.25)
2	Rajinder Kumar Jindal	2607052	5.79	5.75	2587052	5.75	5.75	(0.04)
3	Yash Paul Jindal	2261918	5.02	4.69	2261918	5.02	4.69	0.00
4	Sh. Sandeep Jindal*	314581	0.70	0.33	407844	0.91	0.33	0.21
5	Aman Jindal	844050	1.88	1.88	844050	1.88	1.88	0.00
6	Sahil Jindal	810000	1.80	1.80	810000	1.80	1.80	0.00
7	Jagdish Rai Jindal	16946	0.04	0.00	16946	0.04	0.00	0.00
8	Vidyawati Jindal	1550	0.00	0.00	1550	0.00	0.00	0.00
9	Santosh Jindal	162	0.00	0.00	162	0.00	0.00	0.00
10	Geeta Jindal	162	0.00	0.00	162	0.00	0.00	0.00
11	Reen Prabha Jindal	162	0.00	0.00	162	0.00	0.00	0.00
	TOTAL	9604399	21.34	20.31	9565854	21.26	20.31	(0.09)

** Increase in the shareholding of Sh. Sandeep Jindal due to inter-see transfer of shares between the promoters (off Market)

(iii) Change in Promoter's Shareholding (Please specify if there is no change)

S No.	Particular	No. of shares held at the beginning of the year		No. of shares held at the 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	9604399*	21.34		
	Date wise increase / decrease in Promoter's Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)				
	17.03.2017* 10,000 24.03.2017 5,000 31.03.2017 23,545 Shares sold by Sandeep Jindal	38545	0.09	9565854	21.26
	At the end of the year			9565854	21.26
	Note:				



(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (Other than Directors, Promoters and holder of GDRs)

S.No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2016 to (31.03.2017)	
		No. of shares held at the beginning of the year (01.04.2016) /end of the year (31.03.2017)	% of total shares of the company				No. of Shares	% of total shares of the company
1	Clareville Capital Opportunities Master Fund Ltd	4475000	9.94	01.04.2016	-	Nil		
		4475000	9.94	31.03.2017			4475000	9.94
2	Albula Investment fund Ltd	4183000	9.29	01.04.2016				
		4183000	9.29	31.03.2017	-	Nil	4183000	9.29
3	Avtar India Opporunities Fund	2247000	4.99	01.04.2016				
		2247000	4.99	31.03.2017	0	Nil	2247000	4.99
4	LTS investment Fund Ltd	2220000	4.99	01.04.2016				
		2220000	4.99	31.03.2017	0	Nil	2220000	4.93
5	Khushru Dali Petigara	877346	1.95	01.04.2016				
				03.06.2016	24998	Trf	902344	2.01
				22.07.2016	335607	Trf	1237951	2.75
				29.07.2016	107690	Trf	1345641	2.99
				26.08.2016	18264	Trf	1363905	3.03
				02.09.2016	83355	Trf	1447260	3.22
				09.09.2016	157634	Trf	1604894	3.57
				30.09.2016	194104	Trf	1798998	4.00
				07.10.2016	164770	Trf	1963768	4.36
				14.10.2016	71472	Trf	2035240	4.52
				21.10.2016	148805	Trf	2184045	4.85
				27.01.2017	-200000	Trf	1984045	4.41
				31.03.2017			1984045	4.41
6	Anand Rathi Share & Stock Brokers Ltd	1529245	3.40	01.04.2016				
				08.04.2016	600	Trf	1529845	3.40
				15.04.2016	-300	Trf	1529545	3.40
				22.04.2016	-300	Trf	1529245	3.40
				29.04.2016	763	Trf	1530008	3.40
				06.05.2016	-763	Trf	1529245	3.40
				13.05.2016	199	Trf	1529444	3.40
				20.05.2016	1	Trf	1529445	3.40
				27.05.2016	-200	Trf	1529245	3.40
				03.06.2016	-24498	Trf	1504747	3.34
				10.06.2016	-500	Trf	1504247	3.34
				15.07.2016	500	Trf	1504747	3.34
				22.07.2016	-330607	Trf	1174140	2.61
				29.07.2016	-110040	Trf	1064100	2.36
				05.08.2016	3100	Trf	1067200	2.37
				12.08.2016	4500	Trf	1071700	2.38
				19.08.2016	28550	Trf	1100250	2.44
				26.08.2016	-39176	Trf	1061074	2.36
				02.09.2016	-94704	Trf	966370	2.15
				09.09.2016	-164670	Trf	801700	1.78
30.09.2016	-194104	Trf	607596	1.35				
07.10.2016	-159773	Trf	447823	1.00				
14.10.2016	-75647	Trf	372176	0.83				
21.10.2016	-148755	Trf	223421	0.50				
28.10.2016	-50	Trf	223371	0.50				
04.11.2016	11000	Trf	234371	0.52				



				11.11.2016	1468	Trf	235839	0.52
				18.11.2016	-1125	Trf	234714	0.52
				25.11.2016	-1668	Trf	233046	0.52
				02.12.2016	-500	Trf	232546	0.52
				06.01.2017	-8142	Trf	224404	0.50
				13.01.2017	-1858	Trf	222546	0.49
				20.01.2017	3000	Trf	225546	0.50
				27.01.2017	197000	Trf	422546	0.94
				03.02.2017	-200000	Trf	222546	0.49
				24.02.2017	2000	Trf	224546	0.50
				03.03.2017	-800	Trf	223746	0.50
				10.03.2017	-1028	Trf	222718	0.49
				17.03.2017	-172	Trf	222546	0.49
				24.03.2017	100	Trf	222646	0.49
				31.03.2017	-49600	Trf	173046	0.38
		173046	0.38	31.03.2017			173046	0.38
7	Giraben Atulbhai Shah	1507500	3.35	01.04.2016				
				24.03.2017	41	Trf	1507541	3.35
		1507541	3.35	31.03.2017			1507541	3.35
8	Shriram Insight Share Brokers Ltd.	1191412	2.65	01.04.2016				
				13.05.2016	200	Trf	1191612	2.65
				27.05.2016	-100	Trf	1191512	2.65
				03.06.2016	-100	Trf	1191412	2.65
				08.07.2016	380	Trf	1191792	2.65
				15.07.2016	-325	Trf	1191467	2.65
				22.07.2016	-67297	Trf	1124170	2.50
				29.07.2016	-367106	Trf	757064	1.68
				05.08.2016	160799	Trf	917863	2.04
				12.08.2016	-213231	Trf	704632	1.57
				19.08.2016	131893	Trf	836525	1.86
				26.08.2016	75	Trf	836600	1.86
				02.09.2016	101175	Trf	937775	2.08
				09.09.2016	-250	Trf	937525	2.08
				16.09.2016	-49950	Trf	887575	1.97
				23.09.2016	300	Trf	887875	1.97
				30.09.2016	-400	Trf	887475	1.97
				21.10.2016	35	Trf	887510	1.97
				28.10.2016	134965	Trf	1022475	2.27
				04.11.2016	-181361	Trf	841114	1.87
				11.11.2016	100	Trf	841214	1.87
				18.11.2016	-250	Trf	840964	1.87
				25.11.2016	-12294	Trf	828670	1.84
				02.12.2016	-150	Trf	828520	1.84
				16.12.2016	150	Trf	828670	1.84
				23.12.2016	-90	Trf	828580	1.84
				30.12.2016	-10	Trf	828570	1.84
				06.01.2017	-50	Trf	828520	1.84
				13.01.2017	50	Trf	828570	1.84
				20.01.2017	850	Trf	829420	1.84
				27.01.2017	-950	Trf	828470	1.84
				03.02.2017	200050	Trf	1028520	2.29
				10.02.2017	-100	Trf	1028420	2.29
				17.02.2017	8	Trf	1028428	2.29
				24.02.2017	-9207	Trf	1019221	2.26
				03.03.2017	-80401	Trf	938820	2.09
				10.03.2017	-4152	Trf	934668	2.08
				17.03.2017	390	Trf	935058	2.08
				24.03.2017	-1000	Trf	934058	2.08
				31.03.2017	1555	Trf	935613	2.08
		935613	2.08	31.03.2017			935613	2.08
9	Hiran Anand Karbhari	11000000	2.44	01.04.2016				
				31.03.2017	50000	Trf	1150000	2.56
		1150000	2.56	31.03.2017			1150000	2.56
10	Vasupujya Traders	916796	2.04	01.04.2016				
				31.03.2017	-446000	Trf	470796	1.05



	Private Limited	470796	1.05	31.03.2017			470796	1.05
11	Nagji Keshavji Rita	0	0	01.04.2016				
				08.04.2016	875500	Trf	875500	1.95
				12.08.2016	-35000	Trf	840500	1.87
				16.09.2016	-311	Trf	840189	1.87
				07.10.2016	-30000	Trf	810189	1.80
				28.10.2016	-2000	Trf	808189	1.80
				04.11.2016	-20800	Trf	787389	1.75
		787389	1.75	31.03.2017			787389	1.75
12	Virtue Ceremics Private Limited	23200	0.05	01.04.2016				
				30.12.2016	420752	Trf	443952	0.99
				24.02.2017	163818	Trf	607770	1.35
		607770	1.35	31.03.2017			607770	1.35

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

S.No.	For each of the Directors of the Company and KMP	No. of shareheld at the beginning of the year		No. of sharehelde nd 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				
1.	Mr. Sandeep jindal, Managing Director	314581	0.70		
2.	Anil Kumar, Company Secretary	Nil	Nil		
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.	No. of shares sold by Sh. Sandeep Jindal			
		17.03.2017	10,000		
		24.03.2017	5,000		
		31.03.2017	23,545		
		Total	38,545		
	At the end of the year				
1.	Mr. Sandeep jindal, Managing Director Increase in the shareholding of Sh. Sandeep Jindal due to inter-see transfer of share between the promoters			407844	0.91
2.	Anil Kumar, Company Secretary			Nil	Nil

(vi) Indebtedness of the company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,287,733,172	212,708,651	133,437,473	2,633,879,296
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	51,490,767	51,490,767
Total (i+ii+iii)	2,287,733,172	212,708,651	184,928,240	2,685,370,063
Change in Indebtedness during the financial year				
Additions	-	3,438,162	0	3,438,162
Reduction	902,322	0	941,647	1,843,969
Net Change	(902,322)	3,438,162	(941,647)	1,594,193
Indebtedness at the end of the financial year				
i) Principal Amount	2,286,830,850	216,146,813	132,495,826	2,635,473,489
ii) Interest due but not paid	-	-	51,490,767	-
iii) Interest accrued but not due	-	-		51,490,767
Total (i+ii+iii)	2,286,830,850	216,146,813	183,986,593	2,686,964,256



VI). REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager
		Sandeep Jindal Managing Director
1	Gross salary	4,50,000
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,50,000
	b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Option	-
3	Sweet Equity	-
4	Commission	-
	- as % of profit	-
	- others, specify	-
5	other, please specify	-
	Total (A)	4,50,000

B) Remuneration to other Directors

S. No.	Particulars of Remuneration	Name of Directors								
		Yash Paul Jindal	Rajinder Jindal	Ramesh Jindal	Aman Jindal	Sahil Jindal	Rajesh Khanna	Anil Kumar	Nisha Rani	Alisha
1	Independent Directors									
	Fee for attending board committee meeting	-	-	-	-	-	-	-	-	-
	commission	-	-	-	-	-	-	-	-	-
	others, please specify	-	-	-	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-	-	-	-
2	Other Non-Executive Directors									
	Fee for attending board committee meeting	-	-	-	-	-	-	-	-	-
	commission	-	-	-	-	-	-	-	-	-
	others, please specify	600,000	-	-	-	-	-	-	-	-
	Total (2)	600,000	-	-	-	-	-	-	-	-
	Total = (1+2)	600,000	-	-	-	-	-	-	-	-

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

S. No.	Particulars of Remuneration	Key Managerial Personnel	
		Anil Kumar CS	Total
1	Gross salary	6,58,020	6,58,020
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,58,020	6,58,020
	b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweet Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	other, please specify	-	-
	Total (A)	6,58,020	6,58,020

VII) Penalties/ Punishment / Compounding Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal Made if any (give) Details)
A. COMPANY		NONE			
Penalt Punishment Compounding					
B. DIRECTORS		NONE			
Penalty Punishment Compounding					
C. OTHER OFFICERS IN DEFAULT		NONE			
Penalty Punishment Compounding					

By Order of the Board
For Jindal Cotex Limited

Place: Ludhiana
Date : 30.05.2017

Rajesh Khanna
Director
06971227

Sandeep Jindal
Managing Director
01639743

**Annexure-II****Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR- 1st April, 2016 to 31st March, 2017****[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,

The Members,
Jindal Cotex Limited
Ludhiana.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Jindal Cotex Limited (hereinafter referred to as Company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts, statutory compliances and expressing my opinion thereon.

Based on our verification of the Jindal Cotex Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The 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; (Not applicable to the company during the audit period.)
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the company during the audit period.)
 - (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; ((Not applicable to the company during the audit period.)
 - (h) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Further, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 are not applicable to the company as the company has not issued/listed any debt securities.

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned therein except payment of Annual Listing Fee to the stock exchanges where the company is listed and non-compliance of order passed by Hon'ble Company Law board, New Delhi, regarding repayment of fixed deposits.

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



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

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

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

We further report that during the audit period, there were no other specific events/actions in pursuance of above referred laws, rules, regulations and guidelines.

For Reecha Goel & Associates
Company Secretaries
(Reecha Gupta)
Prop.
FCS: 6562
C P No.: 7012

Place: Ludhiana
Date: 01.09.2017

ANNEXURE A'

To
The Members,
Jindal Cotex Limited
Ludhiana

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 provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books 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, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Reecha Goel & Associates
Company Secretaries

(Reecha Gupta)
Prop.
FCS: 6562
C P No.: 7012

**Form AOC - 2
As on 31.03.2017**

(Pursuant to clause (h) of sub section(3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangement entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below:

1. Details of contracts or arrangements or transactions not at Arm's length basis:

S. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of contracts/arrangements/transaction	Nil
d)	Silent terms of the contracts/arrangements/transaction including the value, if any	Nil
e)	Justification for entering into such contracts/arrangements/transaction	Nil
f)	Date of approval by the Board	Nil
g)	Amount paid as advance, if any	Nil
h)	Date on which the special resolution was passed in general meeting as required under first proviso of section 188	Nil

2. Details of contracts or arrangements or transactions at Arm's length basis:

S. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	
b)	Nature of contracts/arrangements/transaction	
c)	Duration of contracts/arrangements/transaction	
d)	Silent terms of the contracts/arrangements/transaction including the value, if any	Details of Related Party Transactions are disclosed in note No. 27 of the Financial Statements
e)	Justification for entering into such contracts/arrangements/transaction	
f)	Date of approval by the Board	
g)	Amount paid as advance, if any	
h)	Date on which the special resolution was passed in general meeting as required under first proviso of section 188	



INDEPENDENT AUDITOR'S REPORT

To the Members of
JINDAL COTEX LTD.

Report on the Standalone financial statements

We have audited the accompanying standalone financial statements of JINDAL COTEX LTD. ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone financial statements

The Management and board of directors of the company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the

standalone financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017
- In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw our attention on the following:

- Note No. 2 to the standalone financial statements which indicate that the company has accumulated losses of Rs. 236.80 Crores as at 31st March 2017 and has eroded its entire net worth and has become potentially sick company. Reference under the provisions of Section 23 of Sick Industrial Company (Special Provisions) Act, 1985 (SICA) has been generated on 22nd January, 2016. However, SICA has been repealed by Ministry of Finance w.e.f 01-12-2016. Hence, there are conditions indicating an uncertainty on the going concern. However, the standalone financial statements have been prepared by the management on a going concern basis in spite of the reason stated in the said note.
- Note no.10 to 12 to the standalone financial



statements regarding the company's Non-current investments, Non-current assets and long term loans/advances including amount advanced and invested in M/S Jindal International FZE, its foreign subsidiary company, carried in the balance sheet at Rs.157.69 crores. The amount invested /outstanding since 2011. There has been no change in the above said amount since then.

- c) Manufacturing facilities, at present, all location of the company (Except Wind Mill) have been suspended due to severe financial constraints. The Company has leased out all its units.
 - d) There is non-submission of various statutory returns acknowledged by the respective authorities, non provision/deposition of various overdue statutory liabilities like PF/Service Tax/TDS/ Vat & CST/WCT/TCS/ESI & related over dues viz Interest and penalty exact amount of which could not be ascertained in present scenario.
 - e) Since all the accounts of the company have been declared sub-standard over a period of time, the banks have started recovery action against the Company under SARFAESI Act. Hence balances with banks are subject to confirmation.
 - f) Note No. 35 to the financial statement on various litigations/suits pending in the court of law at different levels. There is uncertainty regarding the outcome of law suits filed against the company
 - g) Actuarial valuation of employee benefits was not conducted during the year.
 - h) The company has outstanding deposits received/accepted from General Public in shape of FDR for different time frames for maturity. Due to financial constraints, the company was not able to repay the deposits within the scheduled time period. The Company applied to the Company Law Board for the deferment of repayments of deposits (refer clause g of note no. 3 of financial statements)
 - l) The company has booked bad debts against the debtors (refer note 14 of financial statements).
- belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet & Statement of Profit and Loss and cash flow statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
 - e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure "B"; and
 - g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014: :
 - i. The Company did 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 not been an 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.
 - iii. The company has disclosed the impact of its pending litigations on its financial position in its financial statements refer note no 35 to financial statements.
 - iv. The company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016. Refer note 39 to the standalone financial statements. However, we have not verified it as detail of SBN denomination wise is not available.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A statement on the matters Specified in paragraphs 3 and 4 of the Order. 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

Place: Ludhiana
Date : 30/05/2017

For Raj Gupta & Co
Chartered Accountants
FRN: 000203N
Raj Kumar Gupta
(Partner)

Membership No.: 017039

**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT****Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements."**

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 fixed assets:

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us the Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of regular intervals, which in our opinion, is reasonable having regard to the size of the company and nature of its business.
- (c) According to information and explanation given to us, the title deeds of immovable Property are held in the name of the company. However, we have not verified the same as they are pledged with the bank & not made available to us.

ii. In respect of Inventories :-

- (a) According to information and explanations given to us, the inventories have been physical verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company has maintained proper records of inventory. Since all the manufacturing activities have been suspended, it does not hold any kind of raw material and finished stock; it is only engaged in trading activity & hold Inventory of stock in trade. The Stock is subject to confirmation from management.

- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and

hence not commented upon.

- iv. In our opinion and according to the information and explanations given to us, the company has not granted loans during the year. So the provisions of section 185 and 186 of the companies act,2013 are not applicable. However the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of investment made. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution during the year .However Company has outstanding corporate guarantees of Rs.327.20 crore for loan outstanding by its subsidiaries from banks and financial institutions.
- v. In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public covered under Section 73 to 76 of the Companies Act, 2013. However, for the repayment of the fixed deposits received in earlier years by the company from the public, the company has taken permission from the Hon'ble Company Law Board, New Delhi, for extension of time for repayment of fixed deposits as the company was unable to repay the same on due dates due to financial crisis.
- vi. We have broadly reviewed the records maintained by the company pursuant to the rules prescribed by the central government for maintenance of cost records under sub-section (I) of section 148 of the act and are of the opinion that prima facie, the prescribed accounts have been prepared and maintained. However we have not made the detailed examination of records.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is not regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India as follows;
TCS Rs.161,061, VAT Rs.8,711,210, CST Rs.466,303, PF Payable Rs.5,768,010 & ESI Payable Rs.3,850,029
- (b) There has not been an 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 reporting delay in transferring such sums does not arise.
- (c) The company has accumulated losses at the end of the financial year which has exceeded net worth of the company in the preceding 4 financial years. As such company has become potentially sick. However, the company has incurred cash loss during the current financial year as well as immediately preceding financial year.
- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has defaulted in repayment of loans or borrowings to banks and financial institution. The company has not issued any debentures during the year. Banks have recalled entire outstanding of the company and started recovery proceedings under SARFAESI ACT.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.
- xi. Based on the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.
- xii. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution during the year. However Company has outstanding corporate guarantees of Rs.327.20 crore for loan outstanding by its subsidiaries from banks and financial institutions.
- xiii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. Based upon the audit procedures performed and the information and explanations given by the management, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the order are not applicable to the Company and hence not commented upon.

Annexure - B to Independent Auditors' Report
(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of JINDAL COTEX LTD. as of 31st March, 2017 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide

reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 (3) 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 financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company is not fully in operation so we cannot assure the effectiveness of internal financial controls system over financial reporting and give reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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.

**For Raj Gupta & Co
Chartered Accountants
FRN: 000203N**

**Place: Ludhiana
Date : 30/05/2017**

**Raj Kumar Gupta
(Partner)
Membership No.: 017039**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017**

(Amount in Rs.)

PARTICULARS	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	(91,562,335)	(519,307,072)
Adjustment to Reconcile Profit before Tax to cash generated by operating Activities		
Depreciation & Amortization Expenses	66,175,596	72,302,298
Interest Received	(263,790)	(1,869,843)
Interest Expense	344,013	255,214,169
Prior Period Tax Adjustments	-	(195,736)
Adjust for deffered tax liability	-	150,000
Provision for Bad debts	28,303,643	141,477,000
Provision on Diminution in value of investement	-	55,105,479
Profit / (Loss) on sale of fixed Assets	-	(1,283,138)
Operating Profit before working capital Changes	2,997,126	1,593,158
Adjustment For		
Trade & Other Receivables	(38,491,688)	(530,739,336)
(Decrease) / Increase in Short Term Loans and advances	(24,831,355)	2,323,156
Decrease / (Increase) in Inventories	42,318,922	(26,203,319)
(Decrease) /Increase in Trade and other Payables	(4,785,351)	16,633,503
Others Current liabilities	2,538,591	32,243,303
Others short Term liabilities	(20,223,432)	(6,683,355)
NET CASH FLOW FROM OPERATING ACTIVITES	(40,477,187)	(510,832,890)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Addition in Fixed Assets	(7,500)	(70,271,865)
Sale of Fixed Assets	-	6,852,000
Increase in Captial Advances	-	70,271,865
Proceeds From Long Term Loan and Advances	45,202,115	8,011,217
Interest Received	263,790	1,869,843
NET CASH FLOW FROM INVESTING ACTIVITES	45,458,405	16,733,060
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	235,089	204,050,716
Repayment of Short term borrowings	-	11,943,446
Interest Expense	(344,013)	(255,214,169)
Others Long Term liabilities	-	503,227,778
NET CASH FLOW FROM FINANCING ACTIVITIES	(108,923)	464,007,772
Net increase/(decrease) in cash & Cash equivalents	4,872,294	(30,092,059)
Cash and Cash Equivalent at beginning of year	1,616, 805	31,708,864
Cash and Cash Equivalent at the end of year	6,489,099	1,616,805

For & On behalf of the Board

As per our report of even date attached

Raj Gupta & Co.

Chartered Accountants

Firm Regn no. 000203N

Sandeep Jindal
Managing Director
DIN 01639743Rajesh Khanna
Director
DIN 06971227Gurvinder Singh
Manager AccountsAnil Malhan
Company SecretaryRaj Gupta
Partner
(M.No.017039)Place: Ludhiana
Date : 30.05.2017

**BALANCE SHEET AS AT 31ST MARCH, 2017**

(Amount in Rs.)

PARTICULARS	NOTE NO.	Current Year	Previous Year
I Equity and Liabilities			
1) Shareholder's Funds			
a) Share Capital	1	450,031,400	450,031,400
b) Reserves and Surplus	2	(87,131,110)	4,431,227
Sub Total		<u>362,900,290</u>	<u>454,462,627</u>
2) Non-Current Liabilities			
a) Long Term Borrowings	3	2,093,231,942	2,092,996,852
b) Deferred Tax Liabilities (Net)	4	-	-
3) Current Liabilities			
a) Short term Borrowings	5	523,771,172	523,771,172
b) Trade Payables	6	100,654,369	105,439,720
c) Other Current Liabilities	7	72,307,747	69,769,156
d) Short term Provisions	8	37,726,868	57,950,300
TOTAL		<u>3,190,592,389</u>	<u>3,304,389,828</u>
II. ASSETS			
Non Current Assets			
1) a) Fixed assets			
i) Tangible Assets	9	774,805,455	840,958,666
ii) Intangible assets		29,776	44,662
iii) Capital Work in Progress		371,600,000	371,600,000
Sub Total		<u>1,146,435,231</u>	<u>1,212,603,328</u>
b) Non Current Investments	10	13,373,521	13,373,521
c) Other Non Current Assets	11	339,143	339,143
d) Long Term Loans and Advances	12	1,752,640,573	1,797,842,688
2) Current Assets			
a) Inventories	13	6,820,699	49,139,621
b) Trade receivables (Net of Provision)	14	92,371,540	82,183,495
c) Cash and Cash Equivalents	15	6,489,099	1,616,805
d) Short Term Loans and Advances	16	172,122,582	147,291,227
e) Other Current Assets			
TOTAL		<u>3,190,592,389</u>	<u>3,304,389,828</u>

Significant Accounting Policies and Notes on Accounts 1 to 39

For & On behalf of the Board

As per our report of even date attached

Raj Gupta & Co.

Chartered Accountants

Firm Regn no. 000203N

Sandeep Jindal
Managing Director
DIN 01639743Rajesh Khanna
Director
DIN 06971227Gurvinder Singh
Manager AccountsAnil Malhan
Company SecretaryRaj Gupta
Partner
(M.No.017039)Place: Ludhiana
Date : 30.05.2017

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

(Amount in Rs.)

PARTICULARS	NOTE NO.	Current Year	Previous Year
Revenue			
I. Revenue From Operations	17	54,585,352	30,207,142
II. Other Income	18	6,216,697	6,828,339
Total Revenue (I+II)		60,802,049	37,035,481
III Expenses			
Cost of Materials Consumed	19	-	-
Purchase of Stock in Trade	20	5,881,923	49,285,788
Changes in Inventories of Finished Goods, Work-in-Prograss and Stock-in-Trade	21	42,318,922	(26,203,319)
Employee Benefits Expenses	22	5,306,616	5,661,219
Finance Costs	23	344,612	255,214,169
Depreciation and Amortization Exps.	24	66,175,596	72,302,298
Other Expenses	25	32,336,717	199,968,500
Total Expenses		152,364,385	556,228,656
IV. Profit/(loss) before exceptional and extraordinary items and tax (III-IV)		(91,562,335)	(519,193,174)
V Exceptional Items		-	-
VI Profit/(loss) before extraordinary items and tax (V-VI)		(91,562,335)	(519,193,174)
VIII Extraordinary Items		-	-
Adjustment for earlier years expenses		-	113,898
IX Profit/(loss) before Tax (VII-VIII)		(91,562,335)	(519,307,072)
X Tax Expense:			
1) Current Tax		-	-
2) Deferred Tax(Prevoius Year)		-	150,000
3) Adjustment for earlier years tax		-	(195,736)
Sub Total		-	(45,736)
XI Profit/(Loss) for the period (V-VI)		(91,562,335)	(519,352,808)
XII Earings per Equity Share:	26		
1) Basic - In Rs.		(2.03)	(11.54)
2) Diluted - In Rs.		(2.03)	(11.54)

Significant Accounting Policies and Notes on Accounts 1 to 39

For & On behalf of the Board

As per our report of even date attached

Raj Gupta & Co.

Chartered Accountants

Firm Regn no. 000203N

Sandeep Jindal
Managing Director
DIN 01639743Rajesh Khanna
Director
DIN 06971227Gurvinder Singh
Manager AccountsAnil Malhan
Company SecretaryRaj Gupta
Partner
(M.No.017039)Place: Ludhiana
Date : 30.05.2017



SIGNIFICANT ACCOUNTING POLICIES

I. ACCOUNTING CONVENTION

The financial statements, other than the Cash Flow Statement, are prepared under the historical cost convention, treating the entity as a going concern and in accordance with the applicable accounting standards and relevant provisions of the Companies Act, 2013.

I(a) CHANGE IN ACCOUNTING POLICY

With effect from 01/04/2014 company has with retrospective effect changed its method of providing depreciation on fixed assets from the written down value method to straight line method as per the rates prescribed in the part C of Schedule II of the Companies act 2013.

Management believes that this change will result in more appropriate presentation and will give a systematic basis of depreciation charge, representative of the time pattern in which the economic benefits will be derived from the use of these assets.

II. REVENUE RECOGNITION

Revenue from domestic sale of goods is recognized at the time of dispatch of goods from the factory. Sales are exclusive of VAT and CST. Export sales are booked on the basis of the date of Bill of Lading.

III. FIXED ASSETS

Fixed Assets are stated at cost, net of taxes and duties subsequently recoverable from government authorities less accumulated depreciation and impairment loss, if any. Government grants relating to specific fixed assets are treated as deferred income, which is recognized in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

All costs attributable to bringing the asset to its working condition for its intended use, including financing costs till commencement of commercial production and charges on foreign exchange contracts and adjustments arising out of exchange rate variations attributable to the fixed assets are capitalized.

IV. DEPRECIATION

Pursuant to the enactment of the companies Act 2013, the Company has applied the estimated useful lives as specified in schedule II. Accordingly the unamortized carrying value is being depreciated over the Revised/remaining useful lives.

V. INVENTORIES

Inventories are valued at cost or net realizable value, whichever is lower. Raw Material and stores are valued at cost determined on a weighted average basis. Work in process is valued at cost plus an appropriate share of overheads depending upon the stage of completion. Finished Goods are valued taking into account the raw material cost, conversion cost and the overheads incurred to bring the goods to their present location and condition.

VI. FOREIGN EXCHANGE TRANSACTIONS

Foreign Currency transactions are accounted for at exchange rate prevailing on the date of transaction. Premium on forward cover contracts in respect of import of raw materials is charged to the Statement of Profit and Loss over the period of contract. Amounts payable and receivable in foreign currency at the Balance Sheet date, not covered by forward contracts, are restated at the applicable exchange rate prevailing on the date of the Balance Sheet. All exchange differences, if any, arising on revenue transactions are charged/credited to the Statement of Profit and Loss.

VII. TAXATION

Provision for current tax is made in accordance with the provisions of the Income Tax law applicable for the relevant year. Deferred tax asset/liability is created in accordance with the requirements of Accounting Standard 22 "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India. Deferred Tax Asset is created only to the extent there is virtual certainty that future taxable income will be available against which such deferred tax asset can be realized.

In terms of the Guidance Note on "Accounting for Credit available in respect of Minimum Alternate Tax (MAT) under the Income Tax Act, 1961" issued by the Institute of Chartered Accountants of India, MAT credit is recognized as an asset only to the extent there is a convincing evidence that the company will be paying regular income tax during the specified period.

VIII. EMPLOYEE BENEFITS:

(a) Short-Term Employee benefits

Employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits and are recognized in the period in which the employee renders the related services.

(b) Post-employment benefits

Defined benefits Plans:

The employee gratuity scheme is a defined benefit plan. The present value of defined benefit obligation as at the end of the year is determined using the Projected Unit Credit method i.e. each period of service rendered by the employee is considered to give rise to an additional unit of benefit entitlement, gradually building up the final obligation.

The liability on account of compensated absences i.e. leave with wages is accounted for on the basis of unutilized leave standing to the credit of the employee at the close of the year.

The company was required to get actuarial valuation of employment benefits but no valuation was done in this aspect.

IX. PROVISIONS AND CONTINGENCIES:

Provision is recognized in the balance sheet when, the company has a present obligation as a result of past events and it is probable that an outflow of economic resources will be required to settle the obligations, and a reliable estimate of the amount of the obligation can be made. A disclosure by way of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed in the financial statements.

**Notes on Financial Statements for the year ended 31st March, 2017**

Particulars	(Amount in Rs.)			
	31.03.2017	31.03.2016		
Note 1.				
SHARE CAPITAL				
A) AUTHORISED CAPITAL				
<u>AT THE BEGINNING OF THE YEAR</u>				
60000000 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 60000000 EQUITY SHARES OF RS. 10/- EACH)	600,000,000	600,000,000		
<u>INCREASE DURING THE YEAR</u>				
NIL (PREV. YEAR NIL)	-	-		
<u>AT THE END OF THE YEAR</u>				
60000000 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 60000000 EQUITY SHARES OF RS. 10/- EACH)	600,000,000	600,000,000		
ISSUED CAPITAL				
<u>AT THE BEGINNING OF THE YEAR</u>				
45003140 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 45003140 EQUITY SHARES OF RS. 10/- EACH)	450,031,400	450,031,400		
<u>INCREASE DURING THE YEAR</u>				
NIL (PREV. YEAR NIL)	-	-		
<u>AT THE END OF THE YEAR</u>				
45003140 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 45003140 EQUITY SHARES OF RS. 10/- EACH)	450,031,400	450,031,400		
SUBSCRIBED AND PAID UP CAPITAL				
<u>AT THE BEGINNING OF THE YEAR</u>				
45003140 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 45003140 EQUITY SHARES OF RS. 10/- EACH)	450,031,400	450,031,400		
<u>INCREASE DURING THE YEAR</u>				
NIL (PREV. YEAR NIL)	-	-		
<u>AT THE END OF THE YEAR</u>				
45003140 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 45003140 EQUITY SHARES OF RS. 10/- EACH)	450,031,400	450,031,400		
SHAREHOLDERS HOLDING MORE THAN 5% SHARES				
NAME OF PERSON	% C.Y.	% P.Y.	No. of Shares	No. of Shares
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
^ Ramesh Kumar Jindal	5.86	6.11	2,636,008	2,747,816
^ Rajiner Kumar Jindal	5.75	5.79	2,587,052	2,607,052
Yash Paul Jindal	5.03	5.03	2,261,918	2,261,918
Clareville Capital Opportunities Master Fund	9.94	9.94	4,475,000	4,475,000
Albula Investment Fund Ltd.	9.29	9.29	4,183,000	4,183,000
Foot Notes :-				
^ As per family arrangement, these persons have relinquished all their rights in respect of their entire shareholdings in the company in favour of Sh. Sandeep Jindal. Since these shares are pledged with banks/ARC at the moment, the permission has been applied and is being sought from them for transfer of shares in the name of Sh. Sandeep Jindal. As per records of the company, including its registers of members & other declarations received from them regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares				
	31.03.2017	31.03.2016		
(Equity share issued as Bonus share on 04.07.2008)	4,801,596	4,801,596		

**Rights, preference and restrictions attaching to each class of shares**

"**Equity Shares:** The company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares present is entitled to have one vote upon show of hands and upon a poll every member entitled to vote and present in person or by proxy shall have one vote, for every share held by him.

The profits of the Company subject to any special rights relating thereto created or authorised to be created shall be divisible among the members in proportion to the amount of Capital paid up or credited as paid up on the shares held by them respectively.

The Company in general meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits and may fix the time for payment.

Dividend shall be paid by the Company in respect of any share only to the registered holder of such share or to his order or to his banker.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realized value of the assets of the Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

Particulars	31.03.2017	(Amount in Rs.) 31.03.2016
NOTE NO. 2		
RESERVES AND SURPLUS		
Surplus in Statement of Profit and Loss Account		
As per Last Balance Sheet	(2,276,436,223)	(1,757,083,414)
Add Profit/(Loss) during the year	(91,562,335)	(519,352,808)
Closing Balance	<u>(2,367,998,559)</u>	<u>(2,276,436,223)</u>
Securities Premium reserve		
As per Last Balance Sheet	2,278,558,364	2,278,558,364
Add:- Increase/Decrease during the year	-	-
Closing Balance	<u>2,278,558,364</u>	<u>2,278,558,364</u>
Foreign Currency Translation Reserve		
As per Last Balance Sheet	2,309,086	2,309,086
Add:- Increase/Decrease during the year	-	-
Closing Balance	<u>2,309,086</u>	<u>2,309,086</u>
Total Reserves and Surplus	<u>(87,131,110)</u>	<u>44,31,227</u>
NOTE NO. 3		
LONG TERM BORROWINGS		
I Secured		
1. Term Loans from Banks*	1,529,688,265	1,527,863,620
2. Add: Provision for interest	233,371,112	236,098,380
Total Secured Long Term Borrowings (I)	<u>1,763,059,377</u>	<u>1,763,962,000</u>
II Unsecured		
1. Deposits **	114,025,752	116,326,201
2. Loans and Advances from related parties#	166,044,399	173,361,399
3. From Others	50,102,414	39,347,253
Total Unsecured Long Term Borrowings (II)	<u>330,172,565</u>	<u>329,034,853</u>
Total Long Term Borrowings (I+II)	<u>2,093,231,942</u>	<u>2,092,996,852</u>

* Maturity Profile of Secured Term Loans are as set out below: *refer h

**Notes on Financial Statements for the year ended 31st March, 2017**

	1-2 years	2-3 years	3-5 years	Beyond 5 Years
Current Year	-	-	-	-
Prev Year	-	-	-	-
**Maturity Profile of Deposits	1-2 Years	2-3 Years	3-5 Years	Beyond 5 Years
are as set out below:				
Current Year **	-	-	-	-
Prev Year	18,470,074	38,803,209	107,980,029	60,863,845

With reference to Secured Term Loans and the amount of Current Maturities of such Secured Loans.

- a Term Loan of Rs 834127241 (Prev. Year Rs 834127241) from OBC, has assigned to JM Financial Assets Reconstruction Company Private Ltd. Rs 185105974 (Prev. Year Rs 185105974 from Allahabad Bank, Rs 97700110 (Prev. Year Rs. 97382830) from Corporation Bank, Rs 122637954 (Prev. Year 122637954) from State Bank of India are secured by way of Ist Pari Passu charge on the Fixed Assets of the Company and 2nd charge on the Current Assets of the Company. Further these Loans are Secured by way of equitable mortgage of Factory Land and Building of the company situated at VPO Jugiana, G.T. Road , Ludhiana and at Village Mandiala Kalan, Tehsil Khanna, Distt. Ludhiana. However Corporate Loan & FITL pertaining to Oriental bank of commerce Corporate Loan have exclusive charge on Residential Land & Building in the name of Mr. Sandeep Jindal Msg 8061 sq yard situated at golf link Ludhiana.
- b Term Loan of Rs 28552822 (Prev. Year. Rs. 26310601) From Punjab and Sind Bank is secured by way of exclusive charge on Windmill purchased out of the Term Loan..
- c Term Loan of Rs 35257604 (Prev. Year Rs.35257604) from Central Bank Of India is secured by way of equitable mortgage of Land in the name of the Company situated at village Mandiala Kalan, Tehsil Khanna, Distt. Ludhiana
- d The slowing industrial activity and depressed market conditions had seriously affected the operations of the company. The Company made request to Corporate Debt Restructuring Cell through Oriental Bank of Commerce (Lead Bank) to restructure the credit facilities. The Empowered Group of CDR-Cell has approved the restructuring package in CDR-Cell meetings held on 24/12/2013 vide order no. 857/2013-14 Dt. 27/12/2013.
Amount of Default in Repayment of Principal & Interest (Refer noteh)
- e Loans of Rs Nil (Prev. Year Rs. 734856) are secured by way of hypothecation of respective vehicles.
- f Term borrowing from The Catholic Syrian Bank Limited of Rs. 226306560(Pre. Year 226306560) has transfer to Phoenix ARC Ltd due to non servicing of Interest. The above said term loan is secured by equitable mortgage of commercial plot in name of M/s Jindal Cycles Pvt. ltd. and Personal Guarantee of Promoter Directors.
- **g The company has received/accepted the deposits from General Public in shape of FDR for different time frames time frames fpr maturity. Due to financial constraints the company has not able to repay the deposits within the schedule time period. The Company applied to the Company Law Board for deferment of repayment of deposits vide its order no. C.P.. 25/5/2013 and has deferred the repayments of deposits. The company Law Board has reconstituted as National Company Law Tribunal. NCLT constitute a hardship committee & company will also repay Rs. 5 lacs on quarterly basis through hardship meeting. Since the company is facing liquidity crunch & not able to make payments to FDR holder as per CLB order.
- *h. Maturity profile and repayment schedule of principal/interest on secured loan is not possible to determine by the company as accounts with banks slipped into sub standard category after restructuring , Hence banks has recalled the entire outstanding and started recovery action under SARFESI Act.
- l) Provision for Interest on Term Loan & FDR has not been provided for the Financial Year 2016-17

With reference to loans and advances from related parties

All the Loans are repayable after 12 months from the date of squaring up bank dues. However the company reserve the right to prepay it.(Prev. yr. also all the Loans are repayable after 12 months from the date of squaring up bank dues. However the company reserve the right to prepay it.

**Notes on Financial Statements for the year ended 31st March, 2017**

Particulars	(Amount in Rs.)	
	31.03.2017	31.03.2016
NOTE NO. 4		
DEFERRED TAX LIABILITY (NET)		
Liability on account of Timing Difference Depreciation	-	-
Less: Deferred Tax Asset arising on account of timing difference	-	-
For expenses allowable for tax purposes when paid, miscellaneous		
Expenditure incurred but allowed in future, unabsorbed losses,		
And MAT credits available (but restricted to the extent of		
defferd Tax liability as a matter of prudence)		
Total	<u>-</u>	<u>-</u>

NOTE NO. 5**SHORT TERM BORROWINGS****I Secured****1 Loans Repayable on Demand/Working Capital Loans**

From Banks	523,771,172	523,771,172
Security- Hypothecation of Stock and book debts of the company		
Total Secured Short Term Borrowing	<u>523,771,172</u>	<u>523,771,172</u>

- a. Short Term Borrowings of Rs 523771172/- (Prev. Year Rs. 523771172/-) are Secured by way of 1st charge on Current Assets (Stock & Book debts) of the Company and 2nd charge on the fixed assets of the Company. Further these Limits are secured by way of equitable mortgage of Factory Land and Building of the company situated at VPO Jugiana, G.T. Road , Ludhiana and at Village Mandiala Kalan, Tehsil Khanna, Distt. Ludhiana and Personal guarantees of the following guarantors of the company
- b. Interest on Short term borrowing has not been provided for the Financial Year 2016-17
- i. Sh. Sandeep Jindal
- ii. Sh. Yash Paul Jindal
- iii. Sh. Rajinder jindal
- iv. Sh. Ramesh Jindal
- c. Amt of default in repayment of loan & Default in Repayment of Interest (Refer Note No. 3.h)

NOTE NO. 6**TRADE PAYABLES**

Due to Micro, Small and Medium Enterprises	-	-
Due to Others	100,654,369	105,439,720
Total	<u>100,654,369</u>	<u>105,439,720</u>

Note:

- a. The Company has not received any communication from all of its suppliers/ service providers in response to letters issued by the Company, confirming whether or not they are registered under the Micro, Small and Medium Enterprises Development Act, 2006. In the absence of any positive confirmation from the suppliers/ service providers, the information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 could not be determined.

**Notes on Financial Statements for the year ended 31st March, 2017**

Particulars	(Amount in Rs.)	
	31.03.2017	31.03.2016
NOTE NO. 7		
OTHER CURRENT LIABILITIES		
a. Deposits due with in one year	18,470,074	17,111,272
b. Advances from Customers	2,336,906	-
c. Cheques under Reconciliation	-	1,157,117
d. Interest payable on FDR	51,490,767	51,490,767
e. Security (Loading/Unloading Contractor)	10,000	10,000
Total	72,307,747	69,769,156

NOTE NO. 8**SHORT TERM PROVISIONS****a. Provisions for Employee benefits**

E.S.I. Payable	3,850,029	3,850,029
Provident Fund Payable	5,768,010	5,768,010
Personnel Expenses Payable	1,277,959	1,349,414
Directors Remuneration Payable	237,500	-
Welfare Fund Payable	36,064	33,199

b. Others

Electricity Expenses Payable	16,522,623	34,452,610
Rent Payable	48,000	108,000
Expenses Payable	15,000	-
Government Dues Payable	9,941,683	12,329,038
Audit Fees Payable	30,000	60,000

Total**37,726,868****57,950,300**



NOTE NO. 9

(Amount in Rs.)												
9. FIXED ASSETS	GROSS BLOCK						DEPRECIATION BLOCK				NET BLOCK	
	As on 01.04.2016	Addition During the Year	Sale/Adj. During the year	As on 31.03.2017	As on 01.04.2015	Provided During the year	Sale/Adj. During the year	As on 31.03.2017	As on 31.03.2017	As on 31.03.2016		
Name of the Assets												
Tangible Assets												
Land	69,686,696	-	-	69,686,696	-	-	-	-	-	69,686,696	69,686,696	
Factory Building	55,827,665	-	-	55,827,665	35,872,040	786,863	-	36,658,902	19,168,763	19,955,625	19,955,625	
Building	240,445,524	33,569,058	-	240,445,524	46,401,922	7,310,773	-	53,712,695	186,732,829	194,043,602	194,043,602	
Plant & Machinery	1,080,813,176	-	-	1,080,813,176	537,028,384	56,232,532	-	593,260,916	487,552,260	543,784,792	543,784,792	
Weigh Bridge & Scales	1,376,710	-	-	1,376,710	942,108	3,131	-	945,239	431,471	434,602	434,602	
Electric Installations	60,410,354	-	-	60,410,354	52,769,658	1,357,361	-	54,127,019	6,283,335	7,640,696	7,640,696	
Office Equipments	4,508,372	7,500	-	4,515,872	4,178,727	17,248	-	4,195,674	320,198	329,945	329,945	
Computers	10,160,726	-	-	10,160,726	9,645,305	4,326	-	9,649,631	511,095	515,421	515,421	
ERP Software	1,065,111	-	-	1,065,111	337,321	337,321	-	674,641	390,470	727,790	727,790	
Scooter	33,072	-	-	33,072	16,731	4,721	-	21,453	11,619	16,341	16,341	
Furniture & Fixtures	3,458,797	-	-	3,458,797	2,923,043	106,435	-	3,029,478	429,319	535,754	535,754	
Wind Mill	65,748,035	-	-	65,748,035	62,460,633	-	-	62,460,633	3,287,402	3,287,402	3,287,402	
Total	1,593,534,238	7,500	-	1,593,541,738	752,575,571	66,160,710	-	818,736,281	774,805,455	840,958,666	840,958,666	
Intangible Assets												
Trademarks	133,700	-	-	133,700	89,038	14,886	-	103,924	29,776	44,662	44,662	
G.Total	1,593,672,937	7,500	-	1,593,675,438	752,664,609	66,175,596	-	818,840,205	774,835,231	841,003,328	841,003,328	

**Notes on Financial Statements for the year ended 31st March, 2017**

Particulars	(Amount in Rs.)	
	31.03.2017	31.03.2016
NOTE NO. 10		
NON CURRENT INVESTMENTS		
Investment in Equity Instruments (Unquoted- Fully Paid Up)		
Subsidiary Companies		
M/s Jindal Medicot Limited	300,500,000	300,500,000
50000 (prev. yr. 50000) Equity Shares of Rs 10/- each fully paid up and and 3750000 (prev. yr. 3750000) shares @ Rs. 10/-each fully paid up at a premium of Rs 70 /- per share)		
Less : Provision of diminution in value of investment	<u>300,500,000</u>	<u>300,500,000</u>
	-	-
M/s Jindal Specialty Textiles Ltd.	511,750,000	1,750,000
50000 (prev. yr. 50000) Equity Shares of Rs 10/- each fully paid up and 4050000 (prev. yr. 4050000) shares @ Rs. 10/-each at a premium of Rs. 90/- each and 8,50000 (prev. yr. 8,50000) shares @ Rs. 10/-each at a premium of Rs. 115/- each		
Less : Provision of diminution in value of investment	<u>511,750,000</u>	<u>511,750,000</u>
	-	-
M/s Jindal International FZE	12,288,521	12,288,521
(No record on number of shares and value available with the company)		
Associate company		
M/s Himachal Textile Park Ltd	885,000	885,000
88500 (prev. yr. 88500) Equity Shares of Rs. 10/- each fully paid up		
Other Non-Current Investments		
(Quoted- Fully Paid Up) Other than Subsidiaries		
Baroda Pioneer PSU Equity Fund	200,000	200,000
Sub Total	<u>13,373,521</u>	<u>13,373,521</u>
Total Long Term Investments	<u>13,373,521</u>	<u>13,373,521</u>

**Notes on Financial Statements for the year ended 31st March, 2017**

Particulars	(Amount in Rs.)	
	31.03.2017	31.03.2016
Aggregate Amount of Quoted Investments	200,000	200,000
Market Value of Quoted Investments	178,200	133,600
Aggregate Amount of Unquoted Investments	13,173,521	13,173,521
*Aggregate Provision for diminution in Value of Investments	812,250,000	812,250,000
Aggregate Permanent diminution in Value of Investments	-	-

Note : Quoted investments are valued at market value as on 31-03-2017. All other investments are valued at cost.
* Nil as they are not of Permanent Nature

NOTE NO. 11**OTHER NON CURRENT ASSETS**

M/s Jindal International FZE	339,143	339,143
Total	339,143	339,143

NOTE NO. 12**LONG TERM LOANS & ADVANCES**

(Unsecured and Considered Good)

(a) Security Deposits

i) Lease Securities	4,500,000	4,500,000
ii) Electricity Security	6,536,483	6,536,483
iii) Telephone Security	23,699	25,148
iv) Sales Tax Security (Rajasthan)	20,000	20,000
v) L P G Security	2,100	2,100
vi) Advance Consumption Deposit PSPCL	5,715,844	5,715,844

(b) Loans and Advances to related parties

i Jindal Medicot Ltd	161,284,348	159,867,461
ii Jindal Specialty Textiles Ltd	10,186,989	56,804,542
iii Jindal International FZE	1,564,283,396	1,564,283,396
iv Poonam Enterprises	87,714	87,714
Total	1,752,640,573	1,797,842,688

Note: Loans and advances include the amounts due from

Directors-Either severally or jointly	-	-
Other officers of the Company-either severally or jointly	-	-
Firm in which director is a partner	-	-
Private company in which directors is a member	-	-
Total		

NOTE NO. 13**INVENTORIES**

(As taken, valued and certified by the management)

a. Raw Materials	-	-
b. Work in Progress	-	-
c. Finished Goods/Stock in Trade	6,045,169	48,364,091
d. Store & Spares	775,530	775,530
e. Others (Scrap/Waste)	-	-
Total	6,820,699	49,139,621

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

**Notes on Financial Statements for the year ended 31st March, 2017**

Particulars	(Amount in Rs.)	
	31.03.2017	31.03.2016
- In case of raw material at actual cost determined on FIFO basis plus direct expenses.		
- In case of Stores and spares at weighted average cost.		
- in case of Work in process at raw material cost plus conversation cost depending upon stage of completion.		
- in case of finished goods at raw material cost plus conversion cost and appropriate proportion of overheads incurred to bring the goods to there present location and condition plus excise duty wherever applicable.		

NOTE NO. 14**TRADE RECEIVABLES**

(Unsecured)

a) Outstanding for a period exceeding six months from the date they are due for payment	51,860,324	-
b) Outstanding for a period more than six months from the date they are due for payment	719,841,359	733,209,995
Sub Total	<u>771,701,683</u>	<u>733,209,995</u>
Less Provision for bad debts	651,026,500	651,026,500
Bad Debts written off	28,303,643	
Total	<u>92,371,540</u>	<u>82,183,495</u>

NOTE NO. 15**CASH AND CASH EQUIVALENTS**

a) Cash in hand	614,428	326,849
b) Cheques in Hand	3,573,838	-
Balance with Banks	-	
a. in Current Accounts	2,131,328	1,120,451
b. Fixed Deposit pledged as Margin Money	169,505	169,505
Total	<u>6,489,099</u>	<u>1,616,805</u>

NOTE NO. 16**SHORT -TERM LOANS AND ADVANCES****a. Advances recoverable in cash or in kind or for value to be received**

i) Advance to Suppliers	1,150,216	74,449
ii) Prepaid Insurance	637,684	625,730
iii) TDS	244,435	1,709,684
iv) Balance With Excise & Taxation Dept.	49,223,913	49,303,913
v) Interest Receivable	28,462,958	28,509,809
vi) Other Advances	92,403,376	67,067,642
Total	<u>172,122,582</u>	<u>147,291,227</u>

Loans and advances include the amounts due from

Directors-Either severally or jointly	-	-
Other officers of the Company-either severally or jointly	-	-
Firm in which director is a partner	-	-
Private company in which directors is a member	-	-
Total	<u> </u>	<u> </u>

**Notes on Financial Statements for the year ended 31st March, 2017**

Particulars	(Amount in Rs.)	
	31.03.2017	31.03.2016
NOTE NO. 17		
REVENUE FROM OPERATIONS		
Sale of Products	54,585,352	30,207,142
Less: Excise Duty	-	-
Total	54,585,352	30,207,142
NOTE NO. 18		
OTHER INCOME		
Interest Income	263,790	1,869,843
Lease Rent	5,947,870	3,600,000
Rebate & Discount	5,037	75,358
Profit on sale of Fixed Assets	-	1,283,138
Total	6,216,697	6,828,339
NOTE NO. 19		
COST OF MATERIAL CONSUMED		
Opening Stock of Raw Materials.... I	-	-
Purchase of Raw Materials.... II	-	-
Closing Stock Raw Materials.....III	-	-
Cost of Raw Material Consumed (I+II-III)	-	-
NOTE NO. 20		
PURCHASES OF STOCK IN TRADE		
Purchases	5,881,923	49,285,788
Total Purchase	5,881,923	49,285,788
NOTE NO. 21		
CHANGES IN INVENTORIES OF FINISHED GOODS		
WORK-IN-PROGRESS		
Opening Stock of Finished Goods/Stock-in-Trade	48,364,091	22,160,772
Opening Stock of Work-in-Progress	-	-
Sub Total A	48,364,091	22,160,772
Closing Stock of Finished Goods/Stock-in-Trade	6,045,169	48,364,091
Closing Stock of Work-in-Progress	-	-
Sub Total B	6,045,169	48,364,091
TOTAL (A-B)	42,318,922	(26,203,319)

**Notes on Financial Statements for the year ended 31st March, 2017**

Particulars	(Amount in Rs.)	
	31.03.2017	31.03.2016
NOTE NO. 22		
EMPLOYEE BENEFIT EXPENSE		
Salaries, Wages & Other Allowances	5,306,616	5,661,219
Contribution to E.S.I, P.F & Other Funds	-	-
Total	5,306,616	5,661,219
NOTE NO. 23		
FINANCE COSTS		
Bank Interest	-	242,122,652
Bank Charges & Commission	344,013	135,517
Fixed Deposit Scheme Expenses & Interest	-	12,956,000
Other Interest	599	-
Total	344,612	255,214,169
NOTE NO. 24		
DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation	66,175,596	72,302,298
Total	66,175,596	72,302,298
NOTE NO. 25		
OTHER EXPENSES		
Manufacturing Expenses		
Machinery Repair & Maintenance	14,690	8170
Electric Repair & Maintenance	-	18,790
other Expenses	-	16,000
Sub Total I	14,690	42,960
OTHERS		
Auditors Remuneration		
Statutory Audit Fee	20,000	20,000
Vat Audit Fees	5,000	5,000
For Company Law Matters	5,000	5,000
Reimbursement of out of Pocket Exps.	16,995	7,594
Listing Charges	122,620	382,024
Legal & Professional	734,791	335,991
Insurance Charges	271,575	19,661
Computer Repair & Maintenance	4,548	28,122
Conveyance & Travelling Expenance	405,974	310,160
Internet Expenance	36,883	68,650
Printing & Stationery	48,108	48,387
Rent, Rates & Taxes	184,686	197,563
Annual Maintenance Charges	1,744,062	1,687,277
Advertisement Expenses	57,254	150,474
Other Expenance	16,872	43,870
Meeting Expenses	78,700	-
Energy Loss	265,316	-

**Notes on Financial Statements for the year ended 31st March, 2017**

Bad debts written off	28,303,643	-
Fine & Penalty	-	10,000
Sundry Balance Written off	-	23,288
Provision for bad debts	-	141,477,000
Provision for Diminution in valuation of investments	-	55,105,479
Sub Total II	32,322,026	199,925,540
TOTAL (I+II)	32,336,717	199,968,500

NOTE NO. 26**EARNINGS PER SHARE**

i) Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	(91,562,335)	(519,352,808)
ii) Weighted Average number of equity shares used as denominator for calculating EPS	45,003,140	45,003,140
iii) Basic Earnings per share	(2.03)	(11.54)
iv) Diluted Earnings per share	(2.03)	(11.54)
v) Face Value per equity share	10.00	10.00

NOTE NO. 27**RELATED PARTY DISCLOSURES**

Information Related to Relating Party Transaction As Per Accounting Standard-18 issued by Institute of Chartered Accountants of India is given below:

A) Associate Concerns

Himachal Textile Park Limited

B) Subsidiary co.

Jindal Medicot Limited

Jindal Specialty Textiles Limited

Jindal Internatiional FZE (foreign subsidiary)

C) Key Management Personnel

Mr. Sandeep Jindal (MD)

Mr. Anil Malhan (CS)

D) KMP or their Relatives are influence or control the enterprises

Jindal Cycles Pvt Ltd

Jindal Fine Industries

Leader Cycles Ltd

Jindal Informedia Pvt. Ltd.

Jindal Holding & Investment Limited

Poonam Enterprises

Jindal Technotex Limited

E) Relatives of Key Management Personnel

Mrs. Manu Jindal

**Notes on Financial Statements for the year ended 31st March, 2017**

Name of the Party	Nature of Relationship	Nature of Transaction	2016-17
Mr. Yash Paul Jindal	Other Related Parties	Lease Rent	48,000
Mr. Yash Paul Jindal	Other Related Parties	Remuneration	600,000
Mr. Ramesh Jindal	Other Related Parties	Lease Rent	48,000
Mr. Rajinder Jindal	Other Related Parties	Lease Rent	48,000
Mr. Sandeep Jindal	KMP	Remuneration	450,000
Mr. Anil Malhan	KMP	Remuneration	658,020
Jindal Specialty Textiles Ltd.	Subsidiary	Lease Rent Income	1,083,870

NOTE NO. 28

Operating lease is a contract wherein the owner, called the Lessor, permits the user, called the Lessee, to use of an asset for a particular period which is shorter than the economic life of the asset without any transfer of ownership rights.

"**Financial lease** is a lease that transfers substantially all the risks and rewards incident to ownership of an asset."

During the year under review the company has leased out its Units situated at VPO Jugiana, GT Road Ludhiana & Village Mandialan Kalan, Khanna, Ludhiana on operating lease at a monthly rent of Rs. 2,00,000 each to its Subsidiary. The lease deed is valid up to 18th Oct 2019

NOTE NO. 29

The Company has taken land on lease from Mr. Yash Paul Jindal, Mr. Rajinder Kumar Jindal & Mr. Ramesh Jindal at a monthly rental of Rs 12000/- . The Lease will expire on June 21, 2028. The company recognises the expense on due basis. The classification of Future Lease obligations towards Lease Rentals is as follows:-

	Current Year	Previous Year
- not later than one year	144,000	144,000
-later than one year and not later than five years	576,000	576,000
-later than five years	900,000	1,188,000
Total	1,620,000	1,908,000

NOTE NO. 30

Segment information for the year ended 31st March, 2017

(a) Information about Primary Business Segments

	Textile		Wind Mill		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Revenue:						
External (Net of Excise)	49,350,524	25,546,845	5,234,828	4,660,297	54,585,352	30,207,142
Inter-segment	-	-	-	-	-	-
Total Revenue	49,350,524	25,546,845	5,234,828	4,660,297	54,585,352	30,207,142
Result:						
Segment Result	(95,053,101)	(519,755,530)	3,490,766	448,458	(91,562,335)	(519,307,072)
Unallocated Expenditure					-	-
Profit before Tax					(91,562,335)	(519,307,072)
Provision for Tax/Adjustment of tax for Earlier Years					-	(45,736)
Profit After Tax					(91,562,335)	(519,352,808)

Particulars	Textile		Wind Mill		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Segment Assets	3,187,304,987	3,252,754,242	3,287,402	51,635,586	3,190,592,389	3,304,389,828
Segment Liabilities	2,799,169,276	2,821,374,380	28,522,822	28,522,821	2,827,692,098	2,849,927,201
Capital Expenditure						70,271,865
Depreciation	66,175,596	72,302,298	-	-	66,175,596	72,302,298

**Notes on Financial Statements for the year ended 31st March, 2017****(b) Information about Secondary Geographical Segments**

Revenue by geographical market

	India	Outside India	Total
External	54,585,352	-	54,585,352
Prev Year	30,207,142	-	30,207,142
Inter-segment	-	-	-
Total	54,585,352	-	54,585,352
Total Prev Year	30,207,142	-	30,207,142

(c) Notes:

- (i) Management has identified two reportable business segments, namely:
Textile: – Production of Acrylic Yarn, Polyester Yarn, Poly/cotton Blended Yarn, Cotton Yarn and other Blended Yarns.
- Energy Generation: - Generation of Energy from Wind Mill.
Segments have been identified and reported taking into account the nature of products.
- (ii) The segment in the geographical segments considered for the disclosure are as follows:-
- India: comprising of sales to customers located within India and earnings in India
- Outside India : comprising of sales to customers located outside India.
- (iii) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

NOTE NO. 31

In the opinion of the Board, current assets, loans and advances have a value in the ordinary course of business at least equal to that stated in the balance sheet and adequate provisions have been made for all known liabilities and depreciation in the books of accounts.

NOTE NO. 32

All figures have been rounded off to nearest rupees.

NOTE NO. 33

Debit or Credit Balance on what so ever accounts are subject to confirmation from parties.

	(Amount in Rs.)
31.03.2017	31.03.2016

NOTE NO. 34**CONTINGENT LIABILITIES AND COMMITMENTS**

(To the extent not provided for)

a Contingent Liabilities

- | | | |
|---|---------------|---------------|
| i) Duty saved upon procurement of machinery pending fulfilment of export obligation | 506,451 | 506,451 |
| ii) Corporate Guarantee given to Banks for grant of Term Loan and CC Limits to Subsidiaries | 3,275,688,782 | 3,272,043,782 |

b Commitments

- | | | |
|---|----------------------|----------------------|
| l) Estimated amount of contracts remaining to be executed on capital and not provided for | 886,345,242 | 886,345,242 |
| Total | 4,162,540,475 | 4,158,895,475 |

NOTE NO. 35**Pending Legal Cases**

- The suppliers has filed the cases against the company at various levels of Distt. & Session Courts. Total amount of exposure involved in the petitions filed in the court amounts to Rs.1156.83 lacs .
- There are various suits filed against the company u/s 138.
- One of the creditor being 'vinod cotton corporation' has even filed petition application for winding up of the company.

**Notes on Financial Statements for the year ended 31st March, 2017****NOTE NO. 36**

The Institute of Chartered Accountants of India has issued an Accounting Standard – 28 on Impairment of Assets, which is mandatory for the accounting periods commencing on or after 1st April, 2004. In accordance with the said standards, the company has assessed as on date of applicability of the aforesaid standard and as well as on balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment, it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account.

NOTE NO. 37**INVESTMENTS**

The Investments are stated at cost. Diminution in value of investments on account of market fluctuations which are of permanent nature are provided for. Temporary diminution in the value of investments has also been provided for.

NOTE NO. 38

"The Company has accumulated losses of Rs.236.80 Crores which has eroded its peak level net worth by more than 50% and as such has become potentially sick company. Based on the detailed evaluation of the current situation, plans formulated management is confident of raising adequate finance and rescheduling its debt. Therefore, the management is of the view that the company will realize its assets and discharge the liabilities in the normal course of business. Taking into account the above facts, the financial statements have been prepared on the basis that the company is a going concern."

NOTE NO. 39**Cash during denomination period**

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	1,197,500	1,332,172	2,529,672
(+) Permitted receipts	-	165,725	165,725
(-) Permitted Payments	-	511,035	511,035
(-) Amount deposited in Banks	1,197,500	-	1,197,500
Closing cash in hand as on 30.12.2016		986,862	986,862

Further we confirm that we have complied with all relevant guidelines/ notifications issued by RBI from time to time in respect of holding & dealing with SBN and the company had proper controls, system & procedure in place for such compliances.

For & On behalf of the Board

As per our report of even date attached

Raj Gupta & Co.Chartered Accountants
Firm Regn no. 000203N**Sandeep Jindal**
Managing Director
DIN 01639743**Rajesh Khanna**
Director
DIN 06971227**Gurvinder Singh**
Manager Accounts**Anil Malhan**
Company Secretary**Raj Gupta**
Partner
(M.No.017039)**Place: Ludhiana**
Date : 30.05.2017

**INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENT**

To
The Members of
JINDAL COTEX LTD.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **JINDAL COTEX LTD.** ("the Parent Company") and its subsidiaries and an associate (collectively referred to as the group), which comprise the consolidated Balance Sheet as at March 31, 2017, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Management and board of directors of the company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected

depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

In our opinion and to the best of our information and according to the explanations given to us. The statement:

(a) Includes the results of subsidiaries as given below:

Jindal Medicot Limited
Jindal Speciality Textiles Limited
Jindal International FZE

(b) Includes the result of associate as given below:

Himachal Textiles Park Limited

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- In the case of the consolidated Statement of Profit and Loss, of the Loss for the year ended on that date; and
- In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw our attention to the following:

- Note No. 40 to the consolidated financial statements of three subsidiaries and one associate indicate that the company has accumulated losses of Rs.306.30 crores has eroded its peak level net worth by more than 50% and as such has become potentially sick company. Hence, there are conditions indicating an uncertainty on the going concern. However, the consolidated financial statements have been



- prepared by the management on a going concern basis for the reason stated in the said note.
- b) We did not audit the financial statements of one foreign subsidiary (Jindal International FZE) included in the consolidated financial statements, Non Current Investments and Loan & Advances including amount recoverable from Jindal International FZE is Rs.157.69 Crores. These financial statements have not been audited.
 - c) We did not audit the financial statements of its Associate (Himachal Textiles Park Limited) included in the consolidated financial statements. The Associate Company is under implementation stage, so in said company; there is no profit or loss and no impact on consolidation of financial statement
 - d) The Parent company has been referred under the provisions of Section 23 of Sick Industrial Company (Special Provisions) Act, 1985 (SICA) on 22nd January, 2016. However SICA has been repealed by Ministry Of Finance w.e.f 01-12-2016
 - e) The subsidiaries of the company being Jindal Specialty Textile Ltd has been referred under the provisions of Section 23 of Sick Industrial Company (Special Provisions) Act, 1985 (SICA) on 18th February, 2016 and Jindal Medicot Ltd. got registered with Board for Industrial and Financial Reconstruction (BIFR) on 17th March, 2016 under the provision of section(23) of Sick Industrial Company (Special Provisions) Act, 1985(SICA).However SICA has been repealed by Ministry of Finance w.e.f. 1-12-2016.
 - f) Since all the accounts of the company have been declared sub-standard over a period of time, the banks have started recovery action against the Company under SARFAESI Act. In the absence of any information on interest on outstanding dues to the bank, the provision of interest has not been provided during the Financial Year 2016-17. Hence balances with banks are subject to confirmation.
 - g) In our opinion, and according to the information and explanations given to us, the Company has following contingent liabilities in respect of its various subsidiaries

Name of the company	Relationship	Amount (in Crores)
Jindal Medicot Ltd.	Subsidiary	113.06
Jindal Specialty Textile Ltd	Subsidiary	163.90

- h) Note No. 37 to the consolidated financial statement on various litigations/suits pending in the court of law at different levels. There is uncertainty regarding the outcome of law suits filed against the company.
- i) Actuarial valuation of employee benefits was not conducted during the year.

- j) The company has outstanding deposits received/accepted from General Public in shape of FDR for different time frames for maturity. Due to financial constraints, the company was not able to repay the deposits within the scheduled time period. The Company applied to the Company Law Board for the deferment of repayments of deposits (refer clause g of note no. 3 of consolidated financial statements).
- k) The company has booked bad debts against the debtors (refer note 14 of consolidated financial statements).
- l) There is non-submission of various statutory returns by the holding company acknowledged by the respective authorities, non provision/deposition of various overdue statutory liabilities like PF/Service Tax/TDS/Vat & CST/WCT/TCS/ESI & related over dues viz interest and penalty exact amount of which could not be ascertained in present scenario.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, CARO is not applicable.
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 purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet & Statement of Profit and Loss and cash flow statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
 - e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure "A"; and
 - g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - i. The Company did 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 not been an 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.
 - iii. The company has disclosed the impact of its pending litigations on its financial position in its financial statements refer note no 37 to financial statements.
 - iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes as defined in the notification S.O 3407(E) dated 8th Nov, 2016 of the Ministry of finance during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company. However, we have not verified it as detail of denomination wise SBN is not available.

For Raj Gupta & Co
Chartered Accountants
FRN: 000203N

Place: Ludhiana
Date : 30/05/2017

Raj Kumar Gupta
(Partner)
Membership No.: 017039

Annexure - "A" to Independent Auditors' Report
(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of JINDAL COTEX LTD. and its subsidiaries (Jindal Medicot Limited & Jindal Speciality Textiles Ltd.) in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of



of the company are being made only in accordance with authorizations of management & directors of the company; and (3) 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 financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company is not fully in operation so we cannot assure the effectiveness of internal financial controls system over financial reporting and give reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with Authorizations of management and directors of the company.

**For Raj Gupta & Co
Chartered Accountants
FRN: 000203N**

**Place: Ludhiana
Date : 30/05/2017**

**Raj Kumar Gupta
(Partner)
Membership No.: 017039**

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017** (Amount in Rs.)

PARTICULARS	NOTE NO.	Current Year	Previous Year
1. Equity and Liabilities			
(1) Shareholder's Funds			
a) Share Capital	1	450,031,400	450,031,400
b) Reserves and Surplus	2	(538,899,601)	(329,670,210)
Sub Total		<u>(888,682,01)</u>	<u>120,361,190</u>
2. Share Application Money pending allotment		339,142	339,142
3. Minority Interest		36,000,000	360,000,00
4. Non-Current Liabilities			
a) Long Term Borrowings	3	4,775,821,158	4,777,950,036
b) Deferred Tax Liabilities (Net)	4.1	-	-
c) Long Term Provisions	4.2	7,671,842	6,210,113
5. Current Liabilities			
a) Short term Borrowings	5	1,218,143,051	1,213,498,051
b) Trade Payables	6	417,360,246	313,217,646
c) Other Current Liabilities	7	162,685,695	117,234,752
d) Short term Provisions	8	60,693,247	68,740,007
TOTAL		<u>6,589,846,180</u>	<u>6,653,550,937</u>
II. ASSETS			
Non Current Assets			
1) a) Fixed assets	9		
i) Tangible Assets		2,348,094,536	2,535,189,437
ii) Intangible assets		29,776	44,662
ii) Capital Work in Progress		819,313,531	822,706,568
Sub Total		<u>3,167,437,843</u>	<u>3,357,940,667</u>
b) Non Current Investments	10	2,035,000	2,035,000
c) Long Term Loans and Advances	11	104,569,921	104,210,639
d) Other Non Current assets	12	-	-
Sub Total		<u>3,274,042,764</u>	<u>3,464,186,306</u>
2) Current Assets			
a) Inventories	13	172,193,804	165,154,393
b) Trade receivables	14	2,730,107,205	2,641,409,696
c) Cash and Cash Equivalents	15	67,491,433	93,811,869
d) Short Term Loans and Advances	16	346,010,974	288,988,673
TOTAL		<u>6,589,846,180</u>	<u>6,653,550,937</u>

Significant Accounting Policies and Notes on Accounts 1 to 41

For & On behalf of the Board

As per our report of even date attached

Raj Gupta & Co.

Chartered Accountants

Firm Regn no. 000203N

Sandeep Jindal
Managing Director
DIN 01639743Rajesh Khanna
Director
DIN 06971227Gurvinder Singh
Manager AccountsAnil Malhan
Company SecretaryRaj Gupta
Partner
(M.No.017039)Place: Ludhiana
Date : 30.05.2017

**CONSOLIDATED PROFIT AND LOSS A/C FOR THE YEAR ENDED 31ST MARCH, 2017**

(Amount in Rs.)

PARTICULARS	NOTE NO.	Current Year	Previous Year
I. Revenue from operations	17	1,776,978,197	1,014,923,794
II. Other Income	18	6,891,915	17,548,621
III. Total Revenue (I+II)		1,783,870,111	1,032,472,415
IV. Expenses			
Cost of Materials Consumed	19	1,220,970,002	720,881,845
Purchase of Stock in Trade	20	147,043,730	91,278,877
Changes in Inventories of Finished goods work-in-progress and Stock-In-Trade	21	7,071,519	(32,948,447)
Employee Benefits Expenses	22	89,575,360	44,791,213
Finance Costs	23	4,750,787	619,429,810
Depreciation and Amortization Expenses	24	195,168,579	200,876,576
Other Expenses	25	325,035,534	316,411,677
Total Expenses		1,989,615,510	1,960,721,552
V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		(205,745,399)	(928,249,136)
VI Exceptional Items		-	-
VII Profit/(Loss) before extraordinary items and tax (V-VI)		(202,745,399)	(928,249,136)
VIII Extraordinary Items		-	-
Adjustment for earlier years expenses		3,483,992	113,898
IX Profit/(Loss) before Tax (VII-VIII)		(209,229,391)	(928,363,034)
X Tax Expense:		-	-
1) Current Tax		-	-
2) Deferred Tax(Prevoius Year)		-	150,000
3) Adjustment for earlier years tax		-	17,428
Sub Total		-	167,428
XI Profit/(Loss) for the period (V-VI)		(209,229,391)	(928,195,606)
XII Earnings per Equity Share after minority interest:	26		
1) Basic - In Rs.		(4.65)	(20.63)
2) Diluted - In Rs.		(4.65)	(20.63)

Significant Accounting Policies & Notes on Accounts 1 to 41

For & On behalf of the Board

As per our report of even date attached

Raj Gupta & Co.

Chartered Accountants

Firm Regn no. 000203N

Sandeep Jindal
Managing Director
DIN 01639743**Rajesh Khanna**
Director
DIN 06971227**Gurvinder Singh**
Manager Accounts**Anil Malhan**
Company Secretary**Raj Gupta**
Partner
(M.No.017039)**Place: Ludhiana**
Date : 30.05.2017

**CONSOLIDATED CASH FLOW STATEMENT FOR YEAR ENDED 31.03.2017** (Amount in Rs.)

PARTICULARS	Current Year	Previous Year
A. Cash Flow from Operating Activities		
Net Profit/(loss) before tax	(209,229,391)	(928,363,034)
Adjustment to Reconcile Profit before tax to cash generated by operating Activities		
Depreciation	195,168,579	200,876,576
Interest Received	(1,111,053)	(12,590,124)
Interest Expense	4,750,787	619,429,810
Prior Period Tax Adjustments	-	17,428
Adjust for deffered tax liability	-	150,000
Provision for Bad debts	-	141,477,000
Bad Debts written Off	28,303,643	-
Profit/Loss on sale of fixed Assets	(450,841)	(1,283,138)
Loss on investment	-	-
Operating Profit before working capital Changes	17,431,723	19,714,519
Adjustment For		
-Decrease / (Increase) in Trade & Other Receivable	(117,001,152)	(536,041,306)
-Decrease / (Increase) in short term Loans and advances	(57,022,300)	(5,819,193)
Decrease / (Increase) in Inventories	(7,039,411)	(34,475,821)
Decrease / (Increase) in Trade and Other Payables	104,142,600	60,188,683
Other Current liabilities	37,404,183	(7,922,448)
Others short Term liabilities	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	(22,084,358)	(504,355,566)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(36,785,428)	66,873,863
Sale of Fixed Assets	29,177,477	6,852,000
Increase in Capital Advances	3,393,037	(71,464,916)
Proceeds From Long Term Loan and Advances	(3,59,282)	80,11,217
Adjustment of Additional Depreciation of Company Act 2013	-	-
NET CASH FLOW FROM INVESTING ACTIVITIES	(4,574,196)	10,272,164
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/Repayment from/to long term borrowings	(2,128,878)	556,485,242
Proceeds/Repayment from/to short term borrowings	4,645,000	10,468,207
Interest Received	1,111,053	12,590,124
Interest Expense	(4,750,787)	(619,429,810)
Other Long Term liabilities	1,461,729	504,199,853
NET CASH FLOW FROM FINANCING ACTIVITIES	338,118	464,313,616
Net increase/(decrease) in cash & Cash equivalents	(26,320,436)	(29,769,786)
Cash and Cash Equivalent at beginning of year	93,811,869	123,581,655
Cash and Cash Equivalent at the end of year	67,491,433	93,811,869

For & On behalf of the Board

As per our report of even date attached

Raj Gupta & Co.Chartered Accountants
Firm Regn no. 000203NSandeep Jindal
Managing Director
DIN 01639743Rajesh Khanna
Director
DIN 06971227Gurvinder Singh
Manager AccountsAnil Malhan
Company SecretaryRaj Gupta
Partner
(M.No.017039)Place: Ludhiana
Date : 30.05.2017



SIGNIFICANT ACCOUNTING POLICIES

I. ACCOUNTING CONVENTION

The financial statements, other than the Cash Flow Statement, are prepared under the historical cost convention, treating the entity as a going concern and in accordance with the applicable accounting standards and relevant provisions of the Companies Act, 2013.

(a) CHANGE IN ACCOUNTING POLICY

With effect from 01/04/2014 company has with retrospective effect changed its method of providing depreciation on fixed assets from the written down value method to straight line method as per the rates prescribed in the part C of Schedule II of the Companies act 2013.

Management believes that this change will result in more appropriate presentation and will give a systematic basis of depreciation charge, representative of the time pattern in which the economic benefits will be derived from the use of these assets.

II. REVENUE RECOGNITION

Revenue from domestic sale of goods is recognized at the time of dispatch of goods from the factory. Sales are exclusive of VAT and CST. Export sales are booked on the basis of the date of Bill of Lading.

III. FIXED ASSETS

Fixed Assets are stated at cost, net of taxes and duties subsequently recoverable from government authorities less accumulated depreciation and impairment loss, if any. Government grants relating to specific fixed assets are treated as deferred income, which is recognized in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

All costs attributable to bringing the asset to its working condition for its intended use, including financing costs till commencement of commercial production and charges on foreign exchange contracts and adjustments arising out of exchange rate variations attributable to the fixed assets are capitalized.

IV. DEPRECIATION

Pursuant to the enactment of the companies Act 2013, the Company has applied the estimated useful lives as specified in schedule II. Accordingly the unamortized carrying value is being depreciated over the Revised/remaining useful lives.

V. INVENTORIES

Inventories are valued at cost or net realizable value, whichever is lower. Raw Material and stores are valued at cost determined on a weighted average basis. Work in process is valued at cost plus an appropriate share of overheads depending upon the stage of completion. Finished Goods are valued taking into account the raw material cost, conversion cost and the overheads incurred to bring the goods to their present location and condition.

VI. FOREIGN EXCHANGE TRANSACTIONS

Foreign Currency transactions are accounted for at exchange rate prevailing on the date of transaction. Premium on forward cover contracts in respect of import of raw materials is charged to the Statement of Profit and Loss over the period of contract. Amounts payable and receivable in foreign currency at the Balance Sheet date, not covered by forward contracts, are restated at the applicable exchange rate prevailing on the date of the Balance Sheet. All exchange differences, if any, arising on revenue transactions are charged/credited to the Statement of Profit and Loss.

VII. TAXATION

Provision for current tax is made in accordance with the provisions of the Income Tax law applicable for the relevant year. Deferred tax asset/liability is created in accordance with the requirements of Accounting Standard 22 "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India. Deferred Tax Asset is created only to the extent there is virtual certainty that future taxable income will be available against which such deferred tax asset can be realized.

In terms of the Guidance Note on "Accounting for Credit available in respect of Minimum Alternate Tax (MAT) under the Income Tax Act, 1961" issued by the Institute of Chartered Accountants of India, MAT credit is recognized as an asset only to the extent there is a convincing evidence that the company will be paying regular income tax during the specified period.

VIII. EMPLOYEE BENEFITS:

(a) Short-Term Employee benefits

Employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits and are recognized in the period in which the employee renders the related services.

(b) Post-employment benefits

Defined benefits Plans:

The employee gratuity scheme is a defined benefit plan. The present value of defined benefit obligation as at the end of the year is determined using the Projected Unit Credit method i.e. each period of service rendered by the employee is considered to give rise to an additional unit of benefit entitlement, gradually building up the final obligation.

The liability on account of compensated absences i.e. leave with wages is accounted for on the basis of unutilized leave standing to the credit of the employee at the close of the year.

The company was required to get actuarial valuation of employment benefits but no valuation was done in this aspect.

IX. PROVISIONS AND CONTINGENCIES:

Provision is recognized in the balance sheet when, the company has a present obligation as a result of past events and it is probable that an outflow of economic resources will be required to settle the obligations, and a reliable estimate of the amount of the obligation can be made. A disclosure by way of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed in the financial statements.

**Notes on Financial Statements for the year ended 31st March, 2017**

Particulars	(Amount in Rs.)	
	31.03.2017	31.03.2016
Note 1.		
SHARE CAPITAL		
A) AUTHORISED CAPITAL		
<u>AT THE BEGINNING OF THE YEAR</u>		
60000000 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 60000000 EQUITY SHARES OF RS. 10/- EACH)	600,000,000	600,000,000
<u>INCREASE DURING THE YEAR</u>	-	-
NIL (PREV. YEAR NIL)		
<u>AT THE END OF THE YEAR</u>		
60000000 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 60000000 EQUITY SHARES OF RS. 10/- EACH)	600,000,000	600,000,000
ISSUED CAPITAL		
<u>AT THE BEGINNING OF THE YEAR</u>		
45003140 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 45003140 EQUITY SHARES OF RS. 10/- EACH)	450,031,400	450,031,400
<u>INCREASE DURING THE YEAR</u>	-	-
NIL (PREV. YEAR NIL)		
<u>AT THE END OF THE YEAR</u>		
45003140 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 45003140 EQUITY SHARES OF RS. 10/- EACH)	450,031,400	450,031,400
SUBSCRIBED AND PAID UP CAPITAL		
<u>AT THE BEGINNING OF THE YEAR</u>		
45003140 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 45003140 EQUITY SHARES OF RS. 10/- EACH)	450,031,400	450,031,400
<u>INCREASE DURING THE YEAR</u>	-	-
NIL (PREV. YEAR NIL)		
<u>AT THE END OF THE YEAR</u>		
45003140 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 45003140 EQUITY SHARES OF RS. 10/- EACH)	450,031,400	450,031,400

SHAREHOLDERS HOLDING MORE THAN 5% SHARES

NAME OF PERSON	% C.Y.		% P.Y.		NO. OF SHARES	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
^Ramesh Kumar Jindal	5.86	6.11	2,636,008	2,747,816		
^Rajinder Kumar Jindal	5.75	5.79	2,587,052	2,607,052		
Yash Paul Jindal	5.03	5.03	2,261,918	2,261,918		
Clareville Capital Opportunities Master Fund Ltd.	9.94	9.94	4,475,000	4,475,000		
Albula Investment Fund Ltd.	9.29	9.29	4,183,000	4,183,000		

Foot Notes :-

^As per family arrangement, these persons have relinquished all their rights in respect of their entire shareholdings in the company in favour of Sh. Sandeep Jindal. Since these shares are pledged with banks/ARC at the moment, the permission has been applied and is being sought from them for transfer of shares in the name of Sh. Sandeep Jindal. As per records of the Company, including its Register of Members and other declarations received from them

**Notes on Financial Statements for the year ended 31st March, 2017**

Particulars	(Amount in Rs.)	
	31.03.2017	31.03.2016
regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares		
	31.03.2017	31.03.2016
(Equity share issued as Bonus share on 04.7.2008)	4,801,596	4,801,596

Rights, preference and restrictions attaching to each class of shares

Equity Shares: The company has only one class of equity shares having par value of Rs. 10/- per share. Each holders of equity shares present is entitled to have one vote upon show of hands and upon a poll every member entitled to vote and present in person or by proxy shall have one vote, for every share held by him.

The Company in general meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits and may fix the time for payment

Dividend shall be paid by the Company in respect of any share only to the registered holder of such share or to his order or to his banker.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realized value of the assets of the Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTE NO. 2**RESERVES AND SURPLUS****Surplus in Profit and Loss Account**

As per Last Balance Sheet	(2,853,754,719)	(1,925,559,113)
Add Profit during the year	(209,229,391)	(928,195,606)
Closing Balance	(3,062,984,110)	(2,853,754,719)

Securities Premium reserve

As per Last Balance Sheet	2,332,558,364	2,332,558,364
Closing Balance	2,332,558,364	2,332,558,364

Foreign Currency Translation Reserve

As per Last Balance Sheet	191,526,145	191,526,145
Add Transfer from Foreign Exchange Fluctuation	-	-
Closing Balance	191,526,145	191,526,145

Total Reserves and Surplus

	(538,899,601)	(329,670,210)
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NOTE NO. 3**LONG TERM BORROWINGS****I Secured**

1 Term Loans from Banks*	3,437,206,051	3,435,381,406
2 Provision for interest	914,170,230	916,897,498
Total Secured Long Term Borrowings (I)	4,351,376,281	4,352,278,904

II Unsecured

1 Deposits **	114,025,752	116,326,201
2 Loans and Advances from related parties	257,765,678	269,997,679
3 Other Loans and Advances	52,653,447	39,347,253
Total Unsecured Long Term Borrowings (II)	424,444,878	425,671,133

Total Long Term Borrowings (I+II)

	4,775,821,158	4,777,950,036
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* Maturity Profile of Secured Term Loans are as set out below: *refer k

	1-2 years	2-3 years	3-5 years	beyond 5 years
Current Year *	-	-	-	-
Prev Year	-	-	-	-

**Maturity Profile of Deposits are as set out below:



Notes on Financial Statements for the year ended 31st March, 2017

Particulars	(Amount in Rs.)			
	31.03.2017			31.03.2016
	1-2 Years	2-3 Years	3-5 Years	Beyond 5 years
Current Year **	-	-	-	-
Prev Year	18,470,074	38,803,209	107,980,029	60,863,845

With reference to Secured Term Loans and the amount Current Maturities of such Secured Loans.
Maturities of such Secured Loans.

- a Term Loan of Rs 834127241 (Prev. Year Rs 834127241) from OBC has assigned to JM Financial Assets Reconstruction Company Private Limited Rs 185105974 (Prev. Year Rs 185105974)from Allahabad Bank, Rs 97700110 (Prev. Year Rs. 97382830) from Corporation Bank, Rs 122637954 (Prev. Year 122637954) from State Bank of India are secured by way of Ist Pari Passu charge on the Fixed Assets of the Company and 2nd charge on the Current Assets of the Company. Further these Loans are Secured by way of equitable mortgage of Factory Land and Building of the company situated at VPO Jugiana, G.T. Road , Ludhiana and at Village Mandiala Kalan, Tehsil Khanna, Distt. Ludhiana. However Corporate Loan & FITL pertaining to Oriental bank of commerce Corporate Loan have exclusive charge on Residential Land & Building in the name of Mr. Sandeep Jindal Msg 8061 sq yard situated at golf link Ludhiana.
- b Term Loan of Rs 28552822 (Prev. Year. Rs. 26310601) From Punjab and Sind Bank is secured by way of exclusive charge on Windmill purchased out of the Term Loan..
- c Term Loan of Rs 35257604 (Prev. Year Rs.35257604) from Central Bank Of India is secured by way of equitable mortgage of Land in the name of the Company situated at village Mandiala Kalan, Tehsil Khanna, Distt. Ludhiana
- d The slowing industrial activity and depressed market conditions had seriously affected the operations of the company. The Company made request to Corporate Debt Restructuring Cell through Oriental Bank of Commerce (Lead Bank) to restructure the credit facilities. The Empowered Group of CDR-Cell has approved the restructuring package in CDR-Cell meetings held on 24/12/2013 vide order no. 857/2013-14 Dt. 27/12/2013 Period of Continuing default in repayment of Interest in Repayment of Principal Note No. K
- e Loans of Rs Nil (Prev. Year Rs. 734856) are secured by way of hypothecation of respective vehicles.
- f Term borrowing from The Catholic Syrian Bank Limited of Rs. 226306560(Pre. Year 226306560) has transfer to Phoenix A R C Ltd due to non servicing of Interest. The above said term loan is secured by equitable mortgage of commercial plot in name of M/s Jindal Cycles Pvt. ltd. and Personal Guarantee of Promoter Directors.
- **g The company has received/accepted the deposits from General Public in shape of FDR for different time frames for maturity. Due to financial constraints, the company has not able to repay the deposits within the schedule time period. The Company applied to the Company Law Board for deferment of repayment of deposits vide its order no. C.P. NO. 25/5/2013-CLB Dt. 23.12.2013 and has deferred the repayments of deposits. The company Law Board has reconstituted as National Company Law Tribunal. NCLT constitute a hardship committee & compnay will also repay Rs. 5 lacs on quarterly basis through hardship meeting . Since the company is facing liquidity crunch & not able to make payments to FDR holder as per CLB order.
- h Term Loan of Rs 508768365/- from SBI (Prev. Year - Rs.508768365/-), Rs199014967/- from Bank of Baroda (Prev. Year - Rs. 199014967/-) are secured by way of Ist Pari Passu charge on the Fixed Assets of the Company and 2nd charge on the Current Assets of the Company. Equitable Mortgage of Leasehold rights of Land and Building Situated at Upmahal , Ramnagar,Thathal Teh.Amb, Dist Una. Further these Limits are Secured by way of equitable mortgage of Land and Building in the name of Himachal Textile Park Limited.
- I Rs 88600493/- from Central Bank of India (Prev. Year - 88600493/-) is secured by way of Ist Pari Passu charge on the Fixed Assets of the Company and 2nd charge on the Current Assets of the Company. .Mortgage of Leasehold rights of Land and Building Situated at Upmahal , Ramnagar,Thathal Teh.Amb, Dist Una. Further these Limits are Secured by way of equitable mortgage of Land and Building in the name of Himachal Textile Park Limited.
- j Term Loan / Funded Interest Term Loan of Rs 655464604/- (Prev Year 655464604/-) from PNB, Rs 211196905/- (Prev Year 211196905/-) from Corporation Bank, Rs. 244472452/- (Prev. Year 244472452/-) from Allahabad Bank are secured by way of Ist Pari Passu charge on the Fixed Assets of the Company and 2nd charge on the Current Assets of the Company. The Loans are secured by way of Equitable Mortgage of Leasehold rights of Land and Building Situated at Upmahal , Ramnagar,Thathal Teh.Amb, Dist Una. Further these Limits are also Secured by way of equitable mortgage of Land and Building in the name of Himachal Textile Park Limited.
- *k Maturity profile and repayment schedule of principal/interest on secured loan is not possible to determine by the company as accounts with banks slipped into sub standard category after restructuring , Hence banks has recalled the entire outstanding and started recovery action under SARFESI Act.

**Notes on Financial Statements for the year ended 31st March, 2017**

Particulars	(Amount in Rs.)	
	31.03.2017	31.03.2016

All Secured Loans except car loans have also been guaranteed by following guarantors of the Company.		
I	Provision for Interest on Term Loan & FDR has not been Provided for the financial Year 2016-17	
I	Sh. Sandeep Jindal	
ii	Sh. Yash Paul Jindal	
iii	Sh. Rajinder jindal	
iv	Sh. Ramesh Jindal	

With reference to loans and advances from related parties

All the Loans are repayable after 12 months from the date of squaring up bank dues. However the company reserve the right to prepay it. (Prev. yr. also all the Loans are repayable after 12 months from the date of squaring up bank dues. However the company reserve the right to prepay it.)

NOTE NO. 4.1**DEFERRED TAX LIABILITY (NET)**

Liability on account of Timing Difference Depreciation	-	-
Less: Deferred Tax Asset arising on account of timing difference	-	-
For expenses allowable for tax purposes when paid, miscellaneous Expenditure incurred but allowed in future, unabsorbed losses, And MAT credits available (but restricted to the extent of deferred Tax liability as a matter of prudence)		
Total	<u>-</u>	<u>-</u>

NOTE NO. 4.2**LONG TERM PROVISIONS**

1	Provision for Employee Benefits		
a	Gratuity	5,312,384	4,481,106
b	Leave with wages payable	2,359,458	1,729,007
	Total	<u>7,671,842</u>	<u>6,210,113</u>

NOTE NO. 5**SHORT TERM BORROWINGS**

I Secured			
1	From Banks	1,177,272,847	1,173,627,847
2	Interest Provision	33,870,204	33,870,204
	Total Secured Short Term Borrowings (I)	<u>1,211,143,051</u>	<u>1,207,498,051</u>
II Unsecured			
1	Loans and Advances from related parties	1,000,000	-
2	Other Loans and Advances	6,000,000	6,000,000
	Total Unsecured Short Term Borrowings (II)	<u>7,000,000</u>	<u>6,000,000</u>
	Total Short Term Borrowings (I+II)	<u>1,218,143,051</u>	<u>1,213,498,051</u>

- a Short Term Borrowings of Rs 523771172/- (Prev. Year Rs. 523771172/-) are Secured by way of 1st charge on Current Assets (Stock & Book debts) of the Company and 2nd charge on the fixed assets of the Company. Further these Limits are secured by way of equitable mortgage of Factory Land and Building of the company situated at VPO Jugiana, G.T. Road, Ludhiana and at Village Mandiala Kalan, Tehsil Khanna, Distt. Ludhiana and Personal guarantees of the following promoter directors:- :-----
Names mention below:-
- b Short Term Borrowings of Rs 189677077. from State Bank of India (Prev. Year - 189677077) are Secured by way of 1st charge on Current Assets of the Company and 2nd charge on the fixed assets of the Company. Equitable Mortgage of Leasehold rights of Land and Building Situated at Upmahal, Ramnagar, Thathal Teh. Amb, Dist Una. Further these Limits are Secured by way of equitable mortgage of Land and Building in the name of Himachal Textile Park Limited.
- c Short Term Borrowings of Rs 53155842 from Punjab & Sind Bank (Prev. Year - 53155842) are Secured by way of 1st charge on Current/ Fixed Assets Purchased by the Company in Trading division and 2nd charge on the Current/ Fixed assets of the Company in Manufacturing unit. Equitable Mortgage of Land in the name of Jindal Cotex Limited Situated at village Mandiala Kalan, Teh. Khanna, Dist. Ludhiana.
- d Short Term Borrowing of Rs. 12236290.- (Prev Year 12236290.-) from Bank of Baroda is Overdraft limit for short term against the personal guarantee of Promoters Directors & Corporate Guarantee of Jindal Cotex Limited & Himachal Textile Park Ltd.
- e Short Term Borrowings of Rs 339141909- (Prev. Year 335496909/) are from Punjab National Bank & Rs. 59290557/- (Prev. Year - 59290557/-) from Corporation Bank Secured by way of 1st charge on Current Assets of the Company and 2nd charge on the fixed assets of the Company. Equitable Mortgage of Leasehold rights of Land and Building Situated at Upmahal,

**Notes on Financial Statements for the year ended 31st March, 2017**

Particulars	(Amount in Rs.)	
	31.03.2017	31.03.2016
Ramnagar, Thathal Teh. Amb, Dist Una. Further these Limits are Secured by way of equitable mortgage of Land and Building in the name of Himachal Textile Park Limited.		
f) Interest on short term borrowing has not been provided for the Financial Year 2016-17		
i) Sh. Sandeep Jindal		
ii) Sh. Yash Paul Jindal		
iii) Sh. Rajinder jindal		
iv) Sh. Ramesh Jindal		
Amt of default in repayment of loan & Default in repayment of Interest (Refer Note No. 3 (Point K))		

NOTE NO. 6**TRADE PAYABLES**

Due to Others	417,360,246	313,217,646
	<u>417,360,246</u>	<u>313,217,646</u>

Note:

The Company has not received any communication from all of its suppliers/ service providers in response to letters issued by the Company, confirming whether or not they are registered under the Micro, Small and Medium Enterprises Development Act, 2006. In the absence of any positive confirmation from the suppliers/ service providers, the information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 could not be determined.

NOTE NO. 7**OTHER CURRENT LIABILITIES**

a) Current Maturities of Long - Term Debt	-	-
b) Deposits maturing within next 12 months	18,470,074	17,111,272
c) Interest Payable on FDR	51,490,767	51,490,767
d) Advances from Customers	75,363,434	14,478,665
e) Cheque under reconciliation	11,497,909	26,638,323
f) Security	760,000	760,000
g) Other Payables	5,103,511	6,755,725
Total	<u>162,685,695</u>	<u>117,234,752</u>

NOTE NO. 8**SHORT TERM PROVISIONS**

a) Provisions for Employee benefits	26,724,196	16,375,649
b) Others	33,969,051	52,364,358
Total	<u>60,693,247</u>	<u>68,740,007</u>

NOTE NO. 10**NON CURRENT INVESTMENTS****I Investments (Long Term)****Associate company****M/s Himachal Textile Park Ltd**

183500 (prev. yr. 183500) Equity Shares of Rs 10/- each fully paid up

1,835,000	1,835,000
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Quoted Investments - Other than Trade

BARODA PIONEER PSU EQUITY FUND (20,000 units of Rs. 10 each)

200,000	200,000
---------	---------

Sub Total

<u>2,035,000</u>	<u>2,035,000</u>
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Total Long Term Investments

<u>2,035,000</u>	<u>2,035,000</u>
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Aggregate Amount of Quoted Investments

200,000	200,000
---------	---------

Market Value of Quoted Investments

178,200	133,600
---------	---------

Aggregate Amount of Unquoted Investments

1,835,000	1,835,000
-----------	-----------

Aggregate Provision for diminution in Value of Investments *

-	-
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Note :Quoted investment are valued at market Value as on 31-03-2017 All other investments are valued at cost

* Nil as they are not of Permanent Nature



Note: 9 Fixed Asset

JINDAL COTEX LIMITED
Note of the Balance Sheet as at 31st March, 2017

Sr. No	Particulars	Gross Block			Depreciation			Net Block			
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDS as on 31.03.2017	WDS as on 31.03.2016
I Tangible Assets											
1	Land	69,686,696	-	-	69,686,696	-	-	-	-	6,96,56,696	6,96,86,696
2	Factory Building	55,827,665	150,155	-	55,977,820	786,863	-	36,658,903	-	1,99,18,917	1,99,55,625
3	Building	600,114,615	-	-	600,114,615	18,714,465	-	122,065,656	-	47,80,48,959	49,67,63,424
4	Plant and Equipment	2,902,710,747	36,111,013	40,246,112	2,898,575,648	166,406,066	11,519,477	1,173,878,261	-	1,724,697,386	1,88,37,19,075
5	Weight Bridge & Scales	1,376,710	-	-	1,376,710	942,108	-	945,239	-	4,31,471	4,34,602
6	Electric Installations	123,874,815	101,826	-	123,976,641	7,388,716	-	79,045,649	-	4,49,30,992	5,22,17,882
7	Scooter	33,072	-	-	33,072	16,731	-	21,452	-	11,620	16,341
8	Vehicles	732,750	-	-	732,750	555,640	-	642,691	-	90,059	1,77,110
9	Furnitures & Fixtures	5,451,090	90,420	-	5,541,510	3,775,930	-	4,067,089	-	14,74,421	16,75,160
10	Office Equipment	16,128,567	106,899	-	16,235,466	10,298,172	-	11,367,397	-	48,68,069	58,30,395
11	Computer	11,851,814	225,115	-	12,076,929	11,153,880	-	11,218,856	-	8,58,073	6,97,934
12	Wind Mill	65,748,035	-	-	65,748,035	64,976	-	62,460,633	-	32,87,402	32,87,402
13	ERP Software	1,065,111	-	-	1,065,111	337,321	-	674,642	-	3,90,469	7,27,790
	SUB TOTAL-CURRENT YEAR (A)	3,854,601,686	36,785,428	40,246,112	3,851,141,003	1,319,412,251	195,153,693	1,503,046,467	1,503,046,467	2,348,094,536	2,53,51,89,437
	TOTAL-PREVIOUS YEAR	3,827,673,214	73,667,848	46,739,375	3,854,601,686	1,159,721,071	200,861,691	1,319,412,249	1,319,412,249	2,535,189,437	2,66,79,52,144
II Intangible Assets											
	SUB TOTAL (B)	133,700	-	-	133,700	89,038	14,886	103,924	103,924	29,776	44,662
	TOTAL-PREVIOUS YEAR	133,700	-	-	133,700	89,038	14,886	89,038	89,038	44,662	59,548
III CAPITAL WORK-IN-PROGRESS											
	SUB TOTAL (C)	822,706,568	3,748,405	7,141,441	819,313,531	-	-	-	-	81,93,13,531	82,27,06,568
	TOTAL-PREVIOUS YEAR	891,783,361	1,195,072	70,271,865	822,706,568	-	-	-	-	82,27,06,568	89,17,83,361
	Total(A+B+C) Current Year	4,677,441,954	40,533,833	47,387,553	4,670,588,234	1,319,501,289	195,168,579	1,503,150,391	1,503,150,391	3,16,74,37,843	3,35,79,40,667
	Total(A+B+C) Previous Year	4,719,590,275	74,862,920	117,011,240	4,677,441,954	1,159,795,223	200,876,577	1,319,501,287	1,319,501,287	3,35,79,40,667	3,55,97,95,053

**Notes on Financial Statements for the year ended 31st March, 2017**

Particulars	(Amount in Rs.)	
	31.03.2017	31.03.2016
NOTE NO. 11		
LONG TERM LOANS & ADVANCES		
(Unsecured and Considered Good)		
a Security Deposits		
Other Deposit	21,432,207	21,072,925
b Others Loans & Advances	83,137,714	83,137,714
Total	<u>104,569,921</u>	<u>104,210,639</u>
NOTE NO. 12		
OTHER NON-CURRENT ASSETS		
Preliminary Expenses	-	-
Preoperative Expenses	-	-
Total	<u>-</u>	<u>-</u>
NOTE NO. 13		
INVENTORIES		
(As taken, valued and certified by the management)		
a Raw Materials	17,914,038	7,977,858
b Wok in Progress	16,639,185	14,960,062
c Finished Goods	119,232,539	128,474,734
d Store & Spares	14,043,586	9,868,837
e Others (Scrap/Waste)	4,364,455	3,872,902
Total	<u>172,193,804</u>	<u>165,154,393</u>
Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:		
<ul style="list-style-type: none"> - In case of raw material at actual cost determined on FIFO basis plus direct expenses. - In case of Stores and spares at weighted average cost. - In case of Work in process at raw material cost plus appropriate proportion of direct labour and overheads. - In case of finished goods at raw material cost plus conversion cost and appropriate proportion of overheads. 		
NOTE NO. 14		
TRADE RECEIVABLES		
(Unsecured and Considered Good)		
a Outstanding for a period exceeding six months from the date they are due for payment	119,060,209	166,149,245
b Outstanding for a period not exceeding six months from the date they are due for payment	3,290,377,140	3,126,286,951
Total	<u>3,409,437,349</u>	<u>3,292,436,196</u>
Less Provision for bad debts*	651,026,500	651,026,500
Bad debts written off	28,303,643	-
	<u>2,730,107,206</u>	<u>2,641,409,699</u>
NOTE NO. 15		
CASH AND CASH EQUIVALENTS		
a Cash & Bank Balance	34,714,662	69,659,279
b Cheques in Hand	3,573,838	-
c Fixed Deposit as Margin money	29,202,934	24,152,590
Total	<u>67,491,433</u>	<u>93,811,869</u>
NOTE NO. 16		
SHORT -TERM LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Advances recoverable in cash or in kind or for value to be received		
i) Advance to Suppliers	61,055,725	74,449
ii) Advance Income Tax - Net of Provision	891,444	3,100,143
iii) Excise & Service Tax Balance	55,511,557	53,528,872
vi) Other Advances	228,552,248	232,285,209
Total	<u>346,010,974</u>	<u>288,988,673</u>

**Notes on Financial Statements for the year ended 31st March, 2017**

Particulars	(Amount in Rs.)	
	31.03.2017	31.03.2016
<u>Loans and advances include the amounts due from</u>		
Directors-Either severally or jointly	-	-
Other officers of the Company-either severally or jointly	-	-
Firm in which director is a partner	-	-
Private company in which directors is a member	-	-
NOTE NO. 17		
REVENUE FROM OPERATIONS		
a Sale of Products - Inclusive of Excise Duty	1,894,273,785	1,090,082,169
Total Revenue	1,894,273,785	1,090,082,169
Less: Excise Duty	117,295,588	75,158,375
Total	1,776,978,197	1,014,923,794
NOTE NO. 18		
OTHER INCOME		
Interest Income	1,111,053	12,531,853
Lease Rent	4,864,000	3,600,000
Profit on sale of fixed assets	450,841	1,283,138
Misc income	466,021	133,630
Total	6,891,915	17,548,621
NOTE NO. 19		
COST OF MATERIAL CONSUMED		
Opening Stock of Raw Materials.... I	7,977,858	5,696,340
Purchase of Raw Materials.... II	1,230,906,182	723,163,364
Closing Stock Raw Materials.....III	17,914,038	7,977,858
Cost of Raw Material Consumed (I+II-III)	1,220,970,002	720,881,845
NOTE NO. 20		
PURCHASES OF STOCK IN TRADE		
Purchases	147,043,730	91,278,877
Total Purchase	147,043,730	91,278,877
NOTE NO. 21		
CHANGES IN INVENTORIES OF FINISHED GOODS		
WORK-IN-PROGRESS & STOCK IN TRADE		
Opening Stock of Finished Goods/Stock in trade	128,474,734	93,552,846
Opening Stock of Work-in-Progress	14,960,062	17,574,126
Opening Stock of Waste	3,872,902	3,232,279
Sub Total A	147,307,698	114,359,251
Closing Stock of Finished Goods/Stock in Trade	119,232,539	128,474,734
Closing Stock of Work-in-Progress	16,639,185	14,960,062
Closing Stock of Waste	4,364,455	3,872,902
Sub Total B	140,236,179	147,307,398
TOTAL (A-B)	7,071,519	(32,948,447)
NOTE NO. 22		
EMPLOYEE BENEFIT EXPENSE		
Salary, Wages & Bonus	82,630,981	40,847,122
Contribution to Provident & other Funds	3,031,149	2,638,712
Employee Welfare	3,913,230	1,305,379
Total	89,575,360	44,791,213

**Notes on Financial Statements for the year ended 31st March, 2017**

Particulars	(Amount in Rs.)	
	31.03.2017	31.03.2016
NOTE NO. 23		
FINANCE COSTS		
Interest on Bank Borrowings	-	606,004,687
Other Interest	3,979,418	214,456
Bank Charges & Commission	771,368	254,666
Fixed Deposit Scheme Expenses	-	12,956,000
Total	<u>4,750,787</u>	<u>619,429,810</u>
NOTE NO. 24		
DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation	195,168,579	200,876,576
Total	<u>195,168,579</u>	<u>200,876,576</u>
NOTE NO. 25		
OTHER EXPENSES		
Manufacturing Expenses		
Power & Fuels	124,348,347	79,857,021
Store & Packing Materials Consumed	93,349,704	60,472,382
Machinery Repair & Maintenance	6,572,121	4,782,443
Other Manufacturing Expenses	5,934,953	630,518
Sub Total I	<u>230,205,125</u>	<u>145,742,364</u>
Selling & Distribution Expenses		
Export Expenses	8,562,594	-
Freight & Cartage	2,875,645	298,076
Loading & Unloading	296,743	68,821
Sales Promotion	1,519,338	653,266
Rebate & Discount	26,109,413	6,707,971
Sub Total II	<u>39,363,733</u>	<u>7,728,134</u>
OTHERS		
Auditor's Remuneration		
Statutory Audit Fee	60,000	60,000
Vat Audit Fees	15,000	15,000
For Company Law Matters	15,000	15,000
Reimbursement of out of Pocket Exps.	60,620	14,224
General Repaire & Maintance	2,231,884	2,858,621
Travelling & Conveyance Expenses	12,677,943	10,863,657
Telephone & Postage	1,140,152	1,285,578
Loading & Unloading Charges	4,300	31,494
Printing & Stationery	514,499	440,270
Legal & Professional Charges	1,533,942	429,891
Fine & Penalty	378,796	28,710
Insurance	2,222,919	1,886,444
General Expenses	1,219,957	301,846
Rent, Rates & Taxes	4,643,463	2,644,659
Advertisement Exp.	57,254	150,474
Charity & Donation	132,000	33,000
Share Trf & Listing Fees	122,620	382,024
Energy Loss	265,316	-
Sundry Balance Written off	-	23288
Prov for Bad Debts	-	141,477,000
Bad debts written off	28,303,643	-
Sub Total III	<u>55,466,676</u>	<u>162,941,180</u>
TOTAL OF OTHER EXPENSES	<u>325,035,534</u>	<u>316,411,677</u>

**Notes on Financial Statements for the year ended 31st March, 2017**

Particulars	(Amount in Rs.)	
	31.03.2017	31.03.2016
NOTE NO. 26		
EARNINGS PER SHARE		
i) Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	(209,229,391)	(928,195,606)
ii) Weighted Average number of equity shares used as denominator for calculating EPS	45,003,140	45,003,140
iii) Basic Earnings per share	(4.65)	(20.63)
iv) Diluted Earnings per share	(4.65)	(20.63)
v) Face Value per equity share	10.00	10.00
NOTE NO. 27		
VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS		
Raw Material	14,557,034	100,389,100
Components and Spare Parts	12,051,982	2,871,387
Total	26,609,016	103,260,487
NOTE NO. 28		
EXPENDITURE IN FOREIGN CURRENCY		
Foreign Travelling Expenses	1,302,750	1,417,088
Salary	4,368,977	687,800
Total	5,671,727	2,104,888
NOTE NO. 29		
CONSUMPTION OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARE PARTS & COMPONENTS		
Indigenous	1,287,710,690	678,093,740
% of Total Consumption	97.98	86.78
Imported	26,609,016	103,260,487
% of Total Consumption	2.02	13.22
Total	1,314,319,706	781,354,227
NOTE NO. 30		
EARNING IN FOREIGN EXCHANGE		
Export of Goods- F.O.B. Basis	135,225,616	1,561,746
Total	135,225,616	1,561,746

NOTE NO. 31**RELATED PARTY DISCLOSURES**

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

- 1 List of related parties where control exists and related parties with whom transactions have taken place:

A) Associate Concerns

Himachal Textile Park Limited

B) Key Management Personnel

Mr. Sandeep Jindal (MD)

Mr. Anil Malhan (CS)

C) KMP or their relatives are influence or control the enterprises

Jindal Cycles Pvt Ltd

Jindal Fine Industries

Leader Cycles Ltd

Jindal Infomedia Pvt Ltd

Jindal Holdings & Investment Limited

Jindal Technotex Limited

**Notes on Financial Statements for the year ended 31st March, 2017****(Amount in Rs.)**

Particulars	31.03.2017	31.03.2016
D) Relatives of Key Management Personnel		
Mrs. Manu Jindal		
Poonam Enterprises		

Transactions with Associate/ other related parties/ Key Management and their relatives during the year:

Name of the Party	Nature of Relationship	Nature of Transaction	2016-17
Himachal Textile Park Limited	Other Related Parties	Lease Rent	160,000
Jindal Cycles Pvt Ltd	Other Related Parties	Lease Rent	60,000
Mr. Yash Paul Jindal	Other Related Parties	Lease Rent	48,000
Mr. Ramesh Jindal	Other Related Parties	Lease Rent	48,000
Mr. Rajinder Jindal	Other Related Parties	Lease Rent	48,000
Mr. Sandeep Jindal	KMP	Remuneration	900,000
Mr. Yash Paul Jindal	Director	Remuneration	600,000
Mr. Anil Malhan	KMP	Remuneration	658,020

NOTE NO. 32**Operating lease** is a contract wherein the owner, called the Lessor, permits the user, called the Lessee, to use of an asset for a particular period which is shorter than the economic life of the asset without any transfer of ownership rights.**Financial lease** is a lease that transfers substantially all the risks and rewards incident to ownership of an asset.

The Company has taken land on operating lease from Mr. Yash Paul Jindal, Mr. Rajinder Kumar Jindal & Mr. Ramesh Jindal at a monthly rental of Rs 12000. The Lease will expire on June 21, 2028. The company recognises the expense on due basis.

The Company has taken Godown on operating Lease from M/s Jindal Cycles Pvt. Ltd. At a monthly rental of Rs 5000. The Lease will expire on July 14, 2021. The company recognises the expense on due basis.

The Company has taken Land on Financial Lease from M/s Himachal Textile Park. Ltd. At a Yearly rental of Rs 160000. The Lease will expire on Year 2110 The company recognises the expense on due basis.

The classification of Future Lease obligations towards Lease Rentals is as follows:-

	Current Year	Previous Year
- not later than one year	220,000	364,000
-later than one year and not later than five years	840,000	1,456,000
-later than five years	14,080,000	15,386,500
	<u>15,140,000</u>	<u>17,206,500</u>

NOTE NO. 33

Segment information for the year ended 31st March, 2017

(a) Information about Primary Business Segments

	Textile		Wind Mill		Iron		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Revenue:								
External (Net of Excise)	1,771,743,369	1,010,263,498	5,234,828	4,660,297	-	-	1,776,978,197	1,014,923,794
Inter-segment	-	-	-	-	-	-	-	-
Total Revenue	1,771,743,369	1,010,263,498	5,234,828	4,660,297	-	-	1,776,978,197	
Result:								
Segment Result	(212,720,157)	(928,811,492)	3,490,766	448,458	-	-	(209,229,391)	(928,363,034)
Unallocated Expenditure							-	-
Profit before Tax							(209,229,391)	(928,363,034)
Provision for Tax/Adjustment of tax for Earlier Years							-	167,428
Profit After Tax							(209,229,391)	(928,195,606)

	Textile		Wind Mill		Iron		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Segment Assets	4,510,941,185	4,526,297,758	3,287,402	51,635,586	2,075,617,593	2,075,617,593	6,589,846,180	6,653,550,937
Segment Liabilities	6,456,970,829	6,311,416,196	28,522,821	28,552,821	156,881,589	156,881,589	6,642,375,240	6,496,850,606

**Notes on Financial Statements for the year ended 31st March, 2017**(b) Information about Secondary Geographical Segments
Revenue by geographical market

	India	Outside India	Total
External	1,641,752,581	135,225,616	1,776,978,197
Prev Year	1,013,362,048	1,561,746	1,014,923,794
Inter-segment	-	-	-
Total	1,641,752,581	135,225,616	1,776,978,197
Total Prev Year	1,013,362,048	1,561,746	1,014,923,794

(c) Notes:

(i) Management has identified three reportable business segments, namely:

- Textile: – Production-Trading of Acrylic Yarn, Polyester Yarn, Poly/cotton Blended Yarn, Cotton Yarn and other Blended Yarns.

- Energy Generation: - Generation of Energy from Wind Mill.

- Iron: - Trading of Iron

Segments have been identified and reported taking into account the nature of products.

(ii) The segment in the geographical segments considered for the disclosure are as follows:-

- India: comprising of sales to customers located within India and earnings in India

- Outside India : comprising of sales to customers other than located in India.

(iii) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

NOTE NO. 34

All figures have been rounded off to nearest rupees.

NOTE NO. 35

Debit or Credit Balance on what so ever accounts are subject to confirmation from parties.

NOTE NO.36*** CONTINGENT LIABILITIES AND COMMITMENTS**

(To the extent not provided for)

a Contingent Liabilities

i) Duty saved upon procurement of machinery pending fulfilment of export obligation	166,689,442	298,788,951
ii) Corporate Guarantee given to Banks for grant of Term Loan and CC Limits to Group Companies	4,090,707,726	4,609,009,253
(iii) Bank Guarantee Excuted in favour of DGFT Ludhiana custom Authorities for fulfillment of export obligation	41,841,000	41,841,000

b Commitments

i) Estimated amount of contract remaining to be executed on capital account (net of advances)	886,345,242	886,345,242
Total	5,185,583,410	5,835,984,446

*Contingent liability includes the liability of its subsidiaries Jindal Medicot Limited for Rs.113.06 crore and Jindal Specialty Textile Limited for Rs. 163.90 crore.

NOTE NO. 37

Pending Legal Cases

1. The suppliers has filed the cases against the company at various levels of Distt. & Session Courts. Total amount of exposure involved in the petitions filed in the court amounts to Rs.1156.83 lacs .

2. There are various suits filed against the company u/s 138.

NOTE NO. 38

The Institute of Chartered Accountants of India has issued an Accounting Standard – 28 on Impairment of Assets, which is mandatory for the accounting periods commencing on or after 1st April, 2004. In accordance with the said standards, the company has assessed as on date of applicability of the aforesaid standard and as well as on balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment, it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment

**Notes on Financial Statements for the year ended 31st March, 2017****(Amount in Rs.)**

loss has been provided in the books of accounts.

NOTE NO. 39**INVESTMENTS**

The Investments are stated at cost. Diminution in value of investments on account of market fluctuations which are of permanent nature are provided for. Temporary diminution in the value of investments has also been provided for.

NOTE NO. 40

"The Company has accumulated losses of Rs.306.30 Crores which has eroded its peak level net worth by more than 50% and as such has become potentially sick company. Based on the detailed evaluation of the current situation, plans formulated management is confident of raising adequate finance and rescheduling its debt. Therefore, the management is of the view that the company will realize its assets and discharge the liabilities in the normal course of business. Taking into account the above facts, the financial statements have been prepared on the basis that the company is a going concern."

NOTE NO. 41

Particulars	SBNs	Other denomination	Total
Closing cash in hand as on 08.11.2016	3,480,000	5,112,347	8,592,347
(+) Permitted receipts	-	1,047,725	1,047,725
(-) Permitted payments	108,500	2,058,915	2,167,415
(-) Amount deposited in Banks	3,371,500	-	3,371,500
Closing cash in hand as on 30.12.2016			4,101,157

Further we confirm that we have complied with all relevant guidelines/ notifications issued by RBI from time to time in respect of holding & dealing with SBN and the company had proper controls, system & procedure in place for such compliances.

For & On behalf of the Board

As per our report of even date attached

Raj Gupta & Co.Chartered Accountants
Firm Regn no. 000203N

Sandeep Jindal
Managing Director
DIN 01639743

Rajesh Khanna
Director
DIN 06971227

Gurvinder Singh
Manager Accounts

Anil Malhan
Company Secretary

Raj Gupta
Partner
(M.No.017039)

Place: Ludhiana
Date : 30.05.2017

**FORM AOC-1
As on 31.03.2017**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details		
		Jindal Medicot limited	Jindal Speciality Textiles Limited	Jindal International FZE
1	Name of the subsidiary	Jindal Medicot limited	Jindal Speciality Textiles Limited	Jindal International FZE
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2017	31.03.2017	31.03.2017
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries			
4	Share capital	74,000,000	49,500,000	339,142
5	Reserves & surplus	(473,637,232)	(311,680,362)	57,914,099
6	Total assets	1,259,186,259	2,075,944,646	1,812,505,283
7	Total Liabilities	1,658,823,491	2,338,125,009	1,565,034,984
8	Investments (Net of Provision For Dimulation in Value)	-	-	12,627,664
9	Turnover	348,205,352	1,374,187,492	-
10	Profit before taxation	(55,678,191)	(61,988,864)	-
11	Provision for taxation	-	-	-
12	Profit after taxation	(55,678,191)	(61,988,864)	-
13	Proposed Dividend	Nil	Nil	Nil
	% of Shareholding	51.35%	100%	100%

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	Himachal Textile Park Ltd
Latest audited Balance Sheet Date	31.03.2016
Shares of Associate/Joint Ventures held by the company on the year end	
No.	88,500
Amount of Investment in Associates/Joint Venture	885,000
Extend of Holding%	23.29%
Description of how there is significant influence	Section 2(6) of the Companies Act, 2013
Reason why the associate/joint venture is not consolidated	-
Net worth attributable to shareholding as per latest audited Balance Sheet	885,000
Profit/Loss for the year*	N.A.
Considered in Consolidation	N.A.
Not Considered in Consolidation	N.A.

- Names of associates or joint ventures which are yet to commence operations.

*The Associate Company i.e. Himachal Textiles Park Limited is under implementation stage, therefore, there is no profit or loss in the said company and has no impact on consolidation of financial statement.

- Names of associates or joint ventures which have been liquidated or sold during the year. N.A.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

JINDAL COTEX LIMITED
CIN :L17115PB1998PLC021084
Registered Office: V.P.O. Jugiana, G.T. Road, Ludhiana – 141017

ATTENDANCE SLIP

Ref. Folio/DP/ & Client No. _____

No. of shares held _____

I/We certify that I am a registered shareholder/proxy for the registered shareholder of the company. I hereby record my presence at the 20th Annual General Meeting of the company held on Thursday, 28th day of September, 2017 at 9.00 A.M. at its Registered Office at V.P.O. Jugiana, G.T. Road, Ludhiana - 141017.

Name of the Shareholder/Proxy
(In Block Letter)

Signature of the Shareholder/Proxy

Note: Please fill the attendance slip and hand it over at the entrance of meeting venue. Joint shareholders may obtain additional attendance slip on request. Shareholder/Proxy desiring to attend the meeting should bring his copy of the Annual Report at the Annual General Meeting.

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Form No. MGT-11
CIN :L17115PB1998PLC021084
JINDAL COTEX LIMITED
Registered Office: V.P.O. Jugiana, G.T. Road, Ludhiana – 141017

PROXY FORM
(Pursuant to section 105(6) of the Companies Act, 2013 and rules 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the member (s) : _____

Registered Address: _____

Folio No./DP & Client Id: _____

I/We, being the member (s) holding _____ shares of the above named company, hereby appoint:

1. Name & Address _____ Signature _____ or failing him/her
2. Name & Address _____ Signature _____ or failing him/her
3. Name & Address _____ Signature _____ or failing him/her as

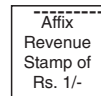
my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the company, to be held on Thursday, 28th day of September, 2017 at 9.00 A.M. at its Registered Office at V.P.O. Jugiana, G.T. Road, Ludhiana and at any adjournment thereof in respect of the following resolutions as are indicated below:-

S. No.	ORDINARY BUSINESS	Optional	
		For	Against
1	Adoption of financial statements for the year ended 31st March, 2017		
2	Appointment of Sh. Sandeep Jindal as director of the company liable to retire by rotation.		
3	Re-appointment of M/s. Raj Gupta & Co., as Statutory Auditors and fix their remuneration		

Cut here

Signed this _____ day of _____ 2017

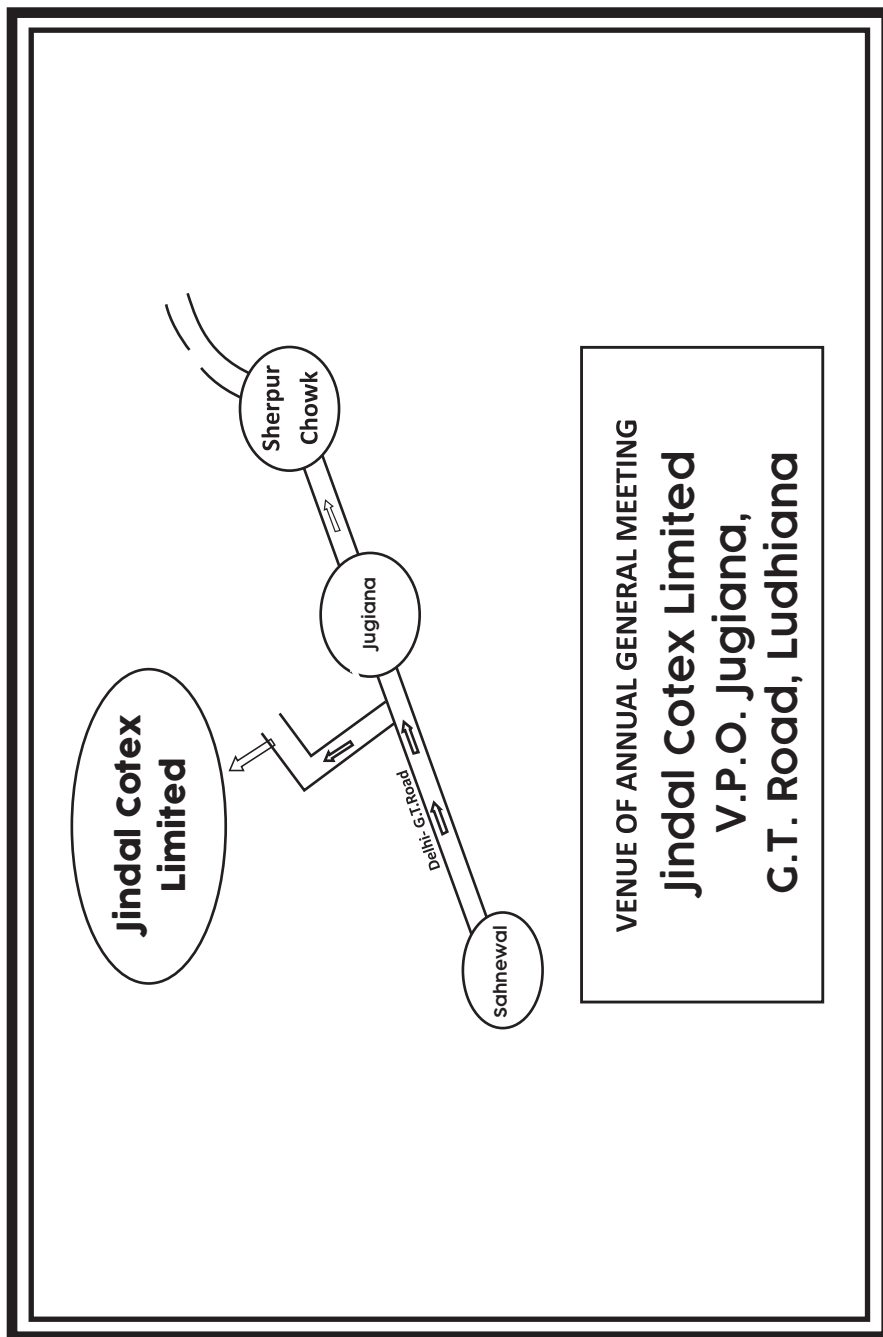
Signature -----



Signature of shareholder

Note:

This form duly filled up, stamped and signed by the appointer must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting.



If undelivered please return to :

**Bigshare Services Private Limited
(Unit : Jindal Cotex Limited)**

E/2, Ansa Industrial Estate,
Saki Vihar Road, Sakinaka Andheri (E), Mumbai – 72
Phones: (022) 28470652, (022) 40430200

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