



Jai Balaji Industries Limited

INSPIRED BY STEEL



**14th Annual Report
2012-13**

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

Contents

Notice	1	Directors' Report	7	Corporate Governance Report	16	Management
Discussion and Analysis Report	32	Auditors' Report	38	Balance Sheet	42	
Statement of Profit & Loss	43	Cash Flow Statement	44	Notes to Financial		
Statements	46	Statement Pursuant to Section 212	71	Consolidated		
Accounts	72	Subsidiary Accounts	103			



Notice to the Shareholders

NOTICE IS HEREBY GIVEN THAT the Fourteenth Annual General Meeting of the Members of Jai Balaji Industries Limited will be held on Thursday, 12th September, 2013 at 11.00 a.m. at Rotary Sadan (Shripati Singhania Hall), 94/2 Chowringhee Road, Kolkata – 700 020 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Statement of Profit and Loss Account for the nine months/financial year ended on that date together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Satish Chander Gupta who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Ashim Kumar Mukherjee, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution.

“RESOLVED THAT subject to the provisions of Section 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. S. K. Agrawal & Co., Chartered Accountants, of 4A, Council House Street, Kolkata - 700 001 be and are hereby appointed as Auditors of the

Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting in place of the retiring Joint Statutory Auditors, M/s. U. Narain & Co., and M/s. Rashmi & Co. Chartered Accountants, for the financial year 2013-14 at such remuneration as may be fixed by the Board of Directors and Audit Committee of Directors, apart from reimbursement of out of pocket expenses and taxes, as applicable.”

SPECIAL BUSINESS

Item No. 5

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT Shri Shailendra Kumar Tamotia who was appointed by the Board of Directors as an Additional Director of the Company with effect from 15th May, 2013 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

Item No. 6

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310 of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of such authorities as may be required, the Company hereby approves re-appointment of Shri Sanjiv Jajodia as Whole-time Director of the Company for a further period of 5 (five) years w.e.f. 1st May, 2013 on the terms, conditions and remuneration as mentioned in the agreement dated 22nd April, 2013, entered between the Company and Shri Sanjiv Jajodia, Whole-time Director.”

“RESOLVED FURTHER THAT the terms & conditions of the said re-appointment and/or agreement may be altered and varied from time to time by the Board as it may be mutually agreed to between the Company and Shri Sanjiv Jajodia subject to the limits contained in the Companies Act, 1956.”

“RESOLVED FURTHER THAT in case of losses or inadequate profits or for any other reasons as stated in Schedule XIII of the Companies Act, 1956, no remuneration shall be paid to Shri Sanjiv Jajodia, Whole-time Director or if payable shall be governed by the prevailing statutes in any financial year, during his tenure of office and that at present no remuneration is payable to Shri Sanjiv Jajodia till such time as may be decided by the Board.”

“RESOLVED FURTHER THAT the Board be and are hereby authorised to file necessary forms with the Registrar of Companies and to take further steps to give effect to this resolution and to do all such act, deeds and things as may be necessary and incidental thereto for the said purpose.”

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

Place : Kolkata
Date : 12th August, 2013

By Order of the Board

For Jai Balaji Industries Limited

Ajay Kumar Tantia
Company Secretary

Notice to the Shareholders (Contd.)

Notes:

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of business under item no. 5 and 6 of the notice is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF (ONLY ON A POLL) AND THE PROXY NEED NOT BE A MEMBER OF A COMPANY. THE DULY COMPLETED INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. Quote the Folio/Client ID & DP ID Nos. in all correspondence.
4. Brief Profile of the Directors seeking appointment /re-appointment as mandated under Clause 49 of the Listing Agreement with the Stock Exchanges is annexed hereto.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 7th September, 2013 to 12th September, 2013 (both days inclusive).
6. All the documents referred to in the accompanying notice are available for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and holidays), between 11.00 A.M. to 1.00 P.M. upto the conclusion of this Annual General Meeting.
7. Members seeking further information on the Accounts or any other matter contained in the Notice are requested to write to the Company at least 7 days before the meeting so that relevant information may be made available at the meeting.
8. Members whose shareholding is in

electronic mode are requested to direct change of address and updates of savings bank account to their respective depository participants so as to receive dividend through NECs facility.

9. Members wishing to claim dividend, which remains unclaimed are requested to correspond with Shri Ajay Kumar

Tantia, Company Secretary, at the Company's Registered Office. Members are requested to note that dividends not encashed or claimed within 7 (Seven) years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the fund established by the Central Government, namely the Investor Education and Protection Fund (IEPF).

Information of such unclaimed/Unpaid amount, when due for transfer to the said fund, is given below:

Financial Year Ended	Date of Declaration of Dividend	Unclaimed/ Unpaid Amount (in Rs.)	Last Date for Claiming Un-Paid/ Unclaimed Dividend	Due date for Transfer to IEPF
31.03.2006	23.09.2006	72,712.00	27.10.2013	27.11.2013
31.03.2007	27.09.2007	51,345.95	01.11.2014	01.12.2014
31.03.2008	08.09.2008	53,192.00	22.10.2015	22.11.2015
31.03.2009	15.09.2009	24,085.20	19.10.2016	19.11.2016
31.03.2010	22.09.2010	47,196.00	26.10.2017	26.11.2017
31.03.2011	21.09.2011	46,698.00	20.10.2018	20.11.2018

10. Members holding shares in physical form can avail of the nomination facility by submitting Form No. 2B of the Companies (Central Government's) General Rules and Forms, 1956 with the Company or its Registrar & Share Transfer Agent. Blank forms will be made available on request. In case of Shares held in Demat form, the nomination has to be lodged with their Depository Participant.

11. Members are requested to:-

- Bring their copy of Annual Report at the meeting.
- Deliver duly completed and signed Attendance Slip at the entrance of the meeting venue, for admission to the meeting hall.

12. Keeping in view the Circulars and Green Initiative in the Corporate Governance taken by the Ministry of Corporate Affairs, Members holding Shares in Demat form, who have not registered their e-mail address as of now, are requested to register the same with their respective Depository Participant

and members holding shares in Physical form are requested to register their valid e-mail address with the Company at its registered office address or by sending an e-mail at jaibalaji@investordairy.in mentioning their name and folio no. Alternatively, a 'JAIBALAJI-Go Green Form' is also available at the Company's website to enable the members holding shares in Physical form to register their e-mail address.

13. The Annual Report shall also be available at the Company's website www.jaibalajigroup.com.

By Order of the Board

For **Jai Balaji Industries Limited**

Ajay Kumar Tantia
Company Secretary

Registered Office:

5, Bentinck Street,
Kolkata - 700 001

Place : Kolkata

Date : 12th August, 2013

Annexure to the Notice

Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956

Item No. 5

Shri Shailendra Kumar Tamotia was appointed as Additional Director of the Company w.e.f. 15th May, 2013 to hold office till the date of the ensuing Annual General Meeting. The Company has received a notice in writing under section 257 of the Companies Act, 1956, proposing the appointment of the said candidate as a Director of the Company.

An Engineer by Profession, Shri Shailendra Kumar Tamotia, aged 73 years, has wide and varied experience in ferrous & non-ferrous metals sector spanning over 50 years with an impressive track record in management and implementation. He has worked with several Government / Public Sector Companies like Bhilai Steel Plant, Hindustan Steel Works Construction Limited & Kudremukh Iron Ore Company Limited. He has made professional contribution in the Aluminium Industry being Director (Production) CMD of National Aluminium Co. (NALCO) which improved the productivity and upgraded the technologies. He as a President & CEO of Indian Aluminium

Company Limited (INDAL) led the Company to achieve growth in profits and doubling sales and exports. Presently working as Hon. Dean cum Director General & Vice Chairman of Bhavan's Centre for communication and Management & Vice Chairman of Bhartiya Vidya Bhavan, Bhubaneswar Kendra. Over the years, he has received numerous national level awards for professional & business excellence including National Metallurgist Merit Award, Life Time Achievement Award presented by Various Authorities & Indo-Nepal Gold Star Award-Economic growth Society of India.

The Board of directors recommends the resolution mentioned in Item no. 5 to be passed as Ordinary Resolution.

Except Shri Shailendra Kumar Tamotia, no other Director is concerned or interested in the said resolution.

Item No. 6

The Board of Directors of the Company ("the Board") at its meeting held on 22nd April, 2013 has approved the re-appointment of Shri Sanjiv Jajodia as Whole-time Director of the Company in accordance with the provisions of Sections 198, 269, 309, 310 of the

Companies Act, 1956 and other applicable provisions, if any, and subject to approval of the members and such other authorities as may be required, for a further period of 5 (five) years commencing from 1st day of May, 2013 and approved the terms and conditions of his appointment and remuneration.

BRIEF PROFILE

Shri Sanjiv Jajodia is presently on the Board of the flagship company of our group, Jai Balaji Industries Limited as a Whole-time Director. He is a Commerce Graduate and has more than two decades experience in Steel Industry. He has expertise in Corporate Finance, Accounts, Taxation, Corporate Governance, Statutory Compliance, Planning, System & Procedures, Audit, internal and Statutory Audit and Control. Shri Sanjiv Jajodia, son of Late Keshar Deo Jajodia joined Jai Balaji Industries Limited in 2002. He has been instrumental in shaping the corporate profile of the Company and in establishing the Company as a major Corporate House in the steel sector. Shri Sanjiv Jajodia is also a director on the Board of the some group companies.

The statement of particulars as per Clause 1(B)(IV) of Section II of Part II of Schedule XIII of the Companies Act, 1956 is as follows:

I. GENERAL INFORMATION			
1) Nature of Industry	Iron & Steel Industry		
2) Date of commencement of commercial production	Year 2000		
3) Financial performance	(Amount in Lacs)		
	Particulars	9 months period ended March 31, 2013 (₹.)	15 months period ended June 30, 2012 (₹.)
	Turnover	154,483.75	293,323.12
	Profit/(Loss) before Tax	(31,597.71)	(38,884.08)
	Tax	(10,286.40)	(11,278.46)
	Profit / (Loss) after Tax	(21,312.78)	(27,605.62)
	EPS	(33.42)	(43.28)
4) Export performance and net foreign exchange collaborations	₹ 688.18 lacs (Export at FOB Value) for the nine months period ended 31st March, 2013		
5) Foreign investments or collaborators	NIL		

Annexure to the Notice (Contd.)

II. INFORMATION ABOUT THE APPOINTEE	
1) Background details	Shri Sanjiv Jajodia , son of Late Keshar Deo Jajodia joined Jai Balaji Industries Limited in 2002. He has been instrumental in shaping the corporate profile of the Company and in establishing the Company as a major Corporate House in the steel sector.
2) Past Remuneration	₹ 600,000/- p.m.
3) Recognition or awards	Shri Sanjiv Jajodia is well known among industry circle as a highly successful entrepreneur.
4) Job profile and his suitability	Shri Sanjiv Jajodia has expertise in Corporate Finance, Accounts, Taxation, Corporate Governance, Statutory Compliance, Planning, System & Procedures, Audit, Internal and Statutory Audit and Control. He has been instrumental in shaping the corporate profile of the Company and in establishing the Company as a major Corporate House in the steel sector.
5) Remuneration proposed	Rs. 600,000/- p.m.
6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Remuneration proposed is commensurate to industry standards & profile of the candidate.
7) Pecuniary relationship directly or indirectly with the Company or relationship with the Managerial Personnel	Shri Sanjiv Jajodia holds 2,649,433 shares of the Company.
III. OTHER INFORMATION	
1) Reasons of inadequate profits or loss	Due to inflation in cost of raw material, increase in borrowings cost and non availability of raw materials.
2) Steps taken or to be taken for improvement	Continuous efforts are being made to enhance productivity, cost and sales growth to improve profitability.
3) Expected increase in productivity and profits in measurable terms	<p>The management expects the demand to improve further and it is expected that the production & demand would grow at a reasonable rate during the year.</p> <p>Note: The above expected demand & productions are forward looking statement within the meaning of applicable laws. Actual results could differ materially from those expressed or implied which are subject to various factors such as market factors, demand and supply conditions, changes in government policies, tax laws, etc.</p>

As required under Section 302 of the Companies Act, 1956, an abstract of the main terms and conditions of the re-appointment of Shri Sanjiv Jajodia, as the Whole-time Director of the Company and memorandum of concern or interest of the directors are given below:

EXTRACT PURSUANT TO SECTION 302 OF THE COMPANIES ACT, 1956

Terms and Conditions of Re-appointment

a) Salary:

₹ 6,00,000/- (Rupees Six Lac only) per month. (Annual increment of amount not exceeding ₹ 1,20,000/- per month, subject to the approval of Board.)

b) Perquisites and Allowances:

i) Housing

Fully furnished residential accommodation, owned leased or licensed by the Company OR, in lieu a house rent allowance @ 40% of the monthly salary.

ii) Education

Education expenses of dependent children not exceeding ₹ 50,000/- per month.

iii) Special Allowance

Special Allowance of ₹ 1,25,000/- per month.

iv) Medical Benefits

Reimbursement of actual medical expenses incurred in India/ abroad and including

hospitalization/nursing home and surgical charges for himself and family. The company shall pay necessary premium for maintenance of policies for himself and family for medical benefits.

v) Personal Accident Insurance

For self and family as per rules of the Company.

vi) Leave Travel Concession

For self and family as per rules of the Company.

vii) Contribution to Provident Fund, Superannuation Fund and Annuity Fund

The Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund as per rules of the Company.

Annexure to the Notice (Contd.)

viii) *Gratuity*

Payable as per rules of the Company.

ix) *Leave*

Leave with full pay and allowances including encashment thereof as per rules of the Company.

x) *Club fees*

Reimbursement of membership fees for a maximum of two clubs including admission and life membership fees.

xi) *Statutory Obligation*

Payable as per rules of the Company

Explanation

Perquisites shall be valued as per the Income Tax Act, 1961 wherever applicable and in absence of any such Rules, perquisites shall be evaluated at cost.

c) **Amenities:**

i) *Conveyance Facilities*

The company shall provide a car with driver or such other suitable conveyance facilities as may be required by the Whole-time Director for discharge of his duties.

ii) *Telephone and Other Communication Facilities*

The company shall provide telephone and other communication facilities to the Whole-time Director for official purposes.

d) **Other benefits**

Such other benefits, amenities and facilities as per the Company's rules.

e) **Reimbursement of Expenses**

Reimbursement of all entertainment, travelling, hotel and other expenses including foreign travel expenses for self and family incurred by the Whole-time Director during the course of or in connection with the business of the Company.

f) **Remuneration**

The above remuneration in any financial year shall not exceed the limits prescribed from time to time under section 198, 309 and other applicable provisions of the companies Act, 1956. The remuneration shall suspended till the time the Company is unable to satisfy the conditions specified in Part B Section II of part II of Schedule XIII of the Companies Act, 1956.

None of the director, except Shri Sanjiv Jajodia and Shri Rajiv Jajodia, brother of Shri Sanjiv Jajodia, is concerned or interested in the contract of aforesaid appointment.

The Board of directors recommends the resolution mentioned in Item no. 6 to be passed as Special Resolution.

Note on appointment of M/s. S. K. Agrawal & Co., Chartered Accountants, as Statutory Auditors of the Company (Item No. 4)

The Company has received a letter dated 27th July, 2013 from M/s. U. Narain & Co. and M/s. Rashmi & Co.,

Chartered Accountants, the Joint Statutory Auditor of the Company regarding their unwillingness to be reappointed at the ensuing Annual General Meeting, for the financial year ending 31st March, 2014. Hence the Board of Directors of the Company proposed, in its meeting dated 12th August, 2013 to appoint M/s. S. K. Agrawal & Co., Chartered Accountants, as the Statutory Auditor of the Company for the financial year ending 31st March 2014 subject to the approval of the members of the Company at the ensuing Annual General Meeting.

The Company has received special notice of a resolution from a Member of the Company, in terms of the applicable provisions of the Act, signifying his intention to propose the appointment of M/s. S. K. Agrawal & Co., as the statutory auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General meeting of the Company. M/s. S. K. Agrawal & Co., has expressed its willingness to act as statutory auditors of the Company, if appointed, and have further confirmed that the said appointment would be in conformity with the provisions of Section 224(1B) of the Act.

The Members' approval is being sought for the appointment of M/s. S. K. Agrawal & Co., as the statutory auditors and to authorise the Board of Directors, on the recommendation of the Audit Committee, to determine the remuneration payable to them.

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

Place : Kolkata
Date : 12th August, 2013

By Order of the Board

For Jai Balaji Industries Limited

Ajay Kumar Tantia
Company Secretary

Annexure to the Notice (Contd.)

Annexure to the notice pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges

Brief Profile of Directors proposed to be re-appointment/seeking appointment at 14th Annual General Meeting

Name	Shri Satish Chander Gupta	Shri Ashim Kumar Mukherjee	Shri Shailendra Kumar Tamotia
Date of Birth	05 th May, 1947	1 st January, 1942	25 th September 1939
Date of Appointment	30 th June, 2008	18 th August, 2007	15 th May, 2013
Qualification	M.Com, CAIIB	B. E. (Mining) & First class Mine Manager's Certificate of Competency to manage a Metalliferous Mine (Restricted)	B.E. (Hons.), Civil Engineering M.E. (Soil Mech. & Foundation Engg.) & D. Engg. (Hons.)
Expertise in Specific functional area	Banking and Finance	48 Years working experience in various capacities and areas in Mining of Ferrous Minerals	50 years of experience in ferrous & non-ferrous metals industry
Directorship held in other Public Companies	1) Emmsons International Limited 2) ISMT Limited 3) Solar Industries Limited 4) Gujrat Foils Limited 5) Brahmaputra Infra Projects Limited 6) Brahmaputra Infra Structure Limited 7) SMC Global Securities Limited 8) Orbit Corporation Limited 9) Prudent Arc Limited	1) Nilachal Iron & Power Limited 2) Orissa Sponge Iron and Steel Limited	NIL
Chairmanship / Membership of the Committees of the Company	Audit Committee-Chairman	1) Audit Committee - Member 2) Remuneration Committee - Chairman 3) Shareholders/Investors Grievance Committee - Chairman 4) Management Finance Committee - Member	Audit Committee - Member
Chairmanship / Membership of Committees across other Public Companies	1) Audit Committee: Emmsons International Limited - Member ISMT Limited - Member Solar Industries Limited - Member 2) Remuneration Committee : ISMT Limited - Member	1) Audit Committee: Nilachal Iron & Power Ltd. - Member 2) Remuneration Committee : Nilachal Iron & Power Ltd. - Member	NIL
No. of Equity Shares held in the Company	NIL	NIL	NIL



Directors' Report

Dear Members

Yours Directors are pleased to present the fourteenth Annual Report of your Company along with the audited accounts for the nine months financial year ended 31st March, 2013.

FINANCIAL PERFORMANCE

(₹ in lacs)

Particulars	Nine months period ended March 31 st , 2013	Fifteen months period ended June 30 th , 2012
Income	156,657.62	295,901.21
Less: Expenses	161,997.96	288,909.67
Finance Costs	17,644.70	31,999.68
Depreciation and amortization expenses	8,612.67	13,875.94
Profit / (Loss) before exceptional and extraordinary items and Tax	(31,597.71)	(38,884.08)
Less : Exceptional items	—	—
Profit / (Loss) before extraordinary items and Tax	(31,597.71)	(38,884.08)
Less : Extraordinary items	—	—
Profit / (Loss) before Tax	(31,597.71)	(38,884.08)
Less : Tax expense	—	—
Current Tax	1.47	—
MAT Credit Entitlement	—	—
Deferred Tax Credit	10,286.40	11,278.46
Profit/(Loss) after tax	(21,312.78)	(27,605.62)
Earnings per share (Nominal value per share ₹ 10/-)	(33.42)	(43.28)
Basic and Diluted		

FINANCIAL HIGHLIGHTS

During the year 2012-13, your company incurred loss which can be mainly attributable to raw material price inflation, rising borrowing costs and other global factors. The Loss before exceptional and extraordinary items and tax was ₹ 31,597.71 lacs as compared to loss of ₹ 38,884.08 lacs in the previous year. The net loss for the year under review (nine months) was ₹ 21,312.78 lacs against loss after tax of ₹ 27,605.62 lacs in the previous year (fifteen months).

FINANCIAL YEAR

The previous financial year, 2011-12 was extended by three months thereby ending on 30th June, 2013. The Financial Year under reporting ended on 31st March, 2013, being a period of nine months, commencing on 1st July, 2012 ending on 31st March, 2013. Henceforth, the financial year of the Company shall commence on 1st April and end on 31st March every year, if not otherwise decided by the Board in any particular financial year.

DIVIDEND

In view of losses incurred and requirement of capital, considering the capital intensive nature of the industry, for the working of the Company, your Directors did not recommended dividend for the financial year 2012-13.

PREFERENTIAL ISSUE

During the year under reporting, no GDRs/ADRs/Warrants or any Convertible Instruments were issued.

Directors' Report (Contd.)

However, the Company has issued and allotted on 4th July, 2013, 10,000,000 warrants to promoter group companies namely M/s. Enfield Suppliers Limited (1,900,000 warrants) and M/s. Hari Management Limited (8,100,000 warrants) on a private placement basis at an issue price of ₹ 50/- each.

Each warrant is convertible into one equity share within a period of 18 months from the date of allotment, in one or more tranches, at a conversion price of ₹ 50/- per equity share (including a premium of ₹ 40/- per share), which is a price greater than the price determined as per Regulation 76 of Chapter VII of SEBI (ICDR) Regulations, 2009.

The Board at its meeting held on 5th August, 2013, has fully and partly converted the said warrants, by way of allotment of 3,495,000 equity shares, being 1,900,000 equity shares to M/s. Enfield Suppliers Limited and 1,595,000 equity shares to M/s. Hari Management Limited, pursuant to their respective application for conversion of warrants. After the said conversion, the equity share capital of your company stands at ₹ 67,264,860/- divided into 6,726,486 equity shares of ₹ 10/- each.

After the full conversion of remaining warrants, if exercised, the equity capital of the Company will increase to ₹ 737,814,860/-. The shares so issued shall rank *pari-passu* in all respects, including as to dividend, with the existing shares of the Company.

EXPANSION & PROJECTS

Your Company continues its journey to deliver value for customers and to all the stakeholders of the Company by improving its performance in safety, quality, productivity, environment and people development through knowledge transmission.

During the year under reporting, your company's project for expansion of 350000 MTPA Coke Oven Plant along with Waste Heat Recovery Boiler of 80 TPH completed and capitalised. The said coke oven plant is presently running satisfactorily.

The DRI Plant of 60000 MT & coal washery in subsidiary company M/s Nilachal Iron & Power Limited started its commercial production during the year under review. The Dumri Coal Block has also received Environmental clearance and Forest Go Certificate. Forest clearance stage one has been received and stage two is under process.

The Company's products meet stringent quality parameters and which is gaining market share comprising of private, institutional, non-institutional and government body buyers. This achievement highlights the technical and project execution skills of the management of your Company to successfully execute large projects within record time.

CORPORATE DEBT RESTRUCTURING

Your Company's Corporate Debt Restructuring scheme, which was approved vide letter of approval dated 20th September, 2012 from CDR Empowered Group/CDR Cell, has been implemented during the year.

SUBSIDIARIES

Your Company continues to have three wholly owned subsidiaries namely, M/s. Nilachal Iron & Power Limited, M/s. Jai Balaji Steels (Purulia) Limited & M/s. Jai Balaji Energy (Purulia) Limited.

■ Nilachal Iron & Power Limited

A wholly owned subsidiary of your Company since 26.10.2007, having its

manufacturing plant located in Kandra near Jamshedpur, Jharkhand. Currently, it manufactures sponge iron, and work on increasing its capacity by 60,000 tonnes per annum has been initiated. The company has been allotted the Dumri Coal Block for captive mining from the Government of India, about 300 kms from the plant.

■ Jai Balaji Steels (Purulia) Limited

Wholly owned subsidiary of the Company. It did not commence commercial production as on the date of reporting.

■ Jai Balaji Energy (Purulia) Limited

Wholly owned subsidiary of the Company. It did not commence commercial production as on the date of reporting.

The Audited Balance Sheet and Statement of Profit & Loss Account along with the respective Reports of the Board of Directors' and the Auditors' Report thereon of the said subsidiaries, wherever applicable, for the financial year ended 31st March, 2013 are attached in terms of Section 212 of the Companies Act, 1956.

A statement relating to amount of profit/(loss) of subsidiaries, dealt with and not dealt with in the Companies account, as per Section 212 of the Companies Act, 1956 is also provided in this report.

JOINT VENTURES

Your Company continues to have two Joint Venture Companies namely, M/s. Andal East Coal Company Private Limited and M/s. Rohne Coal Company Private Limited.

■ Andal East Coal Company Private Limited

A Joint Venture Company