

JAINEX AAMCOL LIMITED ANNUAL REPORT 2017-18

Notes forming part of the Accounts

1 SIGNIFICANT ACCOUNTING POLICIES

Sr. No.	Particulars
1	<p><u>COMPANY INFORMATION</u></p> <p>Jainex Aamcol Limited ("the company") is a public limited company incorporated with its Registered office in Mumbai, Maharashtra, India. The company is listed on the Bombay Stock Exchange (BSE). The company has a manufacturing unit in Aurangabad, Maharashtra for manufacture of Gear Cutting Tools. The functional and presentation currency of the company is Indian Rupee ("₹") which is the currency of the primary economic environment in which the company operates. As on 31st March, 2018, Jainex Foods Pvt Ltd owns 38.62% of the equity shares of the company, and has the ability to influence the company's operations. The financial statements for the year ended March 31, 2018 were approved by the Board of Directors on May 18, 2018.</p>
2	<p><u>SIGNIFICANT ACCOUNTING POLICIES</u></p>
2.01	<p><u>ACCOUNTING CONVENTION</u></p> <p>The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.</p>
a)	<p><u>Statement of compliances</u></p> <p>The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time which became applicable to the company from 1st April, 2017 though IND AS came in to effect from 1st April, 2016 in phases.</p>
b)	<p><u>Basis of preparation</u></p> <p>The financial statements have been prepared under the historical cost convention on the basis of going concern and in accordance with generally accepted accounting principles and IND AS of ICAI as per provisions of the Companies Act 2013.</p>
c)	<p><u>USE OF ESTIMATES AND ACCOUNTING JUDGEMENTS</u></p>
(i)	<p><u>Use of estimates</u></p> <p>The preparation of the financial statements require the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates, are recognised in the periods in which the results are known / materialised.</p>

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(ii)	<p><u>Impairment</u> Impairment of assets has been recognized and losses where ever applicable has been charged to Profit & Loss account.</p> <p>As of each balance sheet date, the carrying amount of assets is tested for impairment so as to determine -</p> <ol style="list-style-type: none">the provision for impairment loss, if any, required, orthe reversal, if any, required or impairment has recognized in previous year.
(iii)	<p><u>Useful lives of property, plant and equipment and intangible assets :-</u> The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each report period. This reassessment may result in change in depreciation and amortization expense in future periods.</p>
(iv)	<p><u>Taxes on Income and Valuation of deferred tax assets :-</u> Current tax is determined as the amount of tax payable in respect of taxable income for the year, as per applicable tax rates and laws.</p> <p>Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets on timing differences, being the difference between taxable income and accounting income that originates in one period and capable of reversal in one or more subsequent periods as described in relevant Note No 5 to financial statements.</p>
(v)	<p><u>Provisions, contingent liabilities and contingent assets</u></p> <p>a) <u>Provisions</u> The provisions are recognised and measured by using a substantial degree of estimation.</p> <p>Provisions are recognized in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date.</p> <p>Constructive obligation is an obligation that derives from an entity's actions where:</p> <ol style="list-style-type: none">by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and;as a result, the entity has created a valid expectation on the part of those other parties that it will discharge such responsibilities.

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	<p>b) Contingent liabilities Contingent liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved in the issue.</p>
	<p>c) Contingent assets Contingent assets are disclosed after a careful evaluation of the facts and legal aspects of the matter involved in the issue.</p>
(vi)	<p>Fair value measurements of financial instruments The company has no financial instruments / investments hence fair value measurement is not applicable.</p>
(vii)	<p>Employee Benefits and Retirement obligations</p> <p>a) Defined Contribution Plan The state governed Provident Fund Scheme, Employees State Insurance Scheme and Employee Pension Scheme are defined contribution plans. The contribution paid / payable under the schemes are recognised during the year in which the employee renders the related services.</p>
	<p>b) Defined benefit plan/ Long Term Compensated Absences. The company's Employees Gratuity Fund Scheme managed by the LIC of India is a defined plan. The present value of obligations based on previous experience and actual valuation given by LIC read with the compliance of applicable IND AS in this regard has been considered and provided in the financial statements subject however to payment of arrears as reflected in the company's financial statements under the head Other Comprehensive Income (OCI). Since the valuation by LIC is based on their vast experience and at actuals, no third party actuarial advice is taken.</p>
	<p>c) Compensated Absences The company has provided for the actual leave encashment liability at the balance sheet date based on permissible accumulated leave balance of the employees at the last salary drawn. Since leave encashment liability at actual is fully provided, no actuarial advice is considered necessary.</p>
2.02	<p>Property, plant and equipment Tangible and intangible property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes all direct costs and expenditure incurred to bring the asset to its working condition and location for its intended use. Related trial run expenses (net of revenue), borrowing cost during construction / erection period and commissioning are capitalised where ever and whenever applicable. The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognized in the statement of profit and loss.</p>

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Sr. No.	Particulars
2.03	<p><u>Depreciation and amortization of property, plant and equipment and intangible assets</u></p> <p>a) Depreciation is provided under straight line method (SLM) to the extent depreciable based on the useful life of most of the assets as prescribed in Schedule II of the Companies Act, 2013</p> <p>b) Depreciation on additions is provided on pro-rata basis from the date of intended use. Depreciation on deletions is provided on pro-rata basis till the date of its effective use.</p> <p>c) No depreciation has been provided on fixed assets where written down value has reached to 5% of the original cost and also on fixed assets not put to use.</p>
2.04	<p><u>Leases</u></p> <p>The company's '95 years Leasehold Land at MIDC Aurangabad acquired on annual economic rent in 1974 was revalued on 01.04.1998 at Rs. 51,60,000 and thereafter over the years, the same was amortised prorata until FY 15 against the revaluation reserve created in the accounts. During FY 2016, the balance in the leasehold land account was fully adjusted against revaluation reserve account.</p>
2.05	<p>a <u>Financial assets</u></p> <p>(i) <u>Cash and bank balances</u> <u>Cash and bank balances consist of</u></p> <p>(i) Cash and cash equivalents includes cash in hand, balances held with banks which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value. These balances with banks are unrestricted for withdrawal and usage.</p> <p>(ii) Other bank balances which includes balances and deposits with banks that are restricted for withdrawal and usage.</p> <p>(ii) Other financial assets are taken at cost or net realisable value as the case may be.</p>
2.05	<p>b <u>Financial Liabilities</u></p> <p><u>Trade and other payables / liabilities</u></p> <p>(i) Trade and other payables / liabilities are initially measured at fair value / cost as recorded in the books.</p> <p>(ii) Interest bearing bank loans, overdrafts, term liabilities and other debts are initially measured at fair value / cost as recorded in the books using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in the statement of profit and loss.</p>

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Sr. No.	Particulars
	(iii) The company de-recognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.
2.06	<p><u>Inventories</u></p> <p>(i) Inventories are stated at the lower of cost and net realizable value. Cost is ascertained on a weighted average basis. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realizable value is the price at which the inventories can be realized in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.</p> <p>(ii) Stores and spare parts are carried at lower of cost and net realizable value.</p> <p>(iii) Provisions are made to cover slow moving and obsolete items based on historical experience of utilization on a product category basis, which involves individual businesses considering their product lines and market conditions.</p> <p>(iv) However, based on above, the inventories are valued as under</p> <ol style="list-style-type: none"> a) Raw materials are valued at cost. b) Work in Progress is valued at raw material cost + overheads. c) Finished Goods are carried at lower of cost or market value which ever is less. d) Stores are taken at cost. e) Tools and Spares are taken at net of 1/3rd for usage. f) Scraps are taken at realisable value
2.07	<p><u>Non-current assets held for sale and discontinued operations</u></p> <p>The company has no non current assets held for sale.</p> <p>The company has not discontinued any operations during the year.</p>
2.08	<p><u>Revenue from operations.</u></p> <p>(i) <u>Sales and other operational income</u></p> <p>Revenue from sale of goods is recognised when the company has transferred to the buyer the significant risks and rewards of ownership and no longer retains control over the goods sold. The amount of revenue can be measured reliably. It is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Depending on the contractual terms, risks and rewards of ownership is transferred when the delivery is completed. In case of exports, sale delivery is completed on issuance of bill of lading/air way bill.</p> <p>However, until June 2017; turnover includes excise duty, education cess, service tax, and is net of VAT/CST and GST there after.</p>

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Sr. No.	Particulars
	<p>(ii) Other income</p> <p>(a) Interest income is accrued on time proportion basis, by reference to the principal outstanding and effective interest rate applicable.</p> <p>(b) Other income viz exchange gain/ loss, misc. receipts, bad debts recovery etc. are accounted on generally accrual basis except recovery of bad debts, misc receipts which are accounted on receipt basis.</p>
2.09	<p>Foreign currency transactions and translations</p> <p>The financial statements of the Company are presented in Indian rupees (₹), which is the functional currency of the Company and the presentation currency for the financial statements.</p> <p>In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded as under :</p> <p>a) Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction.</p> <p>b) Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the year end are translated at exchange rates applicable on that date.</p> <p>c) Non-monetary items denominated in foreign currency (such as fixed assets) are valued at forward contract exchange rate contracted for the such liability, wherever applicable.</p> <p>d) Any gains or losses arising due to exchange differences arising on translation or settlement are accounted for in the Profit & Loss account with regard to revenue items. Similarly FX gain or loss arising on account of capital items are debited/credited to capex items where ever applicable.</p> <p>e) In the case of forward exchange contracts where ever applicable, the premium or discount arising at the inception of such contracts, is amortised as income or expense over the life of the contract as well as exchange difference on such contracts, i.e. difference between exchange rate at the reporting / settlement date and the exchange rate on the date of inception/ the last reporting date, is recognised as income / expense for the period.</p> <p>f) Exchange differences arising on the re-translation or settlement of other monetary items are included in the statement of profit and loss for the period.</p>
2.10	<p>Borrowing costs</p> <p>Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of such assets till such</p>

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Sr. No.	Particulars
	time as the assets are ready for their intended use. Qualifying assets are assets that necessarily require a substantial period of time to get ready for their intended use. All the other borrowing cost is recognized as an expense on accrual basis.
2.11	Earnings per share Basic/Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the number of equity shares outstanding during the year.
2.12	Segment reporting The company operates in a business segment viz. Gear Cutting, Special Cutting Tools and Spline Gauges and is considered single segment operations.
2.13	Change in accounting policy There is no change in accounting policy save and except the provisions of IND AS becoming applicable to the company from April 1,2017 during the year with regard to employees benefits on gratuity as shown under the head OCI by recasting / revising its earlier years' liability.
2.14	The financial statements are drawn in compliance with Companies (Indian Accounting Standards) Rules 2015 as amended by MCA vide notification no. G.S.R.404(E) dated 6 April 2016 amending Schedule III (Balance Sheet and Profit and Loss Accounts format) of the Companies Act 2013.

Notes forming part of the Financial Statements (Contd.)
NOTE No. [2] - Property, Plant and Equipments

Sr.No.	Class of assets	Cost			Depreciation		Impairment		Book Value	
		Value as at 01.04.2017	Additions	Deductions	As at 31.03.2018	Upto 31.03.2017	For the year	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
	Tangible Assets									
A.	Leasehold Land *	178777	0	0	178777	178777	0	17877	0	0
B.	Factory & Office Building * (Owned)	5015179	0	0	5015179	2358436	120299	2478735	0	2536444
C.	Plant and Equipment (Owned)	229722464	743183	0	230465647	139975069	10979845	150954914	0	79510733
D.	Office Equipment	1183215	34456	0	1217671	1031594	63824	1095418	0	122253
E.	Furnitures & Fixtures	5816505	0	0	5816505	5303400	79368	5381768	0	434737
F.	Vehicles	1184921	0	0	1184921	1012659	56509	1069168	0	115763
G.	Computer	10612594	70577	0	10683171	9912589	26257	9938846	0	744325
	TOTAL	253713655	848216	0	254561871	159772524	11325102	171097626	0	83464245
	(Previous Year)	250532439	3181216	0	253713655	147700273	12072251	159772525	0	93941131

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

NOTE No. [3] - Intangible Assets

Sr.No.	Class of assets	Cost			Depreciation		Impairment		Book Value	
		Value as at 01.04.2017	Additions	Deductions	As at 31.03.2018	Upto 31.03.2017	For the year	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
1	Intangible Assets Computer Software	1508415	0	0	1508415	1265330	133307	1398637	0	109778
	TOTAL	1508415	0	0	1508415	1265330	133307	1398637	0	109778
	(Previous Year)	1508415	0	0	1508415	1003517	261813	1265330	0	243085

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Notes forming part of the Financial Statements (Contd.)

Sr. No.	Particulars	As at 31.03.2018 ₹	As at 31.03.2017 ₹	As at 01.04.2016 ₹
	NOTE No. [4]			
	Financial Assets :			
	Others - Non-Current			
	Un-secured, considered good			
a	Security Deposits	810841	1680837	890611
b	Bank Deposits Earmarked against EPC Bank Guarantee	0	3186181	2947303
c	Deposit with Custom's Appeal - Capital item	200500	200500	200500
d	MAT Credit Entitlements	1746635	1390424	1390424
		2757976	6457942	5428838
	NOTE No. [5]			
	Deferred Tax Assets (Net)			
	<u>Tax effect on items constituting deferred tax liability</u>			
a)	On difference between book balance and tax balance of fixed assets.	11637620	13371045	14039834
b)	<u>Tax effect on items constituting deferred tax assets</u>			
	Leave Encashment	494199	336577	287882
	On Employees benefit- Gratuity	0	1424623	
	Preliminary Expenses	0	0	43723
	Interest on Term Loan	0	564596	704427
	Excise Duty Payable	0	94797	0
	Unabsorbed Depreciation c/f - as per Income Tax	11507752	13464243	14829464
		12001951	15884835	15865496
	Net Deferred Tax Assets (a-b)	364331	2513790	1825662
	NOTE No. [6]			
	Inventories			
a	<u>Raw Materials</u>	12590985	6808695	7214444
	Goods in Transit	0	0	0
		12590985	6808695	7214444
b	Work-in-Progress	8644171	2835687	2537057
c	<u>Finished Goods</u>			
	Internally Manufactured	7483846	8421013	5026932
d	Stores	2323762	1556624	1585678
e	Tools & Spares	347975	673948	549249
f	Machines Spares	418830	264965	571116
g	Scraps	211756	663810	119040
		32021325	21224742	17603516

For mode of valuation refer Note No. 1 - (2.06) of Significant Accounting Policies

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Sr. No.	Particulars	As at 31.03.2018 ₹	As at 31.03.2017 ₹	As at 01.04.2016 ₹
	NOTE No. [7]			
	Financial Assets :			
	Current : Trade Receivables			
	Unsecured			
a	Outstanding for a period exceeding six months from the date they are due for payment			
	Unsecured, considered good	5722527	5774087	5750662
	Unsecured, considered doubtful	0	0	0
		5722527	5774087	5750662
b	Outstanding for a period less than six months from the date they are due for payment			
	Unsecured, considered good	36741834	35857493	27722459
	Unsecured, considered doubtful		0	0
		36741834	35857493	27722459
		42464361	41631580	33473121
	No trade receivables are due from directors or other officers of the Company or any of them either severally or jointly with any other person. No any debts/receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.			
	NOTE No. [8]			
	Financial Assets :			
	Current : Cash and Cash Equivalents			
	<u>Balances with Banks</u>			
i	In Current Accounts	1819652	671145	1146133
ii	Cash on Hand	65012	51993	86379
		1884664	723138	1232512
	NOTE No. [9]			
	Financial Assets :			
	Current : Other Bank Balance			
	<u>Other Bank Balances</u>			
	<u>In TDR Accounts</u>			
	held as margin against BG/LCs	15000	0	75850
		15000	0	75850
	NOTE No. [10]			
	Financial Assets :			
	Other Current Assets			
	Unsecured, considered good			
a	Prepaid Expenses	505703	286036	233979
b	<u>Balances with Govt Authorities</u>			
	Balance with GST/Excise Authorities	105668	170323	338561
	Balance with Income Tax Authorities	0	119530	132285
		105668	289853	470846
c	Others	119107	1593472	678803
		730478	2169361	1383628

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Sr. No.	Particulars	As at 31.03.2018 ₹	As at 31.03.2017 ₹	As at 01.04.2016 ₹
	NOTE No. [11]			
a)	Equity Share Capital Authorised Equity Shares of Rs. 10/- each.	30000000	30000000	30000000
	Number of shares	3000000	3000000	3000000
b)	Issued, Subscribed & Paid up Equity Shares of Rs. 10/- each.	14963380	14963380	14963380
	Number of shares	1496338	1496338	1496338
	Less :Calls in Arrears from others	3595	3595	3595
		14959785	14959785	14959785
	Add :Forfeited Shares Equity Shares of Rs. 2.50/- each.	34155	34155	34155
	Number of shares	13662	13662	13662
		14993940	14993940	14993940
c)	Reconciliation of number of shares Issued, subscribed and fully paid up outstanding at the beginning of the year	1496338	1496338	1496338
	Add :- Shares issued during the year	0	0	0
	Outstanding shares at the year end	1496338	1496338	1496338
d)	Shareholder holding more than 5% of the equity shares at the end of the year:			
		31.03.2018	31.03.2017	01.04.2016
		No. of Shares	No. of Shares	No. of Shares
		% of holding	% of holding	% of holding
	1 Jainex Foods Private Ltd	577956	577956	577956
		38.62%	38.62%	38.62%
	2 Bhagat Singh Dugar	62597	137097	211597
		4.18%	9.16%	14.14%
	3 Bharti Bafna	205700	131200	56700
		13.75%	8.77%	3.79%
	4 Rahul Bhagat Dugar	95250	95250	95250
		6.37%	6.37%	6.37%
		941503	941503	941503
		62.92%	62.92%	62.92%

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Sr. No.	Particulars	As at 31.03.2018 ₹	As at 31.03.2017 ₹	As at 01.04.2016 ₹
e)	<u>Following details during the period from 01.04.2013 to 31.03.2018</u>			
i.	Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	0	0	0
ii.	Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	0	0	0
iii.	Aggregate number and class of shares bought back	0	0	0
f)	Terms of any securities convertible into equity shares issued along with the earliest date of conversion in descending order starting from the farthest such date.	0	0	0
g)	<u>Terms/rights attached to equity shares</u> The Company has only one class of shares capital, i.e. equity shares having face value of Rs.10 per share. Each holder of equity share is entitled to one vote per share held.			
	<u>NOTE No. [12]</u>			
	<u>Other Equity</u>			
a)	<u>Capital Reserve</u> As per last Balance Sheet	1500000	1500000	1500000
b)	<u>Capital Redemption Reserve</u> As per last Balance Sheet	3897400	3897400	3897400
c)	<u>Share Premium Account</u> As per last Balance Sheet (On Preferential Allotment in FY 13)	24000000	24000000	24000000
d)	<u>Retained Earnings</u> As per last Balance Sheet Add :- Profit for the year	(8211556) (300509)	-6074168 (2137388)	(6074168) 0
		(8512065)	(8211556)	(6074168)
e)	<u>Other Comprehensive Income (OCI)</u> As per last Balance Sheet Add :- Movement in OCI (Net) during the year	(3185806)	0 (3185806)	0
		(3185806)	(3185806)	-
	Total Other Equity	17699529	18000038	23323232

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Sr. No.	Particulars	As at 31.03.2018 ₹	As at 31.03.2017 ₹	As at 01.04.2016 ₹
	NOTE No. [13]			
	Financial Liabilities :			
	Borrowings - Non Current			
	(Secured)			
	From Bank of India, Mumbai			
a	Rupee Term Loans - (*)	15237702	24152473	24680986
b	Corporate Loan - (*)	14510721	21742501	29518033
		29748423	45894974	54199019
	Less : Shown under other current liabilities as current maturities Note No. 17	16332633	21367974	16484734
		13415790	24527000	37714285
	Total (a to b)	13415790	24527000	37714285
	(*) Includes			
a)	Interest accrued but not due			
	Term Loans	11288	0	30034
	Corporate Loan	10721	0	0
	(a)	22009	0	30034
b)	Interest due and in default but paid after year end			
	Term Loans	0	1891207	1553481
	Corporate Loan	0	242501	726219
	(b)	0	2133708	2279700
c)	Default in Repayment of Principal			
	Term Loans	5698872	4922266	1682471
	Corporate Loan	0	500000	1791814
	(c)	5698872	5422266	3474285
d)	Period of Default			
	Term Loans	Between 1 to 13 months		
	Corporate Loan	0 < 1 month		
	Nature of Security and terms of repayment for Long Term secured borrowings:			
TLs	Nature of Security	Terms of Repayments		
VI 14	Term Loan of ₹ 0 Lacs (Previous year ₹ 33 Lacs)	Repayable in 24 Quarterly Instalments starting from 31.03.2012. Last Instalment due on 31.12.2017 which has been fully paid.		
VII 15	Term Loan of ₹ 152.38 Lacs including interest of ₹ 11288 (Previous Year Term Loan of ₹ 208.52 Lacs including of ₹ 18.91 lacs.)	Repayable in 24 Quarterly Instalments starting from 31.03.2013. Last Instalment due on 31.12.2018.		
VII 3	Corporate Loan of ₹ 145.11 Lacs (Previous Year Loan of ₹ 217.43 Lacs.)	Repayable in 60 Monthly Instalments starting from 31.10.2015. Last Instalment due on 30.09.21		
	Prime Security			
	Above Term Loans are secured by hypothecation of Plant & Machinery acquired under specific term loans and are collaterally secured by Equitable Mortgage of Land and Building situated at L/3,Chikhalhana, MIDC Indl Estate, Aurangabad and hypothecation of Plant and Machinery not acquired under above term loans.	Rate of interest on above Term Loans is 12.85% p.a. (previous year 13.60% p.a.) as modified by Bank from time to time.		

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Notes forming part of the Financial Statements (Contd.)

Sr. No.	Particulars	As at 31.03.2018 ₹	As at 31.03.2017 ₹	As at 01.04.2016 ₹
	NOTE No. [14] Other Financial Liabilities : Others - Non-Current (Unsecured) Loans & Advances from related parties	25394400	26394400	26794400
		25394400	26394400	26794400
	NOTE No. [15] Provisions - Non-Current Claims due to employees	389897	389897	389897
	NOTE No. [16] Financial Liabilities : Borrowings - Current Secured Loans repayable on demand From Bank of India			
1	a Cash Credit Account	22916419	24196005	22833127
a	b Packing Credit Account	1535816	487660	2228367
c	c Acceptances under ILCs	0	0	505653
		24452235	24683665	25567147
	Prime Security			
	(Secured against hypothecation of Raw Materials, Work in Process, Finished Goods and Receivables)			
	Collateral Securities			
	(The above limits are collaterally secured by Equitable Mortgage of Land and Building situated at L/3, Chikhalthana, MIDC Indl Estate, Aurangabad) and hypothecation of Plant & Machinery not acquired under Term Loans from Bank of India.			
	NOTE No. [17] Financial Liabilities : Current Maturities of Long-Term Borrowings(Secured) From Bank of India			
a	a Term Loans and Corporate loan	16310624	19234266	14175000
b	b Interest accrued and due on term loans	11288	1891207	1583515
c	c Interest accrued and due on corporate loan	10721	242501	726219
	Refer Note No: - 13 - Borrowings - non current	16332633	21367974	16484734

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Notes forming part of the Financial Statements (Contd.)

Sr. No.	Particulars	As at 31.03.2018 ₹	As at 31.03.2017 ₹	As at 01.04.2016 ₹
	NOTE No. [18]			
	Financial Liabilities :			
	Current - Trade Payables			
	<u>Other than Acceptances</u>			
	For Materials/Goods	28199394	16876888	8590185
	For Expenses	9515839	8206137	4149363
		37715233	25083025	12739547
	Sundry Creditors due to Micro and SMEs exceeding Rs. 1 lakh.	Not available	Not available	Not available
	NOTE No. [19]			
	Other Current Liabilities			
a	Statutory dues	6463225	6716862	1604846
b	Advance/ Credit balance of customers	488377	779426	694539
		6951602	7496288	2299385
	NOTE No. [20]			
	Current Liabilities :			
	Provisions			
a	Provision for Employee Benefits			
1	Salary & Reimbursements	4415521	4702281	2976121
2	Contribution to PF	177758	177016	145843
3	Leave Encashment	1599349	1089245	931658
		6192628	5968542	4053622
	NOTE No. [21]			
	Current Tax Liabilities (net)			
	Income Tax	274271	0	0
		274271	0	0

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Notes forming part of the Financial Statements (Contd.)

Sr. No.	Particulars	For the year ended on 31.03.2018 ₹	For the year ended on 31.03.2017 ₹	
a	NOTE No. [22]			
	Revenue from operations			
	SALES	Sales Returns Net		
	Gear Hobs	104042865 1559747 102483118	102483118	88920800
	Milling Cutters	30642958 101528 30541430	30541430	28540019
	Spline Gauges	13653161 581315 13071846	13071846	13620889
		148338984 2242590 146096394		
			146096394	131081708
	Add: Central Excise Duty & ED. Cess Collected		3253197	14005085
	Gross Sales		149349591	145086793
	b	Other Operational Income		
		Job Work Charges		5249619
		Add :Service Tax collected on Job Work		780404
		Scrap /Misc. Sales		1177199
				8271320
Total (a+ b)			157620911	152294015
includes export of Rs.			18977912	19045793
NOTE No. [23]				
Other Income				
LBT / Octroi received		0	202250	
Income Tax Refund		22224	0	
Misc. Receipts/write-off(net)		12573	47088	
Interest Received		200710	314654	
Interest on Income Tax Refund		7546	5882	
Exchange Gain on Import (net)		-86460	70630	
Exchange Gain on Export (net)		137545	-78218	
Bad Debt Recovered		0	83885	
		294138	646171	

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Notes forming part of the Financial Statements (Contd.)

Sr. No.	Particulars	For the year ended on 31.03.2018 ₹	For the year ended on 31.03.2017 ₹
	NOTE No. [24] Cost of Raw Material Consumed Inventory at the beginning of the year	6808695	7214444
	Add : Purchase (net of returns, centvat + freight & octroi)	50053468	34322938
	Less : Inventory at the end of the year	12590985	6808695
		44271178	34728687
	<u>Details of Raw Material Consumption</u>		
		17-18	16-17
		Qty. in Kgs.	Qty. in Kgs.
a)	Import	116 0.34%	1511 5.35%
b)	Indigenous/ Local purchase	33657 99.66%	26740 94.65%
		33774	28251
		100.00%	100.00%
		539874	2114136
		1.22%	6.09%
		43731304	32614551
		98.78%	93.91%
		44271178	34728687
		100.00%	100.00%
	NOTE No. [25] Changes in Inventories		
a	<u>Inventories at the end of the year:</u> Finished Goods	7483846	8421013
	Work-in-Progress	8644171	2835687
	Scrap	211756	663810
		16339773	11920510
b	<u>Inventories at the beginning of the year:</u> Finished Goods	8421013	5026932
	Work-in-Progress	2835687	2537057
	Scrap	663810	119040
		11920510	7683029
	Net (Increase)/Decrease	-4419263	-4237481
	NOTE No. [26] Excise duty/Service tax		
	Excise Duty	3282958	14044123
	Service Tax	218855	794740
	Increase /(decrease) of Excise Duty on Finished Goods	-935668	377120
		2566145	15215983
	NOTE No. [27] Employees Benefits Expenses		
a	Salaries, Wages & Allowances (*)	43264802	39857215
b	Contribution to Provident and Other Funds	2097724	2061710
c	Gratuity Fund Contribution	1053859	592749
d	Staff Welfare Expenses	2159794	2252101
		48576179	44763775
	(*) Includes Remuneration to Whole Time Directors	2817793	2406890

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Notes forming part of the Financial Statements (Contd.)

Sr. No.	Particulars	For the year ended on 31.03.2018 ₹	For the year ended on 31.03.2017 ₹
	NOTE No. [28]		
	Finance Cost		
a)	Interest expense on:		
	Borrowings from Bank (WC + TL)	8583208	10098554
b)	Other borrowing costs	500771	531669
		9083979	10630223
	NOTE No. [29]		
	Depreciation and Amortization Expense		
	Depreciation	11458409	12334064
	Preliminary Expenses W/off	0	141498
		11458409	12475562
	NOTE No. [30]		
	Other Expenses		
a)	Manufacturing Expenses		
	Consumption of Stores etc.	3640417	4070756
	Consumption/Write off of Tools and Spares	2517682	1615642
	Consumption of Packing Materials	783780	670788
	Labour Charges (Mfg.)	5762250	4658430
	Power and Fuel	6349415	6071945
	Repairs and Maintenance - Buildings	77248	23605
	Repairs and Maintenance - Machinery	2079597	2342448
	Repairs and Maintenance - Others	494991	235784
		21705380	19689398
b)	Administrative & Other Expenses		
	Travelling and Conveyance	2867484	2291569
	Sales Commission	8330215	7568913
	Consignment Expenses	3127203	3365387
	Legal and Professional	3620742	3840940
	Miscellaneous Expenses	4858015	4003825
		22803659	21070635
	Total (a+b)	44509039	40760033

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Notes forming part of the Financial Statements (Contd.)

Sr. No.	Particulars	FY 2017-18 ₹	FY 2016-17 ₹
1	NOTE No. [31] - Additional information		
	<u>Contingent liabilities</u>		
	<u>(To the extent not provided for)</u>		
	(i) Claims against the company not acknowledged as debt	0	0
	(ii) Letters of credits opened awaiting shipment / delivery.	0	0
	(iii) <u>Guarantees</u>		
	(a) Bank Guarantee valid upto 28/09/2021 against EPGC Licence issued by Bank of India against export obligations to be fulfilled in 6 yrs commencing from FY 12. The said guarantee was equivalent to 15% of duty saved amount of Rs. 119.49 lacs on import of 3 Machines (but reduced for two machines consequent upon re-exporting of one machine), under export obligation against which 100% margin by way of TDR (i.e. 15% of Rs. 119.49 lacs equivalent to Rs. 17.92 lacs but rounded to Rs. 20.70 lacs) was held by bank. The said guarantee has been redeemed/ discharged during the year.	0	2070000
	(b) A Bond of Rs. 335 lacs in the form of undertaking dated 27/09/2011 is given by the Company under said EPGC No. 03330030577 dated 15/09/2011 in favour of President of India account custom towards duty saved plus interest for 10 years at 18% p.a. in case if there is a short fall in meeting the export obligations. (Export obligations have been fulfilled during FY 12 to FY 17). An application was submitted for redemption of EPCG Licence on April 14,2017 and the redemption order from DGFT was received on 08.11.2017. Accordingly vide its letter dated 27.02.18, JNPT Custom has cancelled the Bond and Bank Guarantee and returned the original Bond duly cancelled along with the bank guarantee.	0	0
		0	2070000
2	<u>Commitments</u>		
	(i) Commitment pending on capital accounts - net of advance	Nil	Nil
	(ii) Uncalled liability on shares and other investments partly paid	Nil	Nil
	(iii) Other commitments (specify nature)	Nil	Nil
		0	0
3	<u>Payment to Auditors</u>		
	a) As Auditor	75000	75000
	b) For Tax Audit Fees	25000	15000
	c) For Taxation & Other Matters	15000	10000
	d) For Banking Matters	25000	25000
	e) GST/Service Tax	11700	18750
		76700	68750
		151700	143750

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Notes forming part of the Accounts (Contd.)

NOTE No. [31] - Additional information (Contd.)

Sr. No.	Particulars	FY 2017-18 ₹	FY 2016-17 ₹
4	CIF Value of Imports		
	i. Raw Materials;	427725	429133
	ii. Components and Spare Parts;	1315606	772500
		1743331	1201633
5	Expenditure in Foreign Currency		
	Travelling	649192	377692
	Commission	974102	0
	Exhibition Expenses	39955	0
6	Earning in Foreign Exchange Export of goods calculated on FOB basis	18977912	19045793
7	Earning per Share (EPS) - Basic & Diluted - computed as per INDAS 33		
	(i) Profit after tax	-300509	-5323194
	(ii) Number of shares fully paid up (net of forfeiture)	1496338	1496338
	(iii) Nominal value of equity shares	10	10
	(iv) Basic earning per share	-0.20	-3.56
	(v) Diluted earning per share	-0.20	-3.56
8	The Disclosure on "Employee Benefits" as per Ind AS 19 and the Companies (Accounting Standards) Rules, 2006.		
	a) Defined Contribution Plan		
	The state governed Provident Fund Scheme, Employees State Insurance Scheme and Employee Pension Scheme are defined contribution plans. The contribution paid/payable under the schemes are recognised during the year in which the employee renders the related services.		
	Contribution to Defined Contribution Plan, recognised and charged off during the year are as under.		
	Employer's Contribution to state governed Provident Fund	612136	693712
	Employer's Contribution to state governed Pension Schemes	1303362	1164018
	Employer's Contribution to state governed Employees State Insurance Scheme.	592331	480372
		2507829	2338102
	b) Defined Benefit Plan/ Long Term Compensated Absences.		
	The company's Employees Gratuity Fund Scheme managed by the LIC of India is a defined plan. The present value of obligations based on previous experience and actual valuation given by LIC read with the compliance of applicable IND AS in this regard has been considered and provided in the financial statements subject however to payment of		

JAINEX AAMCOL LIMITED ANNUAL REPORT 2017-18

Notes forming part of the Accounts (Contd.)

NOTE No. [31] - Additional information (Contd.)

Sr. No.	Particulars	FY 2017-18 ₹	FY 2016-17 ₹
	<p>arrears as reflected in the company's financial statements under the head ' Other Comprehensive Income (OCI) '. Since the valuation by LIC is based on their vast experience and at actuals , no third party actuarial advice was considered necessary by the management.</p> <p>The amount of obligation as at the year end is determined as per actual valuation by Company's Employees Group Gratuity Scheme maintained with LIC Aurangabad under their master policy no. 66567 and policy no.703000405.</p>		
	i) Value of obligation as at 1st April 2017	6475048	1371797
	Interest Cost	139365	104999
	Current Service Cost	531192	544426
	Short provision of earlier years	0	4610429
	Plan Amendments	0	0
	Actual Losses/(Gains)	0	0
	Benefit paid	186489	156603
	Value of obligation as at 31st March 2018	6959116	6475048
	ii) Fair value of Assets		
	(a) with Lic		
	Plan Assets at beginning of period	1864619	1371797
	Expected return on Plan Assets	139365	104999
	Actual Company Contribution	531192	544426
	Acturial Losses/(Gains)	0	0
	Benefits paid	-186489	-156603
	Net Asset/(liability) at the end of period	2348687	1864619
	(b) Bank balance in Gratuity trust account	96537	96441
	Total fair value of assets	2445224	1961060
	iii Excess/(Short) payments (i -ii) (provided but not funded)	4513892	4513988
	c) Compensated Absences		
	The company has provided for the actual leave encashment liability as per company rules at the balance sheet date based on permissible accumulated leave balance of the employees at the last salary drawn. Since leave encashment liability at actual is fully provided , no actuarial advice is considered necessary by the management. However, provision made for leave encashment during the year and unpaid liability at year end are as under.		
	Provision made for the year in Profit & Loss account	775940	308430
	Unpaid Liability (non funded) under leave encashment at year end	1599349	1089245

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Notes forming part of the Accounts (Contd.)

NOTE No. [31] - Additional information (Contd.)

Sr. No.	Particulars	FY 2017-18 ₹	FY 2016-17 ₹
9	<p>Amounts not provided for</p> <p>a) Import against LC (DA/DP) for purchase of raw materials.</p> <p>b) Claims by employees On account of claims by two ex-employees recorded in the accounts as liability amounting to Rs. 0.67 lacs and Rs. 3.23 lacs out of which the claim of Rs.3.23 lacs has been decided in favour of the late ex-employee for his claim on LIC. Any additional probable liability arising in connection with the said cases; will be provided at the time of claim by LIC on the company.</p> <p>c) Civil Suit, Counter Claim and FIR on erstwhile Technical Director</p> <p>(i) Civil Suit Erstwhile Technical Director of the company had filed a civil suit in the City Civil Court at Aurangabad claiming an amount of Rs 50 lacs from the company in FY 04 - 05 for his alleged terminal dues. As a counter claim to the suit the company had claimed Rs 75 lac from the said ex-employee Mr. N. K. Chatterjee. All parties to the civil suit to maintain the cordial relations against each others; have by negotiations and deleberations decided to withdraw the claims made against each others and accordingly the Hon'ble 6th Joint Civil Judge Senior, Aurangabad passed a <u>PURSHISH</u> Order on 19th August, 2017 to the said effect. Hence all the parties have withdrawn their respective claims. The suit and the counter claim were disposed of as withdrawn.</p> <p>(ii) FIR In view of the withdrawl of civil suit and counter claim by mutual consent and as per direction by the Hon'ble Joint Civil Judge Senior, Aurangabad in the order dated 19th August 2017 that "<u>whatever civil or criminal letigations pending against each others in the different courts of law are also to be withdrawn by each others</u>". Accordingly an application has been made to JMFC, XVth Court, Aurangabad to withdraw / discharge the criminal proceedings. The order against the same is awaited.</p> <p>d) On account of penalty of imposed by SEBI which is represented by the company for remission/ waiver and is still continuing as pending.</p> <p>e) On account of additional custom duty demand of Rs. 7,13,812/- on a CNC machine imported in FY 07 - 08 and contested in appeal before the Customs , Excise</p>	<p>0</p> <p>0</p> <p>175000</p>	<p>0</p> <p>0</p> <p>175000</p>

JAINEX AAMCOL LIMITED ANNUAL REPORT 2017-18

Notes forming part of the Accounts (Contd.)

NOTE No. [31] - Additional information (Contd.)

Sr. No.	Particulars	FY 2017-18 ₹	FY 2016-17 ₹
	<p>and Service Tax Appellate Tribunal at Mumbai against which an amount of Rs. 2,00,500/- has been deposited to admit the appeal. The custom authorities issued SCN (show cause notice) in the said matter demanding the said amount as CVD instead of basic custom duty. The matter came up for hearing before Tribunal, at Mumbai on 3rd May 2018. The counsel for the company represented and argued the issue of SCN as bad in law as it did not pertain to issue under SCN / dispute. The Hon'ble Tribunal has remanded back the matter to the concerned authority and the order is awaited.</p> <p>The above provisions being possible but not probable have not been made as the company believes that none of the above contingencies would have a material adverse effect on the company's financial conditions, results of operations or cash flows.</p>	713812	713812
10	<u>Related Party Disclosures</u>		
a)	<u>Related Party and their Relationship</u>		
	Subsidiaries : NIL		
	Associates : Jainex Foods Private Limited Jainex Limited Jainex Imports & Exports Private Limited Dugar Brothers & Company		
	Key Management Personnel : Mr. B. S. Dugar (Chairman) Mr. M. Z. Kothari (Managing Director) Mr. Kunal Bafna (Whole Time Director and CFO)		
b)	Relatives of Key Management Personnel : NIL		

JAINEX AAMCOL LIMITED ANNUAL REPORT 2017-18

Notes forming part of the Accounts (Contd.)

NOTE No. [31] - Additional information (Contd.)

Sr. No.	Particulars	FY 2017-18 ₹	FY 2016-17 ₹
	Transactions with Related Party	Amount FY 2017-18	Amount FY 2016-17
	Nature		
	Subsidiaries :	Nil	Nil
	Directors :	Nil	Nil
	Sitting Fees to Directors	Nil	Nil
	Interest to Director	Nil	Nil
	Reimbursement of exp.	Nil	Nil
	<u>Payments to Body Corporates</u>	202960	Nil
	Purchases - items for sales promotion		
	Repayment of Loans	1000000	1800000
	<u>Payments to Relatives of Director</u>	Nil	Nil
	Interest		
	<u>Payments to/from Director/a Firm</u>	Nil	Nil
	Interest	Nil	Nil
	Purchases	Nil	Nil
	Loans Received	0	1400000
	Loans Repaid	Nil	Nil
	Key Management Personnel :	2817793	2406890
	Director's Salary	Nil	Nil
	Allowances, Rent etc.		
	Relatives of Key Management Personnel :		
c)	Balances with the related parties :		
	<u>Loans taken</u>	4694400	5694400
	Jainex Foods Pvt. Ltd.	20200000	20200000
	Dugar Brothers & Co	500000	500000
	Kunal Bafna		
	Particulars	FY 2017-18 ₹	FY 2016-17 ₹
11	<u>Disclosure as required by Clause 32 of listing Agreement.</u>		
	Amount of Loans/Advances in nature of loans outstanding from Subsidiaries and Associates during the year		
	Subsidiaries :	Nil	Nil
	Associates :	Nil	Nil
	Key Management Personnel :	Nil	Nil
	Relatives of Key Management Personnel :	Nil	Nil

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Notes forming part of the Accounts (Contd.)

NOTE No. [31] - Additional information (Contd.)

Sr. No.	Particulars	FY 2017-18 ₹	FY 2016-17 ₹
12	<u>Qualified Company Secretary</u> The company is not having a Qualified Company Secretary as required under Section 203(1)(ii) of Companies Act, 2013.		
13	<u>Confirmation of Balances</u> The balances of trade receivables, trade payables, unsecured loans and loans and advances are subject to confirmation.		
14	Figures for previous year have been rearranged/regrouped wherever necessary.		

As per our report of even date attached

In terms of our report attached.

For **P. M. BHARGAVA & CO.**
CHARTERED ACCOUNTANTS

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

(P.M.BHARGAVA)
PROPRIETOR
Membership No. : 100595
Firm Regn. No.: 145087W

(Rahul Dugar)
Director
(DIN : 00013704)

Place :- Mumbai
Dated :- 18th May,2018

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