



## JINDAL COTEX LIMITED

Regd. Off. : VPO, Jugiana, G.T. Road, Ludhiana (PB) 141017  
Works : Village Mandala Kalan, P.O. Bija, Tehsil Khanna, Distt. Ludhiana (PB) 141412  
+91 161 2511840 CIN : L17115PB1998PLC021084  
info@sjgroup.in www.jindalcotex.com

Dated: 11<sup>th</sup> February, 2021

To

The Listing Department,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001

Listing Department,  
National Stock Exchange Limited,  
Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (E),  
Mumbai - 400 051

**Subject: Submission of Annual Report**

**Symbol: JINDALCOT/JINDCOT**

**Series: EQ**

**ISIN: INE904J01016**

Sir,

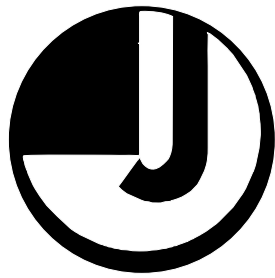
Pursuant to Regulations 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith copy of Annual Report for the year ended 31.03.2020.

Kindly find the same in order and take on your record.

Thanking You,

Yours Faithfully,  
For Jindal Cotex Limited

(Authorised Signatory)



**23<sup>rd</sup> ANNUAL REPORT  
2019-20**

**JINDAL  
COTEX LIMITED**

**BOARD OF DIRECTORS**

Mr. Sandeep Jindal	Managing Director
Ms. Alisha	Independent Director
Mr. Kartar Chand Himan	Independent Director
Mr. Kanik Sharma	Independent Director

**KEY MANAGERIAL PERSONNEL**

Mr. Sandeep Jindal  
Managing Director

**REGISTERED & CORPORATE OFFICE  
AND WORKS**

Village MandialaKalan,  
P.O. Bija, Tehsil Khanna,  
District Ludhiana - 141412  
CIN No: L17115PB1998PLC021084  
Phone s: (01628) 289842  
Email: cs@sjgroup.in  
Website: www.jindalcotex.com

**REGISTRAR & SHARE TRANSFER AGENTS**

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

**WIND MILL**

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

**UNITS**

Unit –I,  
VPO Jugiana, G.T. Road,  
Ludhiana - 141017

**AUDITORS**

M/s KR Aggarwal & Associates,  
Chartered Accountants,  
B - XV, 980 (2<sup>nd</sup> Floor),  
G. T. Road, Miller Ganj,  
Adj. GurudwaraShaheedanPheruman,  
Ludhiana - 141003

**BANKERS**

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

<b>23<sup>rd</sup> ANNUAL GENERAL MEETING</b>	<b>CONTENTS</b>	<b>PAGE NO.</b>
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**NOTICE**

NOTICE is hereby given that the 23<sup>rd</sup> Annual General Meeting of the members of JINDAL COTEX LIMITED will be held on Wednesday, 30<sup>th</sup> day of December, 2020 at 9.30 A.M. at the Registered Office at Village Mandiala Kalan, P.O. Bija, Tehsil Khanna, District 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, 2020 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.

**SPECIAL BUSINESS**

3. To consider, and if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution:-

"RESOLVED THAT Board of Directors of the Company on the recommendations of the Audit Committee has approved the appointment of M/s. Gurvinder Chopra and Co., Cost Accountants (Firm Registration No. 100260) as Cost Auditors of the company for the financial year 2020-21 at a remuneration of Rs. 25,000/- (Rupees Twenty five Thousand only) plus applicable Goods and service tax and out-of-pocket expense.

RESOLVED FURTHER THAT the Shareholders hereby ratify the actions of the Board of Directors pursuant to the provisions of Section 148(3) and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, for approving recommendation of Audit Committee, for appointment and remuneration of Rs. 25,000/- (Rupees Twenty five Thousand only) plus applicable Goods and service tax and out of pocket expenses of M/s Gurvinder Chopra and Co., Cost Auditor(s) to conduct the audit of the cost records of the Company for the financial year 2020-21.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary for the purpose of giving effect to this resolution".

**By order of the Board**

**For Jindal Cotex Limited**

**Place: Ludhiana**

**(Sandeep Jindal)**

**Date: 4<sup>th</sup> December, 2020**

**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 instrument appointing 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 10% of the total share capital of the company carrying voting rights. A proxy shall not have a right to speak at the Annual General Meeting and shall not be entitled to vote except on a poll.

2. The relative explanatory statement pursuant to section 102(1) of the Companies Act, 2013 relating to special business to be transacted at the Annual General Meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 25th December, 2020 to Wednesday, 30th December, 2020 (both days inclusive).
4. The relevant details as required under the Listing Agreement with the Stock Exchange in respect of Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice.
5. Members desiring any information as regards to 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.
6. 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.
7. The members are requested to intimate changes, if any, pertaining to their email address, postal address, Permanent Account Number (PAN), Bank details such as name of the bank, branch detail, bank account no. MICR code, IFSC code etc., to their DP, in case shares are held by them in electronic form and to the company/ Registrar & Transfer Agent, M/s Bigshare Services Private Limited, Mumbai in case shares are held by them in physical form.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number by every participant in the securities market. Members holding shares in electronic form are, therefore, to submit their PAN to the depository participants with whom they maintained their demat account. Members holding shares in physical form should submit their PAN to the company/registrar and share transfer agent of the company.
9. 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.
10. In line with the MCA General Circular dated May 5, 2020, the Notice of the 23rd AGM alongwith the Annual Report 2019-20 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/Depositories and has been uploaded on the Company's website [www.jindalcotex.com](http://www.jindalcotex.com) for their download.
11. Members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares. Members can contact the company or Registrar and Share Transfer Agent for assistance in this regard.
12. To support the "Green Initiative", Members who have not yet registered their e-mail address are requested to register the same with their DPs in case the shares are held by them in electronic form and to the company Registrar & Transfer Agent, M/s Bigshare Services Private Limited, Mumbai in case shares are held by them in physical form.



13. A route map showing directions to the venue of the 23<sup>rd</sup> Annual General Meeting is given at the end of this Notice.

**By order of the Board  
For Jindal Cotex Limited**

**Place: Ludhiana (Sandeep Jindal)**

**Date: 4<sup>th</sup> December, 2020 Managing Director**

**DIN: 01639743**

#### ANNEXURE TO THE NOTICE

**Explanatory Statement as required under section 102(1) of the Companies Act, 2013, setting out all material facts relating to special business of the accompanying notice.**

#### Item No. 3

The Board of Directors at its meeting held on 31<sup>st</sup> July, 2020, on the recommendations of the Audit Committee, has approved the appointment of M/s. Gurvinder Chopra and Co., Cost Accountant (Membership No. 42655), as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2021 on a remuneration of Rs. 25,000/- (Rupees Twenty five Thousand only) plus reimbursement of out of pocket expenses.

In accordance with the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the Cost Auditor is required to be ratified by the shareholders of the Company.

The Board recommends the aforesaid resolution for approval of the shareholders.

None of the Directors and key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the above resolution.

**By order of the Board  
For Jindal Cotex Limited**

**Place: Ludhiana (Sandeep Jindal)**

**Date: 4<sup>th</sup> December, 2020 Managing Director**

**DIN: 01639743**

#### Voting through electronic means;

1. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2015 as well as Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is providing facility to members to exercise their right to vote at the 23<sup>rd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

**The voting period begins on Saturday, 26<sup>th</sup> December, 2020, 9:00 A.M. and ends on Tuesday, 29<sup>th</sup> December, 2020, 05:00 P.M. During this period shareholders' as on the cut-off date Wednesday, 23<sup>rd</sup> December, 2020 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](http://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](http://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:

	<b>For Members holding shares in Demat and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>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 number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with Folio number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	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. <ul style="list-style-type: none"> <li>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).</li> </ul>

(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](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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 23<sup>rd</sup> December, 2020.
- 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

(Sandeep Jindal)

Date: 4<sup>th</sup> December, 2020

Managing Director

DIN: 01639743

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

Name of the Director	<b>Sandeep Jindal</b>
Date of Birth	02.03.1977
Date of Appointment	18.02.1998
Expertise in specific functional area	21 years of experience in various Business & Industries.
Qualification	Commerce Graduate
Directorship of other companies	<ul style="list-style-type: none"> <li>• Jindal Medicot Limited</li> <li>• Jindal Specialty Textiles Limited</li> <li>• Himachal Textile Park Limited</li> <li>• Jindal Holdings and Investment Limited</li> <li>• Jindal Info Media Pvt Ltd</li> <li>• Jindal International FZE</li> <li>• Jindal Cycles Private Limited</li> <li>• Jindal Technotex Limited</li> <li>• Jintex International DMCC</li> </ul>
Chairmanships/ Memberships of Committees of other companies	<ul style="list-style-type: none"> <li>• Jindal Specialty Textiles Limited</li> <li>1) Audit Committee, Chairman</li> <li>2) Nomination and Remuneration Committee, Member</li> <li>• Jindal Medicot Limited</li> <li>1) Audit Committee, Chairman</li> <li>2) Nomination and Remuneration Committee, Member</li> </ul>
Number of shares held	150630
Relationship with other Directors	Not related to any Director



**DIRECTORS' REPORT****Dear Members,**

The Directors of your Company have pleasure in presenting their 23<sup>rd</sup> Annual Report on the affairs of the company together with Audited Annual Accounts for the financial year ended 31st March, 2020.

**Financial Results (Rs. In Lacs)**

Particulars	2019-20	2018-19
Turnover	3287.31	8390.15
Other Income	829.19	915.06
Profit Before Depreciation, Interest, Tax & Exceptional items (PBDIT)	(42.14)	495.86
Interest and Financial Expenses	90.76	82.66
Profit Before Depreciation, Tax & Exceptional items (PBDT)	(132.90)	413.20
Depreciation	612.42	621.26
Profit Before Tax & Exceptional items (PBT)	(745.32)	(208.06)
Exceptional items	2244.04	1313.88
Profit Before Tax	1498.72	1105.82
Less- Provision for Tax (Including Deferred Tax)	---	--
Profit for the year (PAT)	1498.72	1105.82
Other Comprehensive Income	0.20	(0.20)
Add – Surplus brought forward From previous Year	---	--
Profit available for Appropriations	1498.92	1105.62

During the year under review, your company has achieved a total turnover of Rs. 32.87 Crores as against Rs. 83.90 Crores in the previous year. However, the company has suffered a loss before tax of Rs. 7.45 Crs as against Rs.2.08 Crs for the previous year before exceptional items on account of onetime settlement of some of the secured loans with their respective lenders.

The company has earned a profit after tax of Rs. 14.99 Crores as against Profit of Rs. 11.06 Crores in the previous year after exceptional items.

Since the date of default for repayment of loans to the secured lenders has become older than three years, the Debt payable by the Company to its secured lenders has, however, become barred by limitation.

The Unit 2 of the company situated at Village Mandiala Kalan, Bija, is operational with low capacity utilization due to financial constraints. However, Unit 1 of the company situated at Ludhiana remained closed during the year.

**Dividend**

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

**Transfer to Reserves**

The company has not transfer any amount to the general reserve.

**Nature of Business**

The company is engaged in the textiles business. During the year, under review, there was no change in the business of the company.

**Share Capital**

The paid up equity share capital of the company is Rs. 45.00 crore as at 31<sup>st</sup> March, 2020. There was no public

issue, right issue, bonus issue or preferential issue etc., during the year.

**Indian Accounting Standard (Ind AS)**

The financial results for the year 2019-20 have been prepared in accordance with Indian Accounting Standards ('Ind AS'), prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other recognized accounting practices and polices to the extent applicable.

**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.

**Detail of Subsidiary**

**Jindal International FZE** is 100% subsidiary of our company set up in free zone in UAE.

The company is engaged in the general trading activities.

The consolidated financial statements presented by the company include financial information of its subsidiary prepared in compliance with applicable Accounting Standards are attached to and form part of the Annual Report.

**Directors and Key Managerial Personnel**

The Board of Directors consists of four members, out of which one is executive and three are Independent directors. The Board also comprises of one woman director.

Sh. Sandeep Jindal (DIN: 01639743), director retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment as per the provisions of section 152(6) of the Companies Act, 2013. The Board has recommended his appointment to the members of the company at the ensuing Annual General Meeting.

During the year under review Mr. Rajesh Khanna and Mr. Anil Kumar, Independent 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.

Sh. Anil Kumar, Company Secretary had resigned from the post of Company Secretary and compliance officer of the company with effect from 14<sup>th</sup> June, 2019. The Board of Directors accepted his resignation and filed the eform DIR-12 with the Registrar of Companies. The management of the company is making all its efforts including advertisement in the newspaper to appoint new company secretary in his place.

**Number of Meetings of the Board**

The details of the number of meetings of the Board held during the Financial Year 2019-20 forms part of the Corporate Governance Report.

**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.

report thereon. The statutory report is self explanatory and hence does not call for any further comments.

#### **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.

#### **Separate Meeting of Independent Directors**

The company's Independent Directors met on 10<sup>th</sup> March, 2020 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 profit 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**

##### **a) Statutory Audit**

M/s. K R Aggarwal & Associates, Chartered Accountants, (Registration No. 030088N), were appointed as Statutory Auditors by the members of the company in the annual general meeting held on 29<sup>th</sup> day of September, 2018, on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors. Their appointment were subject to ratification by the Members at every subsequent AGM. Pursuant to the amendments made to Section 139 of the Act by the Companies (Amendment) Act, 2017, effective from May 07, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn. Hence the resolution seeking ratification of the Members for continuance of their appointment at this AGM is not being sought.

M/s. K R Aggarwal & Associates has audited the books of accounts of the company for the financial year ended 31<sup>st</sup> March, 2020 and issued Auditors

##### **b) Cost Audit**

As per the requirements of the Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company is required to maintain cost records and accordingly, such accounts are prepared every year. The Cost Audit Report for the year ended March 31, 2019 was filed with the Central Government. The Board of Directors, on the recommendation of Audit Committee, has re-appointed M/s. Gurvinder Chopra and Co., Cost Accountants (Firm Registration No. 100260) as Cost Auditor to audit the cost accounts of the Company for the Financial Year 2020-21. As required under the Act, a resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

##### **c) Secretarial Audit**

Pursuant to the provisions of Section 204 of the Act and rules made thereunder, the Company has appointed M/s. Reecha Goel & Associates, Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report forms an integral part of this 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**

The company had made default in the repayment of the fixed deposits received from the fixed deposit holders. Therefore, the Registrar of Companies, Chandigarh filed complaint with District and Sessions Court, SAS Nagar, Mohali (PB) on 17.07.2019, against the company and Key Managerial Personnel of the company for the said default.

#### **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 preceding financial years except previous year.

#### **Significant and Material Orders Passed by the Regulators/ Courts**

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

#### **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 registered 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 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](http://www.jindalcotex.com).

#### **Prevention of Sexual Harassment at Workplace**

The Company committed to provide a safe and conducive work environment to its employees including women, during the year under review. Your Directors further state that there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **Related Party Transactions**

The Related Party Transactions made during the financial year 2019-20 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.

#### **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 2019-20	Remuneration paid FY 2018-19	Increase in remuneration from previous year
1	Mr. Sandeep Jindal	MD	7,50,000	7,50,000	----
2	Mr. Anil Kumar	CS	1,63,625	7,24,020	---

#### **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 salient features of financial statement of Associates companies is annexed in Form AOC-1 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: 31<sup>st</sup> July, 2020**

**Place: Ludhiana**

**(Sandeep Jindal) (Kartar Chand Dhiman)**  
**Managing Director Director**

**DIN: 01639743**

**DIN: 05143805**

**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, 2020:-

**I. CONSERVATION OF ENERGY****FORM A**

PARTICULARS		UNIT	2019- 20	2018-19
<b>A</b>	<b>POWER &amp; FUEL CONSUMPTION</b>			
	a) Electricity purchased			
	Units	KWH in lacs	92.06	115.20
	Amount	Rs. In lacs	654.94	809.07
	Rate per unit	Rs. Per unit	7.11	7.02
	b) Own generation		----	----
	Through Diesel Generator	KWH In lacs	----	----
	Units per liter	Units	----	----
	Cost of Diesel/LDO	Rs. In lacs	----	----
	Rate per unit	Rs. Per unit	----	----
<b>B</b>	<b>CONSUMPTION PER UNIT OF PRODUCTION</b>		----	----
	Polyester Yarns/ Polyester Sewing Thread	KWH/Kg	5.79	4.31

**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 its unit, 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 : NIL**

**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 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 Independent Directors are professionals in their field and possess 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 of 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 10 (Ten) times on 23.04.2019, 18.05.2019, 30.05.2019, 14.06.2019, 08.07.2019, 14.08.2019, 31.08.2019, 14.11.2019, 14.02.2020 and 20.03.2020.

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	10	Yes	5	2
Ms. Alisha	Director	Non Executive, Independent	3	No	2	2
Sh. Kartar Chand Dhiman	Director	Non Executive, Independent	10	Yes	4	2
Sh. Kanik Sharma\$	Director	Non Executive, Independent	6	Yes	1	--
Sh. Rajesh Khanna*	Director	Non Executive, Independent	1	No	--	--
Sh. Anil Kumar*	Director	Non Executive, Independent	1	No	--	--

\*Sh. Rajesh Khanna and Sh. Anil Kumar has resigned from the directorship of the company with effect from 18<sup>th</sup> May, 2019.

\$Sh. Kanik Sharma was appointed as additional director of the company with effect from 8<sup>th</sup> July, 2019.

**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, 2020 :-**

Name of Directors	No. of Shares	% of total Equity Capital
Sh. Yash Paul Jindal	1978438	4.40
Sh. Sandeep Jindal	150630	0.33
Sh. Ramesh Jindal	2636008	5.86
Sh. Rajinder Jindal	2477052	5.50

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

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

During the year under review, the Audit Committee was reconstituted consequent upon the resignation given by Sh. Rajesh Khanna, Sh. Anil Kumar. The reconstituted Audit Committee comprises of the following Directors namely, Sh. Kartar Chand Dhiman, Sh. Kanik Sharma and Sh. Sandeep Jindal.



All members of audit committee have wide exposure and possess sound knowledge in the field of accounts, finance, audit etc. Sh. Kartar Chand Dhiman 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. The primary objective of the audit committee is to monitor and provide effective financial reporting process, with integrity and transparency. During the year 2019- 20, the members of Audit Committee met on four occasions 30.05.2019, 14.08.2019, 14.11.2019 and 14.02.2020. 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. Kartar Chand Dhiman	Non Executive and Independent Director	4
Sh. Sandeep Jindal	Executive Director	4
Sh. Kanik Sharma	Non Executive and Independent Director	3
Ms. Alisha	Non Executive and Independent Director	1

#### (B) Nomination and Remuneration Committee

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

The Nomination and Remuneration Committee shall determine qualifications, positive attitudes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key Managerial personnel and other employees. During the year, the Nomination and Remuneration Committee met on two occasions.

#### (C) Corporate Social Responsibility Committee

During the year under review, the Corporate Social Responsibility Committee was reconstituted consequent upon the resignation given by Sh. Rajesh Khanna, Sh. Anil Kumar. The reconstituted Corporate Social Responsibility Committee comprises of the following Directors namely, Sh. Sandeep Jindal, Sh. Kartar Chand Dhiman and Sh. Kanik Sharma.

Sh. Sandeep Jindal is the Chairman of the said Committee.

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

#### (D) Stakeholders Relationship Committee

During the year under review, the Stakeholders Relationship Committee was reconstituted consequent upon the resignation given by Sh. Rajesh Khanna, Sh. Anil Kumar. The reconstituted Stakeholders Relationship Committee comprises of the following Directors namely, Sh. Sandeep Jindal, Sh. Kartar Chand Dhiman and Sh. Kanik Sharma. Sh. Kartar Chand Dhiman is the Chairman of the said Committee. Further, Sh. Sandeep Jindal will be the compliance office of the said committee due to resignation of Sh. Anil Kumar, Company Secretary.

The Stakeholders Relationship Committee specifically looks into the redressal of shareholders/investor's complaints, if any, on non-receipt of annual report 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.

#### 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
30.09.2019 at 9.00 A.M.	2018-19	Regd. Office: V.P.O. Jugiana, G.T. Road, Ludhiana	1
29.09.2018 at 9.00 A.M.	2017-18		1
28.09.2017 at 9.00 A.M.	2016-17		Nil

The company has not passed any resolution through postal ballot during the last Annual General Meeting held on 30<sup>th</sup> September, 2019.

#### 5. Disclosures:

##### a. 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. 36 of the Audited Accounts of the company for the year ended 31<sup>st</sup> March, 2020. There were no material transactions during the year 2019-20 that are prejudicial to the interest of the company.

##### b. Disclosure of Accounting Treatment

The company has followed the guidelines as laid down by the Institute of Chartered Accountants of India (ICAI) while preparation of financial statements in accordance with Indian Accounting Standards ("Ind AS"), and referred section 133 of the Companies Act, 2013.

##### c. Detailed Management Discussion and Analysis Report have been included in this Annual Report.



- d. The company has complied with all the mandatory requirements of SEBI (LODR) Regulations, 2015 relating to Corporate Governance.

**6. Statutory Compliance, Penalties and Strictures:**

During the year under review, SEBI vide its order dated 24.08.2019 restrained the company and its Directors viz. Sh. Sandeep Jindal, Sh. Yash Paul Jindal and Sh. Rajinder Jindal from accessing the securities market directly or indirectly and further prohibited from any kind of buying selling or otherwise dealing in securities market including units of mutuals funds for a period of five years, on the violation of section 19 and other sections of the SEBI Act, 1992, in the matter of GDRs issued by the company on 30<sup>th</sup> June, 2010.

Further, SEBI vide its another order dated 23<sup>rd</sup> January, 2020, in the matter of GDRs issued, imposed penalty of Rs. 10,00,00,000/- (Rs. Ten crores only) on the company on the violations of various sections/regulations under the SEBI Act, 1992. SEBI also imposed penalty on the company of Rs. 15,00,000/- on the violation of section 21 of SCRA, 1956 read with Clause 36(7) of Listing Agreement and Rs. 15,00,000/- on the violation of section 21 of SCRA, 1956 read with Clause 32 and 50 of Listing Agreement.

SEBI also imposed penalty of Rs. 20,00,000/- on Sh. Sandeep Jindal, Managing Director and Rs. 10,00,000/- each on Sh. Yash Paul Jindal and Sh. Rajinder Jindal, directors of the company, on the violations of various sections/regulations under the SEBI Act, 1992.

**7. Means of Communication:**

The quarterly/annual results of the company have been forwarded to the Stock Exchanges, where the shares of the company are listed 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](http://www.jindalcotex.com).

**8. General Shareholders information:**

**a. 23<sup>rd</sup> Annual General Meeting**

Date : Wednesday, 30<sup>th</sup> December, 2020  
 Time : 9.30 A.M.  
 Place : Village Mandiala Kalan, P.O. Bija, Tehsil Khanna, District Ludhiana – 141412

**b. Financial Year** : 1<sup>st</sup> April to 31<sup>st</sup> March

**c. Listed on stock** : BSE Limited, Phiroze Jee Bhoj Towers, Dalal Street, Mumbai – 400 001

**Exchange** : National Stock Exchange of India Limited  
 Exchange Plaza, Bandra Kurla Complex,  
 Bandra (East), Mumbai – 400 051

(The company has not paid annual listing fees of both BSE Limited and National Stock Exchange of India Limited for the financial year 2020-21)

**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, 2019 to March, 2020 is given below:-

Month Particulars	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, 2019	4.60	3.89	4.49	-1.96	39487.45	38460.25	39031.55	0.92
May, 2019	4.27	3.15	3.59	-20.04	40124.96	36956.10	39714.20	1.75
June, 2019	3.75	1.92	2.31	-35.65	40312.07	38870.96	39394.64	-0.80
July, 2019	3.19	2.17	2.95	27.70	40032.41	37128.26	37481.12	-4.85
August, 2019	4.47	2.81	3.14	6.44	37807.55	36102.35	37332.79	-0.40
September, 2019	3.77	2.34	2.57	-18.15	39441.12	35987.80	38667.33	3.57
October, 2019	2.45	1.50	1.63	-36.57	40392.22	37415.83	40129.05	3.78
November, 2019	1.87	1.52	1.80	10.43	41163.79	40014.23	40793.81	1.65





December, 2019	2.27	1.80	1.90	5.55	41809.96	40135.37	41253.74	1.13
January, 2020	2.03	1.78	1.83	-3.68	42273.87	40476.55	40723.49	-1.29
February, 2020	1.90	1.68	1.90	3.82	41709.30	38219.97	38297.29	-5.96
March, 2020	1.99	1.90	1.90	--	39083.17	25638.90	29468.49	-23.05

**g. Share Transfer System:**

The company has appointed M/s. Bigshare Services Private Limited, RTA, 1<sup>st</sup> Floor, Bharat Tin Works Building, 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 where the shares of the company are listed and is also placed before the Board of Directors.

**h. Distribution Schedule as on 31/03/2020:**

No. of shares	No. of shareholders	% to total shareholders	No. of shares held	% to total shares held
Upto 500	5572	71.65	841739	1.87
501-1000	882	11.34	755682	1.68
1001-2000	502	6.45	794870	1.77
2001-3000	224	2.88	580843	1.29
3001-4000	112	1.44	403945	0.90
4001-5000	112	1.44	538563	1.20
5001-10000	160	2.06	1235337	2.75
Above 10000	213	2.74	39852161	88.55
<b>Total</b>	<b>7777</b>	<b>100</b>	<b>45003140</b>	<b>100</b>

**i. Shareholding Pattern as on 31/03/2020:**

Category	No. of shares held	% to paid up share capital
Promoter and Promoter Group	9473399	21.05
Financial Institutions	674	0.00
Foreign Portfolio Investors	265600	0.59
Foreign Institutions Investors	6722000	14.94
Bodies Corporate	3065043	6.81
Clearing Member	3215197	7.14
NRI	163118	0.36
Public (Individual)	22098109	49.10
<b>TOTAL</b>	<b>45003140</b>	<b>100</b>

**j. Dematerialization of Shares and Liquidity:**

As on 31st March, 2020, 100% of the equity capital was in dematerialized form with NSDL and CDSL. The shares of the company were traded on BSE Limited and National Stock Exchange of India Limited but due to non payment of Annual Listing fees for the past few years to both the Stock Exchanges, the trading of the equity shares has been suspended with effect from 12th March, 2020 on these Stock Exchanges. Further, due to non payment of annual listing fees, demat accounts of the promoters of the company and their relatives had also been frozen.

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

The company has not issued any GDRs/ADRs during the year under review.

**l. Plant Locations:-**

- VPO Jugiana, Ludhiana (Punjab)
- Village Mandiala Kalan, Bija, (Punjab)
- Wind Mill – J – 289, Village Pithla, Jaisalmer (Rajasthan)

**m. Corporate and Registered Office:**

Village Mandiala Kalan,  
P.O. Bija, Tehsil Khanna,  
District Ludhiana-141412  
Ph: 01628 – 289842  
Email ID: [cs@sjgroup.in](mailto:cs@sjgroup.in)  
Website: [www.jindalcotex.com](http://www.jindalcotex.com)  
CIN NO: L17115PB1998PLC021084

**n. Registrar and Transfer Agent:**

Bigshare Services Private Limited  
1<sup>st</sup> 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](mailto:info@bigshareonline.com)

**o. Compliance Officer:**

Sh. Sandeep Jindal,  
Managing Director

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The management discussion and analysis presents the Industry overview, opportunities, threats and overall strategy of the company and its future outlook.

**Industry structure & Outlook**

India's textiles industry is among the oldest industries in the country. It accounts for 14% of the industry output and is one of the largest contributors to the economy. After agriculture, it is the second largest generator of income, employing close to 40 million people.

During the year under review the textile industry has been adversely impacted due to lockdown and lower consumer spends. The sector is reeling under liquidity and cost pressure as well due to the unprecedented damage caused by COVID-19. The performance of your company has been badly affected by slow down in the production due to low capacity utilisation and the margins have been under pressure due to the liquidity crunch and fluctuation in the prices of raw materials etc.

However, the future outlook of the Indian Textile Industry looks optimistic as the Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route.

**Financial Analysis**

During the year under review your company had achieved a turnover of Rs. 32.87 Crores against the last year turnover of Rs. 83.90 Crores. Your Company has earned a net profit of Rs. 14.98 crore as against a profit of Rs. 11.05 crore during the last year.

**Financial Analysis and Review of operations**

(On standalone basis):

**Product wise performance**

(Rs. in lacs)

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	Qty	Sales amount	As % to total sales	Qty	Sales amount	As % to total sales
<b>Textiles</b>						
Yarn (in MT.)	1622.86	3009.82	91.56	3,003.45	4,773.44	56.89
Fabrics (in MT.)				75.11	108.84	1.30
Fibre (in MT.)				23.48	22.71	0.27
Polyster Waste (in MT.)	53.70	10.28	0.31	85.39	30.35	0.36
<b>Total (A)</b>		<b>3020.10</b>	<b>91.87</b>		<b>4935.34</b>	<b>58.82</b>
<b>Trading</b>						
Flex Sheet (in Sq. meter)	32,635	26.51	0.81	90,681	20.06	0.24
Knitted Cloth (in Sq. meter)				3,54,240	26.50	0.32
Fabrics (in MT.)				673.99	540.05	6.44
PVC (in MT.)				2,074.45	1,864.40	22.22
Chemicals (in MT.)	280.01	240.70	7.32	792.05	950.33	11.33
<b>Total (B)</b>		<b>267.21</b>	<b>8.13</b>		<b>3,401.34</b>	<b>40.54</b>
<b>Wind Mill</b>						
Elect. Sales					53.48	0.64
<b>Total (C)</b>					<b>53.48</b>	<b>0.64</b>
<b>Total (A+B+C)</b>		<b>3287.31</b>	<b>100</b>		<b>8,390.16</b>	<b>100</b>

**Financial Analysis**

➤ **Revenue Break – up:**

(Rs. In lacs)

Particulars	2019-20	% to total income	2018-19	% to total income
Sales	3287.31	79.86	8390.15	90.17
Other Income	829.19	20.14	915.06	9.83
<b>Total Income</b>	<b>4116.50</b>	<b>100.00</b>	<b>9305.21</b>	<b>100.00</b>

The net turnover of the company has been decreased to Rs. 3287.31 lacs in the year 2019–20 as against Rs. 8390.15 lacs in the previous year.

**➤ Profitability/Losses**

(Rs. in lacs)

Particulars	2019-20	% of turnover	2018-19	% of turnover
Profit Before Depreciation, Interest, Tax & Exceptional items (PBDIT)	(42.14)	(1.28)	495.86	5.91
Interest and Financial Expenses	90.76	2.76	82.66	0.99
Profit Before Depreciation ,Tax & Exceptional items (PBDT)	(132.90)	(4.04)	413.20	4.92
Depreciation	612.42	18.63	621.26	7.40
Profit Before Tax & Exceptional items (PBT)	(745.32)	(22.67)	(208.06)	(2.48)
Exceptional items	2244.04	68.26	1313.88	15.66
Profit Before Tax	1498.72	45.59	1105.82	13.18
Less– Provision for Tax (Including Deferred Tax)	--	-	--	-
Profit for the year (PAT)	1498.72	45.59	1105.82	13.18
Other Comprehensive Income	0.20	(0.00)	(0.20)	(0.00)
Add – Surplus brought forward from previous Year	--	-	--	-
Profit available for Appropriations	1498.92	45.60	1105.62	13.18

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

The gross fixed assets(including work-in-progress & capital advances) as at 31st March, 2020 are Rs.14225.53 lacs (14352.98 lacs in the previous year). The net fixed assets (including work-in-progress & capital advances) as on 31st March, 2020 are Rs. 5961.91 lacs as compared to Rs. 6617.58 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. 753.69 lacs in the year 2019-20 as against Rs. 1370.82 lacs in the previous year. Inventory level is at Rs. 111.24 lacs in the year 2019-20 as against Rs. 212.91 lacs in the previous year. Cash and cash equivalents increased from Rs. 13.88 lacs in the year 2018-19 to Rs. 17.94 lacs in the year 2019-20.

**Risk and Concerns**

Risks are an integral part of the growth of a business. However, to effective risk management framework helps the organisation in mitigating the risks effectively and ensure business sustainability. The company is mitigating all these risks through internal as well as external audits.

**Internal Control and their Adequacy**

The company has a proper and adequate system of internal controls commensurate with its size to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly.

The company has continuing formulating and reviewing its plans to ensure adequacy of the internal control system, adherence to the management decisions and legal compliances. The company uses ERP (Enterprise Resource Planning) system to record data for accounting.

**Health, safety and environment**

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, and preservation of natural resources

During the year, your Company continued generating interest among staff and labour for maintaining hygienic and green surrounding. More emphasis is given to cleanliness, workplace and good house-keeping.

**Material Development in terms of Human Resources**

The company believes that employees are the real strength of organization. The Company has identified Human Resources Development as a major strategic initiative since it believes that people contribution will be the main engine for growth of the company. The company has taken lot of efforts to train its employees include building skills, attracting and retaining talent and nurturing and developing leadership potential. Industrial relations during the year remained cordial and initiative were taken to enhance productivity of employees.

**Cautionary Statement**

Statement in the Management Discussion and Analysis describing the Company's objectives, projects, estimates, expectations may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference of the Company's operation include economic conditions affecting demand changes in Government policies/regulations, tax law and other statutes 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, 2020 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 K. R. Aggarwal & Associates,**

**Chartered Accountants,**

**Firm Regn. No. : 030088N**

**(Kanika)**

**Partner**

**M. No. 539337**

**Date: 31<sup>st</sup> July, 2020**

**Place: Ludhiana**

**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: 31<sup>st</sup> July, 2020**

**Place: Ludhiana**

**(Sandeep Jindal)**

**Managing Director**

**DIN: 01639743**



**EXTRACT OF ANNUAL RETURN  
As at the end of financial year 31.03.2020****FORM MGT-9**

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

**I. 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	:	Village Mandiala Kalan, P.O. Bija, Tehsil Khanna, District Ludhiana-141412 cs@sjgroup.in Ph : 01628-289842
vi	Whether listed company	:	Yes
vii	Name, Address & contact details of the registrar & transfer agent, if any	:	Bigshare Services Private Limited, 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400059 - Maharashtra

**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 of textiles	91.87

**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	Himachal Textiles Park Ltd.	Upmahal, Ramnagar, VPO Thathal, Tehsil Amb, District Una, H.P.	U74990HP2009PLC031264	Associates	23.29
2	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	
<b>A Promoter</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	9473399	0	9473399	21.05	9473399	0	9473399	21.05	0
(b) Central Government	0	0	0	0	0	0	0	0	0
© State Government	0	0	0	0	0	0	0	0	0
(d) Bodies Corporate	0	0	0	0	0	0	0	0	0
(e) FI/Banks	0	0	0	0	0	0	0	0	0
(f) Any other	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	
<b>Sub Total(A)(1)</b>	9473399	0	9473399	21.05	9473399	0	9473399	21.05	0
<b>(2) Foreign</b>									
(a) Individual/HUF	0	0	0	0	0	0	0	0	0
(b) Central Government	0	0	0	0	0	0	0	0	0
© State Government	0	0	0	0	0	0	0	0	0
(d) Bodies Corporate	0	0	0	0	0	0	0	0	0
(e) FI/Banks	0	0	0	0	0	0	0	0	0
(f) Any other	0	0	0	0	0	0	0	0	0
<b>Sub Total(A)(2)</b>	0	0	0	0	0	0	0	0	0



<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	9473399	0	9473399	21.05	9473399	0	9473399	21.05	0
<b>B Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds/ UTI	0	0	0	0	0	0	0	0	0
b) FI/Banks	0	0	0	0	674	0	674	0	0
c) Central Government	0	0	0	0	0	0	0	0	0
d) State Government	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) Foreign Institutional Investors	6722000	0	6722000	14.94	6722000	0	6722000	14.94	0
h) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
i) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
j) Foreign Portfolio Investors	265600	0	265600	0.59	265600	0	265600	0.59	0
h) Any Other (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B)(1)</b>	6987600	0	6987600	15.53	6988274	0	6988274	15.53	0
<b>2. Non- Institutions</b>									
a) Bodies Corporate	10745361	0	10745361	23.88	3065043	0	3065043	6.81	(17.07)
b) Individuals									
Individuals - i. Individual shareholders holding nominal share Capital up to Rs 1 lakh	4623792	5	4623797	10.27	4799297	25	4799322	10.66	0.39
ii. Individual shareholders holding nominal share Capital in excess of Rs. 1 lakh.	11986575	0	11986575	26.63	16503529	0	16503529	36.67	10.04
c) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
d) i) Hindu Undivided Family	694865	0	694865	1.54	784162	0	784162	1.74	0.20
ii) Clearing Member	303596	0	303596	0.67	3215197	0	3215197	7.14	6.47
iii) Employee	0	0	0	0	0	0	0	0	0
iv) Trust	0	0	0	0	0	0	0	0	0
v) Foreign Nationals									
vi) Non resident Indian (NRI)	176851	0	176851	0.39	163118	0	163118	0.36	(0.03)
vii) Non resident Indian (Repat)	0	0	0	0	0	0	0	0	0
viii) Non resident Indian (Non Repat)	0	0	0	0	0	0	0	0	0
ix) Overseas Bodies Corporates	11096	0	11096	0.02	11096	0	11096	0.02	0
<b>Sub-Total (B)(2)</b>	28542136	5	28542141	63.42	28541442	25	28541467	63.42	0.00
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	35529736	5	35529741	78.95	35529716	25	35529741	78.95	0.00
<b>TOTAL (A)+(B)</b>	45003135	5	45003140	100	45003115	25	45003140	100	0
<b>C Shares held by Custodians for GDRs</b>									
i) Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
ii) Public	0	0	0	0	0	0	0	0	0
<b>Grand Total (A)+(B)+(C)</b>	45003135	5	45003140	100	45003115	25	45003140	100	0



**(ii) SHAREHOLDING OF PROMOTERS**

S No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Ramesh Kumar Jindal	2636008	5.86	5.86	2636008	5.86	5.86	0.00
2	Rajinder Kumar Jindal	2477052	5.50	5.50	2477052	5.50	5.50	0.00
3	Yash Paul Jindal	1978438	4.39	4.39	1978438	4.39	4.39	0.00
4	Sandeep Jindal*	150630	0.33	0.33	150630	0.33	0.33	0.00
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	0	0.00	0.00	0	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
12	Yash Paul Jindal & Sons (HUF)	262642	0.58	0.00	262642	0.58	0.00	0.00
13	Sandeep Jindal & Sons (HUF)	295759	0.66	0.00	295759	0.66	0.00	0.00
	<b>TOTAL</b>	<b>9473399</b>	<b>21.05</b>	<b>19.77</b>	<b>9473399</b>	<b>21.05</b>	<b>19.77</b>	<b>0.00</b>

**iii) CHANGE IN PROMOTERS' SHAREHOLDING (Please specify if there is no change)**

S No.	Particular	No. of shares held at the beginning of the year			Cumulative shareholding during the year	
		Reasons for increase/decrease	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year					
			NIL	NIL		
	At the end of the year					

**(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 (01.04.2019) to (31.03.2020)	
		No. of shares held at the beginning of the year (01.04.2018) end of the year (31.03.2019)	% of total shares of the company				No. of Shares	% of total shares of the company
1	Shriram Insight Share Brokers Ltd	5936914	13.19	01.04.2019				
				10.05.2019	865241	Trf	6802155	15.11
				17.05.2019	-53463	Trf	6748692	15.00
				24.05.2019	45033	Trf	6793725	15.10
				31.05.2019	24967	Trf	6818692	15.15
				07.06.2019	52026	Trf	6870718	15.27
				14.06.2019	-61130	Trf	6809588	15.13
				21.06.2019	-15896	Trf	6793692	15.10
				09.08.2019	-190	Trf	6793502	15.10
				30.08.2019	-3671538	Trf	3121964	6.94
				20.09.2019	3959	Trf	3125923	6.95
				21.02.2020	10	Trf	3125933	6.95
				28.02.2020	-10	Trf	3125923	6.95
				31.03.2020			3125923	6.95
2	Clareville Capital Opportunities Master Fund Ltd	4475000	9.94	01.04.2019		Nil	4475000	9.94
				31.03.2020				
3	Avtar India Opportunities	2247000	4.99	01.04.2019		Nil	2247000	4.99
				31.03.2020				



	Fund							
4	Khushru Dali Petigara	1984045	4.41	01.04.2018 31.03.2019		Nil	1984045	4.41
5	Swing Infraspac Private Limited	510000	1.13	01.04.2019 30.08.2019	888500	Trf	1398500	3.11
				31.03.2020			1398500	3.11
6	Jigneshbhai Hiralal Shah	58000	0.13	01.04.2019 10.05.2019 23.08.2019 30.08.2019	-58000 446480 773038	Trf Trf Trf	0 446480 1219518	0.00 0.99 2.71
				31.03.2020			1219518	2.71
7	Hiral Anand Karbhari	1150000	2.56	01.04.2019 31.03.2020		Nil	1150000	2.56
8	Nupur Anil Shah	0	0.00	01.04.2019 30.08.2019	1125000	Trf	1125000	2.50
				31.03.2020			1125000	2.50
9	Anand Rathi Global Finance Ltd	917276	2.04	01.04.2019 23.08.2019	-446480	Trf	470796	1.05
				31.03.2020			470796	1.05
10	Sapan Anil Shah	0	0.00	01.04.2019				
				30.08.2019	885000	Trf	885000	1.97
				31.03.2020			885000	1.97

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

S No.	For each of the Directors of the Company and KMP	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
	<b>At the beginning of the year</b>				
1	Mr. Sandeep Jindal, Managing Director	150630	0.33		
2	Mr. 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.)	NIL			
	<b>At the end of the year</b>				
1	Mr. Sandeep Jindal, Managing Director			150630	0.33
2	Mr. Anil Kumar Company Secretary			NIL	NIL

**VI) Indebtedness**

(Rs. In lacs)

Indebtedness of the company including interest outstanding/accrued but not due for payment				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	22869.73	1515.74	1226.64	25612.11
ii) Interest due but not paid	--	--	518.93	518.93
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	22869.73	1515.74	1745.57	26131.04
Change in Indebtedness during the financial year				
Additions	--	--	--	--
Reduction	(4089.46)	(85.75)	(17.64)	(4192.85)
Net Change	(4089.46)	(85.75)	(17.64)	(4192.85)
Indebtedness at the end of the financial year				



i) Principal Amount	18780.27	1429.99	1209.00	21419.26
ii) Interest due but not paid	--	--	518.93	518.93
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>18780.27</b>	<b>1429.99</b>	<b>1727.93</b>	<b>21938.19</b>

\* Advances paid to ARC's have not been reduced from the figures shown above.

#### VII). 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	Total
1	Gross salary	7,50,000	7,50,000
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,50,000	7,50,000
	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)	7,50,000	7,50,000

#### B) Remuneration to Other Directors

S. No.	Particulars of Remuneration			
1	<b>Independent Directors</b>	<b>Kartar Chand Dhiman</b>	<b>Kanik Sharma</b>	<b>Alisha</b>
	Fee for attending board committee meeting			
	Commission			
	others, please specify			
	<b>Total (1)</b>			
2	<b>Other Non-Executive Directors</b>			
	Fee for attending board committee meeting			
	Commission			
	others, please specify			
	<b>Total (2)</b>			

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

S. No.	Particulars of Remuneration	Key Managerial Personnel	
		Anil Kumar, CS	Total
1	Gross salary	1,63,625	1,63,625
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,63,625	1,63,625
	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)	1,63,625	1,63,625



**VII) Penalties/ Punishment / Compounding Offences:**

Type	Section of the Companies Act	Brief Description	Detail of Penalty/ Punishment/ Compounding fees Imposed	Authority (RD /NCLT/ Court)	Appeal made if any (give details)
<b>a) Company</b>					
Penalty Punishment Compounding		In the matter of Fixed deposits received by the company from the public, the Registrar of Companies, Chandigarh has filed a complaint against the company and its KMP with District and Sessions Court, at Mohali for non-compliance of the order passed by Hon'ble Company Law Board, New Delhi, regarding repayment of fixed deposits. In the matter of GDR issued by the company on 30th June, 2010, SEBI under section 12A (a), (b), (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(f), (k), (r) of PFUTP Regulations, imposed penalty of Rs. 10,00,00,000/- (Rupees Ten Crore Only) under penal provisions of Section 15HA of the SEBI Act, 1992. SEBI under section 21 of SCRA, 1956 read with Clauses 36(7) of Listing Agreement (3 instances) imposed penalty of Rs. 15,00,000/- (Rupees Fifteen Lakh Only) under penal provisions of Section 23E of the SCRA, 1956. SEBI under section 21 of SCRA, 1956 read with Clauses 32 and 50 of Listing Agreement (1 instance) and under section 21 of SCRA, 1956 read with Clause 50 of Listing Agreement (2 instances) imposed penalty of Rs. 15,00,000/- (Rupees Fifteen Lakh Only) under penal provisions of Section 23E of the SCRA, 1956.			
<b>b) Directors</b>					
Penalty Punishment Compounding		In the matter of GDR issued by the company, SEBI under section 12A(a), (b), (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c), (d) and 4(1) of PFUTP Regulations, imposed penalty of Rs. 20,00,000/- (Rupees Twenty Lakh Only) on Sh. Sandeep Jindal, Managing Director and Rs. 10,00,000/- (Rupees Ten Lakh Only) each on Sh. Rajinder Jindal and Sh. Yash Paul Jindal, former Directors of the company under section 15HA of the SEBI Act, 1992.			
<b>c) Other Officers in default</b>					
Penalty Punishment Compounding			None		

Place: LUDHIANA  
Date: 31<sup>st</sup> July, 2020(Kartar Chand Dhiman)  
Director  
05143805By order of the Board  
For Jindal Cotex Limited  
(Sandeep Jindal)  
Managing Director  
01639743

**SECRETARIAL AUDIT REPORT**

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 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31<sup>st</sup> March, 2020 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;
- Delay in filing of (a) Statement of Investor complaints for the quarter ended 31st December, 2019, (b) Shareholding Pattern for the quarter ended 31st December, 2019 and (c) Annual Report for the year ended 31.03.2019 with stock exchanges where the company is listed.
- non-compliance of order passed by Hon'ble Company Law board, New Delhi, regarding repayment of fixed deposits accepted by the Company. The Registrar of Companies has filed a complaint in this regard with District and Sessions Court, Mohali.
- non-compliance in respect of appointment of CS and CFO.
- trading of the equity shares has been suspended with effect from 12th March, 2020 on the Stock Exchanges i.e. BSE and NSE for non payment of Annual Listing fees for the past few years.
- Penalty of Rs. 10,00,00,000/- (Rupees Ten Crore Only) imposed under penal provisions of Section 15HA of the SEBI Act, 1992.
- Penalty of Rs. 15,00,000/- (Rupees Fifteen Lakh Only) imposed under penal provisions of Section 23E of the SCRA, 1956 under Section 21 of SCRA, 1956 read with Clause 36(7) of Listing Agreement.
- Penalty of Rs. 15,00,000/- (Rupees Fifteen Lakh Only) imposed under penal provisions of Section 23E of the SCRA, 1956 under Section 21 of SCRA, 1956 read with Clauses 32 and 50 of Listing Agreement.



- The company and its promoter directors viz. Sh. Sandeep Jindal, Sh. Yash Paul Jindal and Sh. Rajinder Jindal have been restrained from accessing the securities market directly or indirectly and further prohibited from any kind of buying, selling or otherwise dealing in securities market including units of mutual funds for a period of five years from order dated 24.08.2019.

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. There is no change in the composition of the Board of Directors during the period under review

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

CP No. : 7012

Place: Ludhiana

Date : 31<sup>st</sup> July, 2020

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

#### **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

Place: Ludhiana

Date: 31<sup>st</sup> July, 2020

**Form AOC-2****As on 31.03.2020**

(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:**

<b>S. No.</b>	<b>Particulars</b>	<b>Details</b>
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)	Salient 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:**

<b>S. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name(s) of the related party & nature of relationship	Details of Related Party Transactions are disclosed in note No. 34 of the Financial Statements
b)	Nature of contracts/arrangements/transaction	
c)	Duration of contracts/arrangements/transaction	
d)	Salient terms of the contracts/arrangements/transaction including the value, if any	
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 Ind AS financial statements****Opinion**

We have audited the accompanying Standalone Ind AS financial statements of **JINDAL COTEX LTD.** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

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 Companies Act 2013 in the manner so required and give a true and fair view except for the matter given in Emphasis of matter paragraph, in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2020, and its Profit and Loss (including other comprehensive income), Cash Flow Statement and statement of changes in equity for the year ended.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**We draw attention to the following:

1. In the absence of balance confirmations of Trade receivables, Trade payables and Loans, Advances, the impact on the financial statements is not ascertainable.
2. Since the accounts of the Company have declared NPA with all the banks/financial institutions, no balance confirmation is thus available since their declaration as NPA.
3. The Company has various statutory liabilities outstanding since long as on 31/03/2020 being Vat, CST, ESI, EPF etc.
4. The Company is in the process of challenging the SAT order in response to SEBI order WTM/AB/EFD-1/DRA-1/04/2019-2020 dated 24/04/2019 barring the Company and its directors from accessing the securities market and further prohibit them from buying, selling or otherwise dealing in securities (including unit of mutual funds), directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of five years.
5. Ind AS on unquoted investments in wholly owned subsidiary and other and on capital advance have not been applied by the company, so we are unable to

comment upon the effects of the same on the financial statements.

6. Stock is subject to confirmation from management. We have not physically verified the same.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matters described in emphasis of matter section we have determined that there are no other key audit matters to communicate in our report.

**Information other than the financial statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management and Those Charged with Governance's Responsibility for the Standalone Ind AS 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 Companies (Indian Accounting Standards) Rules, 2015.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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



**Auditors' Responsibility**

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were

of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**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) Except for the matters described in the Emphasis of matter section, 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, except for the matters as stated in the Emphasis of matter section, 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this report are in agreement with the books of account.
- d) Except for the matters stated in the Emphasis of matter section, there is no any other observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company;
- e) Except for the matters stated in the Emphasis of matter section, there is no any other qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;
- f) In our opinion, except for the matters stated in the Emphasis of matter section, the aforesaid standalone Ind AS financial statements comply with the applicable Indian Accounting Standards specified under Section 133 of the Act.
- g) On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
- h) 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
- i) 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 has disclosed the impact of pending litigations on its financial position in its standalone IND AS financial statements
  - ii. 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.
  - iii. 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.

For K.R. Aggarwal & Associates

**Chartered Accountants**

FRN: 030088N

KANIKA

**(Partner)**

Place: Ludhiana

Date: 31/07/2020

Membership No: 39337

UDIN:

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

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) According to the information and explanation given to us the company has a regular program of physical verification of fixed assets by which all fixed assets are verified. However, no such report of physical verification of fixed assets done by the company has been provided to us.
- c) According to information and explanation given to us, the title deeds of immovable Properties are held in the name of the company. However, none is made available to us as they are pledged with the financial institutions.

### **II In respect of Inventories: -**

- a) According to information and explanations given to us, the inventories have been physically 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. However, no such report was made available to us.
  - c) The company has maintained proper records of inventory. As explained to us, the discrepancies noticed on physical verification were not material. However, the discrepancies noticed have been properly dealt with in the books of account.
- III. According to the information and explanations given to us, the Company has not granted secured or unsecured loans to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. There are however, outstanding loans and advances to the tune of Rs. 204.79 crores as on 31.03.20 the terms and conditions of which are not specified and hence we are unable to comment 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.

- 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 during the Year. 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 (l) 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 Custom Duty, Goods and Service tax, and other material statutory dues, as applicable, with the appropriate authorities in India. Vat 87,91,536/-, PF Payable 58,92,380/- ESI Payable 1,342,804/-
- (b) According to the information and explanation given to us and based on the records of the company examined by us, there are no dues of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty and other material statutory dues which have not been deposited on account of any disputes.
- 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 advances from the company and have started recovery proceedings under SARFAESI ACT, 2002.
- 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. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- XI. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- XII. In 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 In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of



related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

- XIV. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- XV. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- XVI. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

#### **Annexure – B to Independent Auditors' Report**

**(Referred to in our report of even date)**

#### **Report on the Internal Financial Controls under Clause (j) 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, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

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 Ind AS 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 Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with Authorizations of management and directors of the company; and (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 Ind AS 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 to the best of our information and according to the explanations given to us, the company has Except for the matters described in the Emphasis of matter section in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K.R. Aggarwal & Associates

**Chartered Accountants**

FRN: 030088N

KANIKA

**(Partner)**

Place: Ludhiana

Date: 31/07/2020

Membership No: 539337

UDIN:

**CASH FLOW STATEMENT AS AT 31.03.2020**

PARTICULARS	(Rs. in Lakhs)	
	Current Year	Previous Year
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and Extra Ordinary Activities	1,498.90	1,105.62
Adjustment For: -		
Depreciation	612.43	621.26
Interest Received	(829.19)	(752.90)
Finance Cost	90.76	82.66
Loss on Sale of Fixed Assets	30.17	-
Prior Period Expense	-	-
Sub Total	(95.83)	(48.98)
<b>A. Operating Profit before working capital Changes</b>	<b>1,403.07</b>	<b>1,056.64</b>
Adjustment For		
Trade Receivables	617.13	(284.75)
Inventories	101.67	(19.53)
Increase /Decrease in current tax asset	(0.46)	0.98
Increase /Decrease in other current assets	61.55	4,000.01
Increase /Decrease in current financial loans	(0.21)	(99.80)
Increase /Decrease in other non current assets	878.36	498.30
Increase /Decrease in Current financial loans	(0.05)	(1.04)
Increase /Decrease in Non current financial loans	(727.73)	(3,775.09)
Increase /Decrease in Other Current financial Assets	-	393.27
Increase /Decrease in other current financial Liabilities	(95.41)	(588.04)
Increase /Decrease in other current Liabilities	(30.97)	(39.12)
Increase /Decrease in other current provision	(3.99)	(25.16)
Increase /Decrease in Trade Payables	(443.52)	(133.58)
Increase /Decrease in other Non current financial Liabilities	70.46	63.30
Increase /Decrease in other Non current Liabilities	(81.81)	(81.58)
Sub Total	345.02	(91.82)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>1,748.10</b>	<b>964.81</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(6.07)	(216.74)
Sale of Fixed Assets	19.15	134.07
Interest Received	829.19	752.90
Sub Total	842.27	670.24
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>842.27</b>	<b>670.24</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings/ Financial Liability	(2,492.85)	(1,586.57)
Finance Cost	(90.76)	(82.66)
Sub Total	(2,583.62)	(1,669.23)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(2,583.62)</b>	<b>(1,669.23)</b>
Net increase/(decrease) in cash & Cash equivalents (A+B+C)	6.77	(34.19)
Cash and Cash Equivalent at beginning of year	13.88	48.06
Cash and Cash Equivalent at the end of year	20.64	13.87

Significant Accounting Policies and Notes to Accounts 1 to 40

For and on behalf of the Board

As per our report of even date attached  
For K R Aggarwal & Associates  
Chartered Accountants  
FRN NO. 030088NSandeep Jindal                      Kartar Chand Dhiman  
Managing Director                      Director  
DIN 01639743                      DIN 05143805(KANJIKA)  
PARTNER  
M.NO. 539337PLACE : LUDHIANA  
DATE : 31.07.2020



**BALANCE SHEET AS AT 31ST MARCH 2020**

(Rs. in Lakhs)			
PARTICULARS	NOTE NO.	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
a)Property, Plant and Equipment	2	5,960.91	6,615.79
b)Other Intangibles assets	2	1.00	1.80
c)Financial Assets			
i) Investments	3	233.71	233.50
ii) Loans	4	10,825.15	10,097.42
iii) Other Financial assets	5	3.39	3.39
d)Other non current assets	6	6,512.15	7,390.51
<b>Total</b>		<b>23,536.31</b>	<b>24,342.41</b>
<b>Current assets</b>			
a)Inventories	7	111.24	212.91
b)Financial Assets			
i)Trade receivable	8	753.69	1,370.82
ii)Cash and cash equivalents	9	17.94	13.88
iii)Other bank balances	10	2.70	-
iv)Loans	11	1.25	1.20
v)Other financial assets	12	-	-
c)Current tax assets	13	1.14	0.68
d)Other current assets	14	1,578.88	1,640.43
<b>Total</b>		<b>2,466.84</b>	<b>3,239.92</b>
<b>Total Assets</b>		<b>26,003.15</b>	<b>27,582.34</b>
<b>EQUITY AND LIABILITIES</b>			
a)Equity Share Capital	15	4,500.31	4,500.31
b)Other Equity	16	(1,118.90)	(2,617.79)
<b>Total</b>		<b>3,381.41</b>	<b>1,882.52</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
a)Financial Liabilities			
i)Borrowings	17	21,598.19	24,091.04
ii)Other Financial Liabilities	18	(926.13)	(996.59)
b)Other non current liabilities	19	571.53	653.34
<b>Total</b>		<b>21,243.59</b>	<b>23,747.79</b>
<b>Current liabilities</b>			
a)Financial Liabilities			
i)Trade payables	20	789.49	1,233.01
ii)Other Financial Liabilities	21	51.20	146.61
b)Other current liabilities	22	521.11	552.08
c)Provisions	23	16.33	20.33
<b>Total</b>		<b>1,378.13</b>	<b>1,952.03</b>
<b>Total Equity and Liabilities</b>		<b>26,003.15</b>	<b>27,582.34</b>

Significant Accounting Policies and Notes to Accounts 1 to 40

For and on behalf of the Board

As per our report of even date attached  
For K R Aggarwal & Associates  
Chartered Accountants  
FRN NO. 030088NSandeep Jindal  
Managing Director  
DIN 01639743Kartar Chand Dhiman  
Director  
DIN 05143805(KANIKA)  
PARTNER  
M.NO. 539337PLACE : LUDHIANA  
DATE : 31.07.2020

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDING 31st MARCH 2020**

			(Rs. in Lakhs)	
Particulars		Notes	31-03-2020	31-03-2019
I	Revenue from Operations	24	3,287.31	8,390.15
II	Other Income	25	829.19	915.06
<b>III</b>	<b>Total income(I+II)</b>		<b>4,116.50</b>	<b>9,305.21</b>
<b>IV</b>	<b>EXPENSES</b>			
	Cost of materials consumed	26	1,538.06	2,974.83
	Purchases of stock-in-trade	27	482.46	3,506.31
	Change in inventories of finished goods, stock in trade and work -in-progress	28	109.93	(80.61)
	Employee benefit expense	29	291.18	332.23
	Finance costs	30	90.76	82.66
	Depreciation and amortisation expense	2	612.43	621.26
	Other expenses	31	1,737.01	2,076.59
	<b>Total expenses(IV)</b>		<b>4,861.83</b>	<b>9,513.27</b>
V	Profit/(loss) before exceptional items and tax (III-IV)		(745.34)	(208.06)
VI	Exceptional items	32	2,244.04	1,313.88
VII	Profit/(loss) before tax		1,498.70	1,105.82
VIII	Tax expense			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
<b>IX</b>	<b>Profit/(loss) for the period (VII-VIII)</b>		<b>1,498.70</b>	<b>1,105.82</b>
<b>X</b>	<b>Other Comprehensive Income</b>			
	Items that will not be reclassified to profit or loss			
	(i) Net (loss)/gain on FVOCI equity securities		0.20	(0.20)
	(ii) Income tax effect			
<b>XI</b>	<b>Total other comprehensive income</b>		<b>0.20</b>	<b>(0.20)</b>
<b>XII</b>	<b>Total Comprehensive Income for the period (IX+XI)(Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>1,498.90</b>	<b>1,105.62</b>
<b>XIII</b>	<b>Earnings per equity share (Basic and diluted )</b>			
	(1) Basic		3.33	2.46
	(2) Diluted		3.33	2.46

Significant Accounting Policies and Notes to Accounts 1 to 40

For and on behalf of the Board

As per our report of even date attached

For K R Aggarwal &amp; Associates

Chartered Accountants

FRN NO. 030088N

Sandeep Jindal  
Managing Director  
DIN 01639743Kartar Chand Dhiman  
Director  
DIN 05143805(KANIKA)  
PARTNER  
M.NO. 539337

PLACE : LUDHIANA

DATE : 31.07.2020



## Statement of changes in equity for the period ended 31 March 2020

(Rs. in Lacs)

	Attributable to the equity holders of the parent							Total Equity
	Reserves and surplus							
	Issued capital	Share forfeited	Retained earnings	Foreign currency Translation Reserve	General reserve	Capital Redemption Reserve	Securities Premium	
As at 1 April 2019	4,500.31	-	(25,403.38)	-	-	-	22,785.58	1,882.51
Issue of share capital	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
	4,500.31	-	(25,403.38)	-	-	-	22,785.58	1,882.51
Profit for the period	-	-	1,498.70	-	-	-	-	1,498.70
Other Comprehensive Income	-	-	0.20	-	-	-	-	0.20
Transfer to Retained Earning	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	1,498.90	-	-	-	-	1,498.90
Grand Total as at 31 March 2020	4,500.31	-	(23,904.49)	-	-	-	22,785.58	3,381.41



**1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:****I) BACKGROUND:**

"Jindal Cotex Limited ("the Company") is public limited entity incorporated in India, having its registered office at Village Mandiala Kalan, P.O. Bija, Tehsil Khanna, District Ludhiana

**II SIGNIFICANT ACCOUNTING POLICIES:**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**III BASIS OF PREPARATION:****i Compliance with Ind AS**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per Companies Indian Accounting Standard Rules, 2015 notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act.

The accounts of the Company have been prepared on going concern basis and historical cost basis except certain financial assets and liabilities measured at fair value and defined benefit plans- assets measured at fair value.

**ii Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**iii Current/Non-current classification :**

All assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

**iv Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. On transition to Ind AS, the Company has adopted optional exemption under Ind AS 101 to measure Property, Plant and Equipment at previous GAAP carrying value.

**V Depreciation methods, estimated useful lives and residual value**

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.

**vi Intangible assets**

Computer software are stated at cost, less accumulated amortization and impairment, if any

**vii Impairment of Non-financial assets**

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual assets, the Company estimates the recoverable amount of the (CGU) to which the asset belongs.

An impairment loss is recognized in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**viii INVENTORIES**

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and stores & spares at the weighted average cost, Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts.

**ix Borrowing costs**

(refer note 17 of Financial Statements)

**x Provisions, Contingent liabilities and Contingent Assets**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. A present obligation that arises from past events where it is neither probable that an outflow of resources will be required to settle nor a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not



wholly within the control of the Company. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

**xi Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivables. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates and value added Taxes. The Company recognizes revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and specific of each arrangement.

**Timing of recognition**-The company manufactures and sells hosiery knitwears, cotton yarn/blended yarn. Revenue from sales are recognized when significant risk and rewards of ownership of the goods has been transferred to the buyer and entity does not have the effective control over the goods sold.

**xii Accounting for Taxes on Income**

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 only to the extent there is virtual certainty that future taxable income will be available against which such deferred tax asset can be realized. As there is no virtual certainty available So deferred tax assets/ Liability not created.

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.

**xiii Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, other bank balances.

**xiv Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

**xv 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**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service

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.

Since company has not conducted actuarial valuation of employee benefits during the previous years, hence Ind AS 19, Employee Benefits is not applied.

**xvi Borrowings**

Amortization of processing fees of term loans has not been done as required by Ind AS, since accounts of the company has been classified as NPA before the transition date as per Ind AS.

Since all the accounts of the company has been declared Sub-standard over a period of time, the banks have started recovery action under SARFAESI Act. In the absence of any information on interest on outstanding dues to the bank, the provision of interest has not been made by the company.

**xvii Financial instruments**

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

**Initial Recognition:**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in Statement of Profit and Loss.

**Classification and Subsequent Measurement: Financial Assets**

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- The entity's business model for managing the financial assets and



- The contractual cash flow characteristics of the financial asset.

**Amortized Cost:**

A financial asset shall be classified and measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Fair Value through OCI:**

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Fair Value through Profit or Loss:**

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through OCI.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

**Classification and Subsequent Measurement: Financial liabilities:**

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

**Financial Liabilities at FVTPL:**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL:

Gains or Losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

**Other Financial Liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Impairment of financial assets:**

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company assesses on a forward looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

**Derecognition of financial assets:**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

**xviii Critical Accounting Judgment and Key of Estimation Uncertainty**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

**xix Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker [CODM]. The managing committee is considered to be the 'Chief Operating Decision Maker' (CODM) as defined in IND AS 108. The Operating Segment is the level at which discrete financial information is available. The CODM allocates resources and assess performance at this level. The Group has Operating segments comprising of Textile and Wind Mill.



2. PROPERTY, PLANT AND EQUIPMENT		(Rs. in Lakhs)									
		Gross Block				Depreciation			Net Block		
Sr. No	Particulars	31st March 2019	Addition during the year	Sale during the year	31st March 2020	31st March 2019	Addition during the year	Deduction during the year	31st March 2020	31st March 2020	31st March 2019
	<b>(i) PROPERTY, PLANT AND EQUIPMENT</b>										
1	Land	696.87	-	-	696.87	-	-	-	-	696.87	696.87
2	Factory Building	577.90	-	-	577.90	384.53	8.49	-	393.02	184.89	193.38
3	Building	2,405.23	-	-	2,405.23	683.34	73.13	84.20	672.28	1,732.95	1,721.88
4	Plant & Machinery	9,712.87	0.60	133.52	9,579.95	5,783.94	524.73	-	6,308.68	3,271.27	3,928.93
5	Weigh Bridge & scales	13.77	-	-	13.77	9.48	0.01	-	9.49	4.27	4.29
6	Electrical Installations	76.87	-	-	76.87	64.51	2.70	-	67.20	9.67	12.37
7	Office Equipments	47.72	0.47	-	48.19	42.38	0.56	-	42.93	5.26	5.35
8	Computers	101.64	-	-	101.64	96.58	0.06	-	96.58	5.06	5.06
9	Scooter	0.92	-	-	0.92	0.31	0.06	-	0.37	0.55	0.61
10	Furniture & Fixtures	40.95	-	-	40.95	31.78	0.92	-	32.70	8.25	9.17
11	Wind Mill	657.48	-	-	657.48	624.61	-	-	624.61	32.87	32.87
12	Vehicles	1.45	5.00	-	6.45	0.24	0.44	-	0.68	5.77	1.21
13	Cars	4.80	-	-	4.80	1.00	0.57	-	1.57	3.23	3.80
	<b>TOTAL</b>	<b>14,338.47</b>	<b>6.07</b>	<b>133.52</b>	<b>14,211.02</b>	<b>7,722.68</b>	<b>611.63</b>	<b>84.20</b>	<b>8,250.10</b>	<b>5,960.91</b>	<b>6,615.79</b>
	<b>(ii) INTANGIBLE ASSET</b>										
1	Trademarks	1.34	-	-	1.34	1.27	-	-	1.27	0.07	0.07
2	ERP Software	13.17	-	-	13.17	11.44	0.80	-	12.24	0.93	1.73
	<b>TOTAL</b>	<b>14.51</b>	<b>-</b>	<b>-</b>	<b>14.51</b>	<b>12.71</b>	<b>0.80</b>	<b>-</b>	<b>13.51</b>	<b>1.00</b>	<b>1.80</b>

**Notes on Financial Statements for the year ended 31st March, 2020**

	As at 31 March 2020	As at 31 March 2019 (Rs. in Lakhs)
<b>3 Financial Assets</b>		
Investments		
i) <b>Investments in Equity shares</b>		
Unquoted fully paid up equity shares		
<b>M/s Jindal International FZE</b>	122.89	122.89
(No record on number of shares and value available with the company)		
<b>Associate Company</b>		
<b>M/s Himachal Textile Park Ltd</b>	8.85	8.85
88500(Prev Year 88500) Equity Shares of Rs 10 /- Each Fully Paid Up		
ii) <b>Other Non Current Investments</b>		
(Quoted -Fully paid up )other than Subsidiaries		
Investment at fair value through profit or loss		
<b>Baroda Pioneer PSU Equity Fund</b>	1.97	1.77
(20000 Growth Equity Fund @ Rs. 10 each)		
iii) <b>Member's Contribution</b>		
Contribution to HTPL against Building	100.00	100.00
<b>Total</b>	<b>233.71</b>	<b>233.50</b>
1. Market Value of Quoted Investment	1.97	1.77
2. Aggregate amount of Unquoted Investment	231.74	231.74
3. Aggregate amount of Total Investment	233.71	233.50
4 Aggregate Provision for diminution in Value of Investments		-
Note : Quoted investments are valued at market value as on 31-03-2020. All other investments are valued at cost.		
<b>4 Loans</b>		
i) <b>Security Deposit</b>		
a) Lease Securities	45.00	45.00
b) Electricity Security	65.36	65.36
c) Telephone Security	0.19	0.19
d) Sale Tax Security	0.20	0.20
e) Advance Cosumption Deposit PSPCL	57.16	57.16
ii) <b>Loans and Advances to Related Parties</b>		
a) Jindal Medicot Ltd.	42.50	61.82
b) Jindal International FZE (Current Account)	6,783.96	6,086.77
c) Others	1.79	(39.07)
iii) <b>Loans and Advances to Others</b>		
b) Others	3,828.99	3,819.99
<b>Total</b>	<b>10,825.15</b>	<b>10,097.42</b>

**Notes on Financial Statements for the year ended 31st March, 2020**As at 31 March 2020 As at 31 March 2019  
(Rs. in Lakhs)**5 Other Financial Assets**

M/s Jindal International FZE	3.39	3.39
<b>Total</b>	<b>3.39</b>	<b>3.39</b>

**6 Other Non-Current Assets****Prepaid Expense(Ind AS)**

a) Jindal Medicot Ltd.	541.63	619.16
b) Jindal International FZE (Current Account)	5,557.13	6,352.56
c) Others	36.18	41.36
d) TUFF Receivable	377.21	377.44
<b>Total</b>	<b>6,512.15</b>	<b>7,390.51</b>

**CURRENT ASSETS****7 Inventories**

(As taken, valued and approved by management)

a) Raw Materials	1.23	3.61
b) Work-in-Progress	60.88	109.75
c) Finished Goods/ Stock in Trade	27.82	89.35
d) Waste Stock	0.70	0.24
e) Store, Spares, Dyes & Chemicals & Packing Material	20.60	9.96
<b>Total</b>	<b>111.24</b>	<b>212.91</b>

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:

- 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.

**FINANCIAL ASSETS****8 Trade receivables**

a) Outstanding for a period less than six months from the date they are due for payment	746.24	1,370.35
b) Outstanding for a period more than six months from the date they are due for payment	2,395.26	2,388.29
<b>Sub Total</b>	<b>3,141.51</b>	<b>3,758.64</b>
Less provision for doubtful bad debts	2,387.82	2,387.82
<b>Total</b>	<b>753.69</b>	<b>1,370.82</b>



**Notes on Financial Statements for the year ended 31st March, 2020**

As at 31 March 2020 As at 31 March 2019

(Rs. in Lakhs)

**9 Cash and Cash Equivalents**

a) Balance with banks	10.34	4.56
b) Cash-in-Hand	7.60	9.32
<b>Total</b>	<b>17.94</b>	<b>13.88</b>

**10 Other Bank Balances**

Fixed deposit	2.70	-
<b>Total</b>	<b>2.70</b>	<b>-</b>

**11 Loans**

Advances to employees	1.25	1.20
<b>Total</b>	<b>1.25</b>	<b>1.20</b>

**12 Other Financial assets**

TUF Claim & Other Receivables	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**13 Current tax assets**

Advance Income Tax TDS/TCS	1.14	0.68
<b>Total</b>	<b>1.14</b>	<b>0.68</b>

**14 Other current assets**

a) Prepaid expense(Ind AS)	875.73	875.73
b) Advance to Suppliers	369.78	381.17
c) Prepaid Insurace	0.72	1.83
d) Balance with Excise and Taxation Dept	332.58	381.70
e) Prepaid expense	0.07	-
<b>Total</b>	<b>1,578.88</b>	<b>1,640.44</b>





## Notes on Financial Statements for the year ended 31st March, 2020

	As at 31 March 2020	As at 31 March 2019 (Rs. in Lakhs)
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>15</b>		
<b>Equity Share Capital</b>		
Authorised, issued, subscribed and paid-up share capital and par value per share		
<b>Authorised</b>		
60,00,0000 EQUITY SHARES OF RS. 10/- EACH	6,000.00	6,000.00
<b>Total</b>	<b>6,000.00</b>	<b>6,000.00</b>
<b>Issued, subscribed and fully paid up</b>		
45003140(previous year 45003140) equity shares of Rs. 10 each fully paid up	4,500.31	4,500.31
Add- Share Foreited		
<b>Total</b>	<b>4,500.31</b>	<b>4,500.31</b>

**SHAREHOLDERS HOLDING MORE THAN 5% SHARES**

NAME OF PERSON	As at 31 March 2020		As at 31 March 2019	
	% held	No. of Shares	% held	No. of Shares
^Ramesh Kumar Jindal	5.86	2636008	5.86	2636008
^Rajinder Kumar Jindal	5.50	2477052	5.50	2477052
Clareville Capital Opportunities Master Fun	9.94	4475000	9.94	4475000
Shri Ram Insight Share Brokers Ltd.	6.95	3125923	13.19	5936724

**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 regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

	31.03.2020	31.03.2019
(Equity share issued as Bonus share on 04.7.2008( in no.)	48,01,596	48,01,596

**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 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.

**Reconciliation of the Shares outstanding at the beginning and at the end of the reporting year.**

At the beginning of the year	4,500.31	4,500.31
Shares issued during the year	-	-
<b>Outstanding at the end of year</b>	<b>4,500.31</b>	<b>4,500.31</b>

**16** **Other Equity**

<b>i) Retained Earnings</b>		
Balance as per Last Balance sheet	(25,403.38)	(26,532.09)
Add- Foreign Currency Translation Reseve Transfer to P&L	-	23.09
Adjustment of previous years expenses	-	-
Add/Less :Profit/Loss for the Year	1,498.90	1,105.62
<b>Total</b>	<b>(23,904.49)</b>	<b>(25,403.38)</b>
<b>ii) Foreign Currency Translation Reserve</b>		
Balance as per Last Balance sheet	-	23.09
Add Received during the year	-	-
Less Transfer to P&L during the year	-	23.09
<b>Total</b>	<b>-</b>	<b>-</b>
<b>iii) Securities Premium Reserve</b>		
Balance as per Last Balance sheet	22,785.58	22,785.58
Add Received during the year	-	-
<b>Total</b>	<b>22,785.58</b>	<b>22,785.58</b>
<b>Total other equity(i+ii+iii)</b>	<b>(1,118.89)</b>	<b>(2,617.79)</b>



## Notes on Financial Statements for the year ended 31st March, 2020

	As at 31 March 2020	As at 31 March 2019
	(Rs. in Lakhs)	
<b>Non Current Liabilities</b>		
<b>Financial Liabilities</b>		
<b>17 Borrowings</b>		
<b>1. Term Loans From Banks (Secured)</b>		
a) Oriental Bank of Commerce	10,011.54	11,963.88
b) Allahabad bank	2,270.74	2,270.74
c) Corporation Bank	1,222.69	1,222.69
d) State Bank Of India	2,166.19	2,166.19
e) Punjab And Sind Bank	285.53	285.53
f) Central Bank of India	352.58	352.58
g) The Catholic Syrian Bank Limited	-	2,263.05
h) Phoenix Trust	125.92	(1,250.00)
i) JMF ARC Allahabad Bank	(50.00)	(50.00)
j) JMF ARC Oriental Bank of Commerce	(290.00)	(740.00)
k) Interest Payable On FDR	518.93	518.93
l) Provision of Interest	2,345.08	2,345.08
<b>Total (1)</b>	<b>18,959.20</b>	<b>21,348.66</b>
<b>2. Others Unsecured</b>		
a) FDR Deposits from Public	1,209.00	1,226.64
b) Loans and advances from related parties	1,284.49	1,319.24
c) From Others	145.50	196.50
<b>Total (2)</b>	<b>2,638.99</b>	<b>2,742.38</b>
<b>Total(1+2)</b>	<b>21,598.19</b>	<b>24,091.04</b>

\*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.

Since the date of default for repayment of loans to the secured lenders has become older than three years, the Debt payable by the Company to its secured lenders has, however, become barred by limitation.

- 1 (a & b) Borrowing from Oriental bank of commerce & Allahabad Bank has assigned to JM Financial Assets Reconstruction Company Private Limited 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 8061 sq yard situated at golf link Ludhiana.
- 1 (c & d) Borrowing from Corporation Bank and 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.
- 1 (e) Borrowing From Punjab and Sind Bank is secured by way of exclusive charge on Windmill purchased out of the These borrowing..
- 1 (f) Borrowing 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
- 1 (g) Since accounts of the company slipped into sub standard category after restructuring , Hence banks has recalled the entire outstanding and started recovery action under SARFESI Act. Provision for Interest has not been provided for the Financial Year 2019-20  
All Secured Loans have also been guaranteed by following promoters & directors 's of the Company :-
- i Sh. Sandeep Jindal
  - ii Sh. Yash Paul Jindal
  - iii Sh. Rajinder jindal
  - iv Sh. Ramesh Jindal
- 2(a) 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 & 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.

**Notes on Financial Statements for the year ended 31st March, 2020**

Provision for Interest on FDR has not been provided for the Financial Year 2019-20

- 2 (b & c) All the unsecured loan received from related parties & others are repayable after 12 months from the date of squaring up bank dues. However the company reserve the right to prepay it.

	As at 31 March 2020	As at 31 March 2019
	(Rs. in Lakhs)	
<b>18 Other Financial Liabilities</b>		
<b>Loans &amp; Advances</b>		
a) Loans and advances from related parties	(806.35)	(867.70)
b) From Others	(119.78)	(128.89)
<b>Total</b>	<b>(926.13)</b>	<b>(996.59)</b>
<b>19 Other Non-current Liabilities</b>		
Deferred Income (Ind AS)		
a) From Related Party	487.77	557.58
b) From Other	83.77	95.76
<b>Total</b>	<b>571.53</b>	<b>653.34</b>
<b>Current Liabilities</b>		
<b>Financial Liabilities</b>		
<b>20 Trade Payables</b>		
a) Due to Micro and small Enterprises	-	-
b) Due to others	789.49	1,233.01
<b>Total</b>	<b>789.49</b>	<b>1,233.01</b>
<p>Note : The Company has not received any communication from any 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.</p>		
<b>21 Other Financial Liabilities</b>		
a) Due to Employees	46.99	21.23
b) Cheques under reconciliation	4.21	125.37
<b>Total</b>	<b>51.20</b>	<b>146.61</b>
<b>22 Other current Liabilities</b>		
a) TDS Payable	0.57	2.09
b) Provident Fund Payable	59.75	58.92
c) ESI Payable	13.42	17.43
d) Welfare Fund Payable	0.22	0.23
e) Professional Tax Payable	0.57	0.24
f) Electricity Expense Payable	238.93	282.67
g) Rent Payable	0.48	0.48
h) Expense Payable	0.02	19.65
i) Government Dues Payable	87.92	87.92
j) Advance from Customers	10.52	-
k) Audit Fee Payable	1.71	0.86
l) Deferred Income (Ind AS)	81.58	81.58
m) Leave with Wages Payable	9.43	-
n) Bonus Payable	16.01	-
<b>Total</b>	<b>521.11</b>	<b>552.08</b>
<b>23 Provisions</b>		
a) Provision for Employee benefits	16.33	20.33
<b>Total</b>	<b>16.33</b>	<b>20.33</b>



## Notes on Financial Statements for the year ended 31st March, 2020

As at 31 March 2020      As at 31 March 2019  
(Rs. in Lakhs)**24 Revenue from operations**

Sale of products	3,287.31	8,390.15
<b>Total</b>	<b>3,287.31</b>	<b>8,390.15</b>

**24.1 Particulars of Sale of Products**

Electricity	-	53.48
Flex Sheet	26.51	20.06
Yarn	3,009.82	4,773.34
Fabrics	-	698.09
Chemicals	240.70	2,814.72
Other	10.28	30.45
<b>Total</b>	<b>3,287.31</b>	<b>8,390.15</b>

**25 Other Income**

Interest income	0.07	-
Profit on Sale of Fixed Assets	-	162.15
Interest Income (Ind AS)	747.32	671.32
Others Income (Ind AS)	81.81	81.58
<b>Total</b>	<b>829.19</b>	<b>915.06</b>

**26 Cost of materials consumed**

Opening stock	3.61	67.32
Add : Purchases (Net)	1,535.69	2,911.12
Less: Closing Stock	1.23	3.61
<b>Total</b>	<b>1,538.06</b>	<b>2,974.83</b>

**26.1 Detail of cost of Material Consumed**

Polyester Fiber	1,535.69	2,974.83
<b>Total</b>	<b>1,535.69</b>	<b>2,974.83</b>

**27 Purchases of stock-in-trade**

Yarn	131.93	470.93
Fabric	-	506.55
Flex sheet	3.26	18.71
Chemical	347.27	2,510.11
<b>Total</b>	<b>482.46</b>	<b>3,506.31</b>



## Notes on Financial Statements for the year ended 31st March, 2020

As at 31 March 2020      As at 31 March 2019

(Rs. in Lakhs)

**28 Change in inventories of finished goods, stock  
in trade and work -in-progress****A) Opening stock**

Work-in-Progress	109.75	79.01
Finished Goods / Stock in Trade	89.35	39.10
Waste Stock	0.24	0.62
<b>Sub Total A</b>	<b>199.34</b>	<b>118.73</b>

**B) Closing Stock**

Work-in-Progress	27.82	109.75
Finished Goods / Stock in Trade	60.88	89.35
Waste Stock	0.70	0.24
<b>Sub Total B</b>	<b>89.41</b>	<b>199.34</b>
<b>TOTAL (A-B)</b>	<b>109.93</b>	<b>(80.61)</b>

**29 Employee benefit expense**

Salary, Wages and other Allowances	275.83	322.63
Contribution to Provident and other funds	8.63	8.94
Staff Welfare Expenses	6.72	0.67
<b>Total</b>	<b>291.18</b>	<b>332.23</b>

**30 Finance cost**

Bank Charges	0.66	0.39
Other Interest	19.64	18.96
Interest Expenses (Ind AS)	70.46	63.30
<b>Total</b>	<b>90.76</b>	<b>82.66</b>

**31 Other expenses****a) Manufacturing Expenses**

Packing Material	34.35	59.47
Power and Fuel	8.38	10.91
Freight inward & other exp.of Store	5.74	76.29
Building Repair	0.91	7.14
Electricity Expenses	654.94	816.08
Machinery Repair and Maintenance	8.34	72.81
Electric Repair and maintenance	3.47	8.29
Other Manufacturing Expenses	3.23	1.78
<b>Total</b>	<b>719.35</b>	<b>1,052.76</b>





## Notes on Financial Statements for the year ended 31st March, 2020

	As at 31 March 2020	As at 31 March 2019
	(Rs. in Lakhs)	
<b>b) Administrative &amp; Other Expenses</b>		
Postage & Telegram	0.08	0.85
Fine & Penalty	0.00	0.28
Directors Remuneration	7.50	7.50
Loading & unloading	3.46	5.96
Fee & Taxes	10.47	12.39
Listing charges	-	2.90
Computer Repair & Maintenance	0.15	0.36
Travelling & Conveyance	19.55	36.81
Telephone & Internet Expenses	2.15	1.95
Printing and Stationary	1.14	2.06
Rent Rates & Taxes	1.25	2.10
Annual Maintenance Charges	-	19.18
Payments to auditors	1.04	1.22
Legal & Professional Charges	9.67	18.29
Insurance Charges	2.06	3.16
Training Expense	-	0.04
Late Fee GST	0.83	0.66
Festival Expenses	0.62	0.95
Medical Expenses	0.71	2.52
Misc. Expenses	2.12	3.15
Charity & Donation	0.00	0.03
Repairs to other Assets	3.48	9.12
Vehicle Running & Maintenance	-	0.14
Car Repair & Maintenance	2.90	4.87
Local Conveyance	1.06	2.21
Rent Workers Colony	1.19	-
Loss on Sale of Assets	30.17	-
Other Expenses (Ind AS)	878.13	875.73
<b>Total</b>	<b>979.74</b>	<b>1,014.46</b>
<b>c) Selling Expenses</b>		
Advertisement Expenses	0.64	2.21
Freight Carriage and outward	28.52	7.16
Rebate and Discount	8.75	-
<b>Total</b>	<b>37.91</b>	<b>9.37</b>
<b>Total (a+b+c)</b>	<b>1,737.01</b>	<b>2,076.59</b>
<b>31.1 Payment to Auditors</b>		
Statutory Audit Fee	0.80	0.80
Company Law Matters	0.15	0.15
Reimbursement of expenses	0.09	0.27
<b>Total</b>	<b>1.04</b>	<b>1.22</b>
<b>32 Exceptional Items</b>		
Profit on Sale of Investments (after provision)	-	875.00
Excess Provision on Debtors written back	-	473.82
Income on term loan written off	2,265.39	-
Previous Year Expenses	(29.03)	(36.25)
Previous Year Incomes	7.68	1.31
<b>Total</b>	<b>2,244.04</b>	<b>1,313.88</b>



Notes on Financial Statements for the year ended 31st March, 2020

### 33 EARNINGS PER SHARE

PARTICULARS	(Rs. in Lakhs)	
	31.03.2020	31.03.2019
i) Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	1,498.90	1,105.62
ii) Weighted Average number of equity shares used as denominator for calculating EPS	450.03	450.03
iii) Basic Earnings per share	3.33	2.46
iv) Diluted Earnings per share	3.33	2.46
v) Face Value per equity share	10	10

### 34 Information Related to Relating Party Transaction As Per IND AS - 24, issued by Institute of Chartered Accountants of India is given below:

2019-20

#### A) Associate Concerns

Himachal Textile Park Limited

#### B) Subsidiary Co.

Jindal International 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 Medicot Limited

Jindal Specialty Textiles Limited

Jindal Fine Industries

Leader Cycles Ltd

Jindal Infomedia Pvt Ltd

Jindal Holdings & Investment Limited

Jindal Technotex Limited

#### E) Relatives of Key Management Personnel

Mrs. Mam Jindal

Mr. Yash Paul Jindal

Mr. Ramesh Jindal

Mr. Rajinder Jindal

2018-19

#### A) Associate Concerns

Himachal Textile Park Limited

#### B) Subsidiary Co.

Jindal International FZE (foreign subsidiary)

#### C) Key Management Personnel

Mr. Sandeep Jindal (MD)

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#### D) KMP or their relatives are influence or control the enterprises

Jindal Cycles Pvt Ltd

Jindal Medicot Limited

Jindal Specialty Textiles Limited

Jindal Fine Industries

Leader Cycles Ltd

Jindal Infomedia Pvt Ltd

Jindal Holdings & Investment Limited

Poonam Enterprises

Jindal Technotex Limited

#### E) Relatives of Key Management Personnel

Mrs. Mam Jindal

Mr. Yash Paul Jindal

Mr. Ramesh Jindal

Mr. Rajinder Jindal

### Transactions with Related party

(Rs. In Lakhs)

Particulars	Subsidiaries		Key Management Personnel		KMP or their relatives are influence or control the enterprises		Relatives of Key Management Personnel	
	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019
Lease Rent Income	-	-	-	-	-	-	-	-
Lease Rent Expenses	-	-	-	-	-	-	-	-
Director Remuneration	-	-	7.50	7.50	-	-	-	-
Remuneration	-	-	1.64	7.24	-	-	4.20	4.20
Purchase of goods	-	-	-	-	281.15	22.07	-	-
Sale of Goods	-	-	-	-	81.08	297.00	-	-

### 35

Segment Information as required by Ind AS-108 "Operating Segments" issued by the ICAI and compiled on the basis of the financial statements is as under :-

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

- Textile: - Production/Trading of Acrylic Yarn, Polyester Yarn, Poly/cotton Blended Yarn, Cotton Yarn, Blended Yarns, Knitted cloth. & Flex Sheet

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

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

#### (a) Information about Primary Business Segments

(Rs. in Lakhs)

	Textile		Wind Mill		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Revenue:						
External (Net of Excise)	3,287.31	8,336.67	-	53.48	3,287.31	8,390.15
Inter-segment	-	-	-	-	-	-
Total Revenue	3,287.31	8,336.67	-	53.48	3,287.31	8,390.15
Result:						
Segment Result	1,498.70	1,071.52	-	34.30	1,498.70	1,105.82
Unallocated Expenditure	-	-	-	-	-	-
Profit before Tax	1,498.70	1,071.52	-	34.30	1,498.70	1,105.82
Provision for Tax/Adjustment of tax for Earlier Years	-	-	-	-	-	-
Profit After Tax	1,498.70	1,071.52	-	34.30	1,498.70	1,105.82





Notes on Financial Statements for the year ended 31st March, 2020

Particulars	(Rs. in Lakhs)					
	Textile		Wind Mill		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Segment Assets	25,970.27	27,549.47	32.87	32.87	26,003.15	27,582.34
Segment Liabilities	22,860.36	25,364.55	335.26	335.26	23,195.62	25,699.81
Capital Expenditure	-	-	-	-	-	-
Depreciation	612.43	621.26	-	-	612.43	621.26

36 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.

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

38 CONTINGENT LIABILITIES AND COMMITMENTS		(Rs. in Lakhs)	
PARTICULARS	31.03.2020	31.03.2019	
(To the extent not provided for)			
<b>(a) Contingent Liabilities</b>			
(i) Duty saved upon procurement of machinery pending fulfillment of export obligation	5.06	5.06	
(ii) Corporate Guarantee given to Banks for grant of Term Loan and CC Limits to Jindal Medicot Limited & Jindal Specialty Textiles Limited	32,756.39	32,756.39	
<b>(b) Commitments</b>			
i) Estimated amount of contracts remaining to be executed on capital and not provided for	8,863.45	8,863.45	
<b>Total</b>	<b>41,624.90</b>	<b>41,624.90</b>	

**39 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.2897.62 lacs .
- There are various suits filed against the company u/s 138 of Negotiable Instruments Act, 1881.
- One of the creditor being 'vinod cotton corporation' has even filed petition application for winding up of the company.
- IDBI Capital Services Ltd. has filed application under Section 9 of IBC, 2016 against the company in NCLT which is pending for adjudication
- The company has filed writ petition against the application made by State Bank of India for decalring the company as willful defaulter. The same is pending for adjudication.

40 The Company has accumulated losses of Rs.239.04 Crores which has eroded its peak level net worth. 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.

For and on behalf of the Board

As per our report of even date attached  
For K R Aggarwal & Associates  
Chartered Accountants  
FRN NO. 030088N

Sandeep Jindal  
Managing Director  
DIN 01639743

Kartar Chand Dhiman  
Director  
DIN 05143805

Place : Ludhiana  
Date: 31.07.2020

(KANIKA)  
PARTNER  
M.NO. 539337

**Independent Auditor's Report****To the Members of****JINDAL COTEX LTD,****Report on the Consolidated Ind AS financial statements****Opinion**

We have audited the accompanying Consolidated Ind AS financial statements of **JINDAL COTEX LTD.** ("the Holding Company"), and its associates (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2020, the consolidated statement of profit and loss [including other comprehensive income], the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as Consolidated Ind AS financial statements").

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 Companies Act 2013 in the manner so required and give a true and fair view except for the matter given in Emphasis of matter paragraph, of the state of affairs of the Group as at 31 March, 2020, and its Profit and Loss (including other comprehensive income), Cash Flow Statement and its statement of changes in equity for the year ended.

**Basis of Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion except Ind AS on unquoted investments in wholly owned subsidiary viz. Jindal International FZE and others and on capital advance to K. Onishi & Co. have not been applied by the company, so we are unable to comment upon the effects of the same on the financial statements.

**Emphasis of Matter**

We draw attention to the following:

1. In the absence of balance confirmations of Trade receivables, Trade payables and Loans, Advances, the impact on the financial statements is not ascertainable.
2. Since the accounts of the Company have declared NPA with all the banks/financial institutions, no balance confirmation is thus available since their declaration as NPA.
3. The company has various statutory liabilities outstanding since long as on 31/03/2020 being Vat, CST, ESI, EPF etc.
4. The Company is in the process of challenging the SAT order in response to SEBI order WTM/AB/efd-1/DRA-1/04/2019-2020 dated 24/04/2019 barring the Company and its directors from accessing the

securities market and further prohibit them from buying, selling or otherwise dealing in securities (including unit of mutual funds), directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of five years.

5. Ind AS on unquoted investments in wholly owned subsidiary and other and on capital advance have not been applied by the company, so we are unable to comment upon the effects of the same on the financial statements.
6. Stock is subject to confirmation from management. We have not physically verified the same.
7. The consolidated IND AS financial results include financial statements, in respect of 1 associate and 1 subsidiary whose unaudited financial statements, other financial information have been furnished to us by the Management.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matters described in emphasis of matter section we have determined that there are no other key audit matters to communicate in our report.

**Information other than the financial statements and Auditor's Report thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management and Those Charged with Governance's Responsibility for the Consolidated Ind AS financial statements**

The Management and holding company's board of directors 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 Companies (Indian Accounting Standards) Rules, 2015.

This responsibility also includes the maintenance of adequate accounting records including financial information considered necessary for the preparation of consolidated financial statement. Further, in accordance with the provisions of the Act, the respective board of directors/management of the companies included in the



group, and its associates and joint venture companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the act and safeguarding of the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The respective board of directors is also responsible for overseeing the Group's financial reporting process.

#### **Auditors' Responsibility**

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

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

- i. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for explaining our opinion on whether the holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the

Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

As required by section 143(3) of the Act, we report that:

- a) Except for the matters described in the Emphasis of matter section, 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 except for the matters stated in the Emphasis of matter section, proper books of account as required by law have been kept by the Group so far as appears from our examination of those books.
- c) The Balance Sheet, Statement of Profit and loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this report are in agreement with the books of account.
- d) In our opinion, except for the matters stated in the Emphasis of matter section, the aforesaid consolidated Ind AS financial statements comply with the applicable Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.



- f) Except for the matters stated in the Emphasis of matter section, there is no any other observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the group;
- g) Except for the matters stated in the Emphasis of matter section, there is no any other qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure "B"; and
- i) 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 Group has disclosed the impact of pending litigations on its financial position in its consolidated IND AS financial statements [Refer Note no. 41]
- ii. The Group 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.
- iii. 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.

For K.R. Aggarwal & Associates

**Chartered Accountants**

FRN: 030088N

KANIKA

Place: Ludhiana

**(Partner)**

Date: 31/07/2020

Membership No: 539337

**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 Holding company as of 31<sup>st</sup> March 2020 in conjunction with our audit of the Consolidated IND AS financial statements of the Holding company for the year ended on that date.

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

The respective board of directors of the holding company, its subsidiary, associate and joint venture are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Group'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 Group'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 Consolidated IND AS 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 Group's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Group'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 Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A Group'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 Group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group 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 Group assets that could have a material effect on the Consolidated 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 to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors of its associates except for the matters described in the Emphasis of matter and basis for qualified opinion section have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2020, based on the internal control over financial reporting criteria established by the holding company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K.R. Aggarwal & Associates

**Chartered Accountants**

FRN: 030088N

KANIKA

Place: Ludhiana

**(Partner)**

Date: 31/07/2020

Membership No: 539337



**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020**

PARTICULARS	NOTE NO.	(Rs. In Lakhs)	
		AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
a)Property, Plant and Equipment	2	5,961.89	6,616.77
b)Capital work in progress	2	-	-
c)Other Intangibles assets	2	1.00	1.80
d)Financial Assets			
i) Investments	3	110.82	110.62
ii) Loans	4	4,041.19	4,010.65
e)Other non current assets	5	955.02	1,037.95
<b>Total</b>		<b>11,069.92</b>	<b>11,777.79</b>
<b>Current assets</b>			
a)Inventories	6	111.24	212.91
b)Financial Assets			
i)Trade receivable	7	16,884.43	17,501.56
ii)Cash and cash equivalents	8	22.43	18.37
iii)Other bank balances	9	2.70	-
iv)Loans	10	1.25	1.20
v)Other financial assets	11	-	-
c)Current tax assets	12	1.14	0.68
d)Other current assets	13	2,330.30	2,391.86
<b>Total</b>		<b>19,353.49</b>	<b>20,126.58</b>
<b>Total Assets</b>		<b>30,423.41</b>	<b>31,904.37</b>
<b>EQUITY AND LIABILITIES</b>			
a)Equity Share Capital	14	4,500.31	4,500.31
b)Other Equity	15	3,301.38	1,703.80
c) Non-controlling Interest	16	-	-
<b>Total</b>		<b>7,801.69</b>	<b>6,204.11</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
a)Financial Liabilities			
i)Borrowings	17	21,598.19	24,091.04
ii)Other Financial Liabilities	18	(926.13)	(996.59)
b) Provisions	19	-	-
c)Other non current liabilities	20	571.53	653.34
<b>Total</b>		<b>21,243.59</b>	<b>23,747.79</b>
<b>Current liabilities</b>			
a)Financial Liabilities			
i)Borrowings	21	-	-
ii)Trade payables	22	789.49	1,233.01
iii)Other Financial Liabilities	23	51.20	146.70
b)Other current liabilities	24	521.11	552.07
c)Provisions	25	16.33	20.33
<b>Total</b>		<b>1,378.13</b>	<b>1,952.10</b>
<b>Total Equity and Liabilities</b>		<b>30,423.41</b>	<b>31,904.36</b>

Significant Accounting Policies and Notes to Accounts 1 to 42

For and on behalf of the Board

As per our report of even date attached

For K R Aggarwal &amp; Associates

Chartered Accountants

FRN NO. 030088N

Sandeep Jindal  
Managing Director  
DIN 01639743Kartar Chand Dhiman  
Director  
DIN 05143805(KANIKA)  
PARTNER  
M.NO. 539337PLACE : LUDHIANA  
DATE : 31.07.2020

**CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDING 31st MARCH 2020**

			(Rs. In Lakhs)	
Particulars		Notes	31-03-2020	31-03-2019
I	Revenue from Operations	26	3,287.30	8,390.15
II	Other Income	27	155.16	309.57
<b>III</b>	<b>Total income(I+II)</b>		<b>3,442.46</b>	<b>8,699.72</b>
<b>IV</b>	<b>EXPENSES</b>			
	Cost of materials consumed	28	1,538.06	2,974.83
	Purchases of stock-in-trade	29	482.46	3,506.31
	Change in inventories of finished goods, stock in trade and work -in-progress	30	109.93	(80.61)
	Excise duty expense		-	-
	Employee benefit expense	31	291.18	332.23
	Finance costs	32	90.76	82.66
	Depreciation and amortisation expense	2	612.43	621.26
	Other expenses	33	941.58	1,283.33
	<b>Total expenses(IV)</b>		<b>4,066.40</b>	<b>8,720.00</b>
V	Profit/(loss) before exceptional items and tax (III-IV)		(623.94)	(20.29)
VI	Exceptional items	34	2,244.04	1,313.88
VII	Profit/(loss) before tax		1,620.10	1,293.59
VIII	Tax expense			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
<b>IX</b>	<b>Profit/(loss) for the period (VII-VIII)</b>		<b>1,620.10</b>	<b>1,293.59</b>
X	Other Comprehensive Income			
	Items that will be reclassified to profit or loss			
	(i) Net (loss)/gain on FVOCI equity securities		-	(0.20)
	(ii) Income tax effect			
<b>XI</b>	<b>Total other comprehensive income</b>		<b>-</b>	<b>(0.20)</b>
<b>XII</b>	<b>Total Comprehensive Income for the period (IX+XI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>1,620.10</b>	<b>1,293.39</b>
	-Net Profit for the period attributable to			
	Owners of the parent		1,620.10	1,293.39
	Non-controlling interests		-	-
	Other Comprehensive Income attributable to			
	Owners of the parent		-	(0.20)
	Non-controlling interests			
	Total Comprehensive Income for the period			
	Owners of the parent		1,620.10	1,293.19
	Non-controlling interests			-
XIII	Earnings per equity share (Basic and diluted )	35		
	(1) Basic		3.60	2.87
	(2) Diluted		3.60	2.87

Significant Accounting Policies and Notes to Accounts 1 to 42

For and on behalf of the Board

As per our report of even date attached

For K R Aggarwal &amp; Associates

Chartered Accountants

FRN NO. 030088N

Sandeep Jindal  
Managing Director  
DIN 01639743Kartar Chand Dhiman  
Director  
DIN 05143805(KANIKA)  
PARTNER  
M.NO. 539337

PLACE : LUDHIANA

DATE : 31.07.2020



**CONSOLIDATED CASH FLOW STATEMENT AS AT 31.03.2020**

(Rs. In Lakhs)

PARTICULARS	Current Year	Previous year
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and Extra Ordinary Activities	<b>1,597.58</b>	<b>1,293.39</b>
Adjustment For: -		
Depreciation	612.43	621.26
Loss on Sale of Fixed Asset	30.17	
Interest Received	(155.16)	(147.41)
Finance Cost	90.76	82.66
Prior Period Expense		-
Sub Total	578.20	556.51
<b>A. Operating Profit before working capital Changes</b>	<b>2,175.78</b>	<b>1,849.90</b>
Adjustment For		
Trade Receivables	617.13	10,369.52
Inventories	101.67	1,210.13
Increase /Decrease in current tax asset	(0.46)	1.22
Increase /Decrease in other current assets	61.55	(45.54)
Increase /Decrease in non current financial investment	(0.20)	-
Increase /Decrease in current financial loans	(0.05)	(90.30)
Increase /Decrease in other non current assets	82.93	117.88
Increase /Decrease in non current Provisions	-	(100.62)
Increase /Decrease in other non current assets		7.51
Increase /Decrease in Non current financial loans	(30.54)	65.81
Increase /Decrease in current financial loans		442.26
Increase /Decrease in other current financial Liabilities	(95.85)	196.66
Increase /Decrease in other current Liabilities	(30.96)	(675.21)
Increase /Decrease in other current provision	(3.99)	(25.16)
Increase /Decrease in Trade Payables	(443.52)	(5,201.20)
Increase /Decrease in other Non current financial Liabilities	70.46	1,634.42
Increase /Decrease in other Non current Liabilities	(81.81)	(453.43)
Sub Total	<b>246.39</b>	<b>7,453.97</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2,422.17</b>	<b>9,303.87</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(6.07)	(216.74)
Sale of Subsidiary	-	27356.51
Sale of Fixed Assets	19.15	134.07
Interest Received	155.16	147.41
Sub Total	168.24	27,421.25
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>168.24</b>	<b>27,421.25</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings/ Financial Liability	(2,492.85)	(37,247.41)
Proceeds from Short term borrowings	-	(68.08)
Finance Cost	(90.76)	(82.66)
Sub Total	(2,583.61)	(37,398.15)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(2,583.61)</b>	<b>(37,398.15)</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents (A+B+C)</b>	<b>6.80</b>	<b>(673.03)</b>
Cash and Cash Equivalent at beginning of year	18.34	691.37
<b>Cash and Cash Equivalent at the end of year</b>	<b>25.13</b>	<b>18.34</b>
<b>Significant Accounting Policies and Notes to Accounts 1 to 42</b>		

For and on behalf of the Board

As per our report of even date attached

**For K R Aggarwal & Associates**

Chartered Accountants

FRN NO. 030088N

Sandeep Jindal  
Managing Director  
DIN 01639743Kartar Chand Dhiman  
Director  
DIN 05143805**(KANIKA)**  
**PARTNER**  
**M.NO. 539337**PLACE : LUDHIANA  
DATE : 31.07.2020



Consolidated Statement of changes in equity for the period ended 31 March 2020

(Rs. In Lakhs)

	Attributable to the equity holders of the parent							Total Equity
	Issued capital	Share forfeited	Retained earnings	Foreign currency Translation Reserve	Reserves and surplus			
					General reserve	Capital Redemption Reserve	Securities Premium	
As at 1 April 2019	4,500.31	-	(21,081.79)	-	-	-	22,785.58	6,204.10
Issue of share capital	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
	4,500.31	-	(21,081.79)	-	-	-	22,785.58	6,204.10
Profit for the period	-	-	1,620.10	-	-	-	-	1,620.10
Other Comprehensive Income	-	-	-	-	-	-	-	-
Transfer to Retained Earning	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	1,620.10	-	-	-	-	1,620.10
Grand Total as at 31 March 2020	4,500.31	-	(19,461.69)	-	-	-	22,785.58	7,824.21

**1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:****I) BACKGROUND:**

"Jindal Cotex Limited ("the Company") is public limited entity incorporated in India, having its registered office at Village Mandiala Kalan, P.O. Bija, Tehsil Khanna, Ludhiana.

**II SIGNIFICANT ACCOUNTING POLICIES:**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**III BASIS OF PREPARATION:****i Compliance with Ind AS**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per Companies Indian Accounting Standard Rules, 2015 notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act.

The accounts of the Company have been prepared on going concern basis and historical cost basis except certain financial assets and liabilities measured at fair value and defined benefit plans- assets measured at fair value.

**ii Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**iii Current/Non-current classification :**

All assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

**iv Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. On transition to Ind AS, the Company has adopted optional exemption under Ind AS 101 to measure Property, Plant and Equipment at previous GAAP carrying value.

**v Depreciation methods, estimated useful lives and residual value**

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.

**vi Intangible assets**

Computer software are stated at cost, less accumulated amortization and impairment, if any

**vii Impairment of Non-financial assets**

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual assets, the Company estimates the recoverable amount of the (CGU) to which the asset belongs.

An impairment loss is recognized in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**viii INVENTORIES**

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and stores & spares at the weighted average cost, Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts.

**ix Borrowing costs**

(refer note 17 of Financial Statements)

**x Provisions, Contingent liabilities and Contingent Assets**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. A present obligation that arises from past events where it is neither probable that an outflow of resources will be required to settle nor a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the



existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

**xi Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivables. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates and value added Taxes. The Company recognizes revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and specific of each arrangement.

**Timing of recognition-**The company manufactures and sells hosiery knitwears, cotton yarn/blended yarn. Revenue from sales are recognized when significant risk and rewards of ownership of the goods has been transferred to the buyer and entity does not have the effective control over the goods sold.

**xii Accounting for Taxes on Income**

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 only to the extent there is virtual certainty that future taxable income will be available against which such deferred tax asset can be realized. As their is no virtual certainty available So differed tax assets/ Liability not created.

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.

**xiii Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other bank balances.

**xiv Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

**xv 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**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service

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.

Since company has not conducted actuarial valuation of employee benefits during the previous years, hence Ind AS 19, Employee Benefits is not applied.

**xvi Borrowings**

Amortization of processing fees of term loans has not been done as required by Ind AS, since accounts of the company has been classified as NPA before the transition date as per Ind AS.

Since all the accounts of the company has been declared Sub-standard over a period of time, the banks have started recovery action under SARFAESI Act. In the absence of any information on interest on outstanding dues to the bank, the provision of interest has not been made by the company.

**xvii Financial instruments**

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

**Initial Recognition:**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in Statement of Profit and Loss.

**Classification and Subsequent Measurement: Financial Assets**

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- The entity's business model for managing the financial assets and



- The contractual cash flow characteristics of the financial asset.

**Amortized Cost:**

A financial asset shall be classified and measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Fair Value through OCI:**

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Fair Value through Profit or Loss:**

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at mortised cost or at fair value through OCI.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

**Classification and Subsequent Measurement: Financial liabilities:**

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

**Financial Liabilities at FVTPL:**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL:

Gains or Losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

**Other Financial Liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Impairment of financial assets:**

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company assesses on a forward looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. In case of trade receivables, the Company Follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

**Derecognition of financial assets:**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

**xviii Critical Accounting Judgment and Key of Estimation Uncertainty**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

**xix Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker [CODM]. The managing committee is considered to be the 'Chief Operating Decision Maker' (CODM) as defined in IND AS 108. The Operating Segment is the level at which discrete financial information is available. The CODM allocates resources and assess performance at this level. The Group has Operating segments comprising of Textile and Wind Mill.



PROPERTY, PLANT AND EQUIPMENT		Gross Block						Depreciation			Net Block	
		31st March 2019	Addition during the year	Sale during the year	31st March 2020	31st March 2019	Addition during the year	Deduction during the year	31st March 2020	31st March 2020	31st March 2019	
<b>2 (i) PROPERTY, PLANT AND EQUIPMENT</b>												
1	Land	696.87	-	-	696.87	-	-	-	-	-	-	696.87
2	Factory Building	577.90	-	-	577.90	8.49	-	8.49	393.02	-	-	184.89
3	Building	2,406.21	-	-	2,406.21	683.34	-	73.13	756.47	-	-	1,649.73
4	Plant & Machinery	9,712.87	0.60	133.52	9,579.95	5,783.94	84.19	524.73	6,224.49	84.19	-	3,355.46
5	Weigh Bridge & scales	13.77	-	-	13.77	9.48	-	0.01	9.49	-	-	4.29
6	Electrical Installations	76.87	-	-	76.87	64.51	-	2.70	67.20	-	-	9.67
7	Office Equipments	47.72	0.47	-	48.19	42.38	-	0.56	42.93	-	-	5.26
8	Computers	101.64	-	-	101.64	96.58	-	-	96.58	-	-	5.06
9	Scooter	0.92	-	-	0.92	0.31	-	0.06	0.37	-	-	0.55
10	Furniture & Fixtures	40.95	-	-	40.95	31.78	-	0.92	32.70	-	-	8.25
11	Wind Mill	657.48	-	-	657.48	624.61	-	-	624.61	-	-	32.87
12	Vehicles	1.45	5.00	-	6.45	0.24	-	0.44	0.68	-	-	5.77
13	Cars	4.80	-	-	4.80	1.00	-	0.57	1.57	-	-	3.23
	<b>TOTAL</b>	<b>14,339.45</b>	<b>6.07</b>	<b>133.52</b>	<b>14,212.00</b>	<b>7,722.68</b>	<b>84.19</b>	<b>611.63</b>	<b>8,250.11</b>	<b>84.19</b>	<b>5,961.89</b>	<b>6,616.77</b>
<b>2 (ii) INTANGIBLE ASSET</b>												
1	Trademarks	1.34	-	-	1.34	1.27	-	-	1.27	-	-	0.07
2	ERP Software	13.17	-	-	13.17	11.44	-	0.80	12.24	-	-	1.73
	<b>TOTAL</b>	<b>14.51</b>	<b>-</b>	<b>-</b>	<b>14.51</b>	<b>12.71</b>	<b>-</b>	<b>0.80</b>	<b>13.51</b>	<b>-</b>	<b>1.00</b>	<b>1.80</b>
	<b>GROSS TOTAL (i+ii)</b>	<b>14,353.96</b>	<b>6.07</b>	<b>133.52</b>	<b>14,226.51</b>	<b>7,735.39</b>	<b>84.19</b>	<b>612.43</b>	<b>8,263.62</b>	<b>84.19</b>	<b>5,962.89</b>	<b>6,618.57</b>





## Notes on Financial statement for the year ended 31.03.2020

	As at 31 March 2020	As at 31 March 2019 (Rs. In Lakhs)
<b>3 Financial Assets</b>		
<u>Investments ( Long Term )</u>		
<b>i) Associate company</b>		
M/s Himachal Textile Park Ltd	8.85	8.85
88500 Equity Shares of Rs 10/- each fully paid up		
<b>ii) (Quoted -Fully paid up )other than Subsidiaries</b>		
Investment at fair value through profit or loss		
Baroda Pioneer PSU Equity Fund	1.97	1.77
(20000 Growth Equity Fund @ Rs. 10 each)		
<b>iii) Member's Contribution</b>		
Contribution to HTPL against Building	100.00	100.00
<b>Total</b>	<b>110.82</b>	<b>110.62</b>
1 Market Value of Quoted Investment	1.97	1.77
2 Aggregate amount of Unquoted Investment	108.85	108.85
3 Aggregate amount of Total Investment	110.82	110.62

Note : Quoted investments are valued at market value as on 31-03-2020. All other investments are valued at cost.

**4 Loans**

a) Security Deposit	167.92	167.92
b) Loans and Advances to Related Parties	44.29	61.82
c) Others	3,828.99	3,780.91
<b>Total</b>	<b>4,041.19</b>	<b>4,010.65</b>

**5 Other Non-Current Assets**Prepaid Expense(Ind AS)

a) Prepaid Expense	577.81	619.16
b) Others	-	41.36
b) Tuf Claim Receivable	377.21	377.44
<b>Total</b>	<b>955.02</b>	<b>1,037.95</b>

**CURRENT ASSETS****6 Inventories**

(As taken, valued and approved by management)

a) Raw Materials	1.23	3.61
b) Work-in-Progress	60.88	109.75
c) Finished Goods/ Stock in Trade	27.82	89.35
d) Waste Stock	20.60	0.24
e) Store, Spares, Dyes & Chemicals & Packing Material	0.70	9.96
<b>Total</b>	<b>111.24</b>	<b>212.91</b>

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:

- 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.





## Notes on Financial statement for the year ended 31.03.2020

	As at 31 March 2020	As at 31 March 2019 (Rs. In Lakhs)
<b>FINANCIAL ASSETS</b>		
<b>7 Trade receivables</b>		
a) Outstanding for a period less than six months from the date they are due for payment	746.24	1,370.35
b) Outstanding for a period more than six months from the date they are due for payment	18,526.00	18,519.03
<b>Sub Total</b>	<b>19,272.25</b>	<b>19,889.38</b>
Less provision for doubtful bad debts	2,387.82	2,387.82
<b>Total</b>	<b>16,884.43</b>	<b>17,501.56</b>
<b>8 Cash and Cash Equivalents</b>		
a) Balance with banks	10.34	4.56
b) Cash-in-Hand	12.09	13.81
c) Cheque in Hand		
<b>Total</b>	<b>22.43</b>	<b>18.37</b>
<b>9 Other bank balances</b>		
Fixed deposit (having original maturity more than 3 months but less than 12 months)	2.70	-
<b>Total</b>	<b>2.70</b>	<b>-</b>
<b>10 Loans</b>		
Advances to employees	1.25	1.20
<b>Total</b>	<b>1.25</b>	<b>1.20</b>
<b>11 Other Financial assets</b>		
a) Interest accrued but not received	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>12 Current tax assets</b>		
Advance Income Tax TDS/TCS	1.14	0.68
<b>Total</b>	<b>1.14</b>	<b>0.68</b>
<b>13 Other current assets</b>		
a) Prepaid expense(Ind AS)	82.47	82.47
b) Advance to Suppliers	369.78	381.17
c) Prepaid Insurnace	0.72	1.83
d) Balance with Excise and Taxation Dept	332.58	381.70
e) Others advances	1,544.75	1,544.68
<b>Total</b>	<b>2,330.30</b>	<b>2,391.86</b>



## Notes on Financial Statements for the year ended 31.03.2020

<b>EQUITY AND LIABILITIES</b>		<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
<b>14 Equity Share Capital</b>			<b>(Rs. In Lakhs)</b>
Authorised, issued, subscribed and paid-up share capital and par value per share			
<b>Authorised</b>			
60,00,0000 EQUITY SHARES OF RS. 10/- EACH		6,000.00	6,000.00
<b>Total</b>		<b>6,000.00</b>	<b>6,000.00</b>
<b>Issued, subscribed and fully paid up</b>			
45003140(previous year 45003140) equity shares of Rs. 10 each fully paid up		4,500.31	4,500.31
Add:- Share Foreited			
<b>Total</b>		<b>4,500.31</b>	<b>4,500.31</b>

**SHAREHOLDERS HOLDING MORE THAN 5% SHARES**

NAME OF PERSON	As at 31 March 2020		As at 31 March 2019	
	% held	No. of Shares	% held	No. of Shares
^Ramesh Kumar Jindal	5.86	2636008	5.86	2636008
^Rajinder Kumar Jindal	5.50	2477052	5.50	2477052
Clareville Capital Opportunities Master Fun	9.94	4475000	9.94	4475000
Shri Ram Insight Share Brokers Ltd.	6.95	3125923	13.19	5936724

**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 regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

	<b>31.03.2020</b>	<b>31.03.2019</b>
(Equity share issued as Bonus share on 04.7.2008( in no.)	48,01,596	48,01,596

**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 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.

**Reconciliation of the Shares outstanding at the beginning and at the end of the reporting year.**

At the beginning of the year	4,500.31	4,500.31
Shares issued during the year	-	-
<b>Outstanding at the end of year</b>	<b>4,500.31</b>	<b>4,500.31</b>

**15 Other Equity**

<b>i) Retained Earnings</b>		
Balance as per Last Balance sheet	(21,081.79)	(22,398.07)
Add- Foreign Currency Translation Reseve Transfer to P&L	-	23.09
Adjustment of Inter company profit	(22.51)	-
Add/Less :Profit/Loss for the Year	1,620.10	1,293.19
<b>Total</b>	<b>(19,484.20)</b>	<b>(21,081.79)</b>
<b>ii) Foreign Currency Translation Reserve</b>		
Add Received during the year		-
<b>Total</b>		<b>-</b>
<b>iii) Securities Premium Reserve</b>		
Add Received during the year	22,785.58	22,785.58
<b>Total</b>	<b>22,785.58</b>	<b>22,785.58</b>
<b>Total other equity(i+ii+iii)</b>	<b>3,301.38</b>	<b>1,703.80</b>

**16 Non-controlling Interest**

EQUITY SHARES OF RS. 10/- EACH	-	-
Share of Profit /(Loss)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



## Notes on Financial Statements for the year ended 31.03.2020

<u>Non Current Liabilities</u>	As at 31 March 2020	As at 31 March 2019
<u>Financial Liabilities</u>		(Rs. In Lakhs)
<b>17 Borrowings</b>		
<b>1. Term Loans From Banks (Secured)</b>		
a) Oriental Bank of Commerce	10,011.54	11,963.88
b) Allahabad bank	2,270.74	2,270.74
c) Corporation Bank	1,222.69	1,222.69
d) State Bank Of India	2,166.19	2,166.19
e) Punjab And Sind Bank	285.53	285.53
f) Central Bank of India	352.58	352.58
g).The Catholic Syrian Bank Limited	-	2,263.05
h) Phoenix Trust	125.92	(1,250.00)
i) JMF ARC Allahabad Bank	(50.00)	(50.00)
j) JMF ARC Oriental Bank of Commerce	(290.00)	(740.00)
k) Interest Payable On FDR	518.93	518.93
l) Provision of Interest	2,345.08	2,345.08
<b>Total (1)</b>	<b>18,959.20</b>	<b>21,348.66</b>
<b>2. Others Unsecured</b>		
a) FDR Deposits from Public	1,209.00	1,226.64
b) Loans and advances from related parties	1,284.49	1,319.24
c) From Others	145.50	196.50
<b>Total (2)</b>	<b>2,638.99</b>	<b>2,742.38</b>
<b>Total(1+2)</b>	<b>21,598.19</b>	<b>24,091.04</b>

\*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.

Since the date of default for repayment of loans to the secured lenders has become older than three years, the Debt payable by the Company to its secured lenders has, however, become barred by limitation.

- 1(a&b) Borrowing from Oriental bank of commerce & Allahabad Bank has assigned to JM Financial Assets Reconstruction Company Private Limited 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.
- 1(c&d) Borrowing from Corporation Bank and 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.
- 1 (e) Borrowing From Punjab and Sind Bank is secured by way of exclusive charge on Windmill purchased out of the These borrowing..
- 1 (f) Borrowing 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
- 1 (g) Since accounts of the company slipped into sub standard category after restructuring , Hence banks has recalled the entire outstanding and started recovery action under SARFESI Act. Provision for Interest has not been provided for the Financial Year 2019-20  
All Secured Loans have also been guaranteed by following promoters & directors 's of the Company :-
- i Sh. Sandeep Jindal
  - ii Sh. Yash Paul Jindal
  - iii Sh. Rajinder jindal
  - iv Sh. Ramesh Jindal

**Notes on Financial Statements for the year ended 31.03.2020**

- 2(a) 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 & 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.  
Provision for Interest on FDR has not been provided for the Financial Year 2019-20
- 2(b&c) All the unsecured loan received from related parties & others are repayable after 12 months from the date of squaring up bank dues. However the company reserve the right to prepay it.

	As at 31 March 2020	As at 31 March 2019 (Rs. In Lakhs)
<b>18 Other Financial Liabilities</b>		
<b>Loans &amp; Advances</b>		
a) Loans and advances from related parties	(806.35)	(867.70)
b) From Others	(119.78)	(128.89)
<b>Total</b>	<b>(926.13)</b>	<b>(996.59)</b>
<b>19 Provisions</b>		
a) Provision for Gratuity	-	-
b) Provision for Leave with Wages	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>20 Other Non-current Liabilities</b>		
a) From Related Party	487.77	557.58
b) From Other	83.77	95.76
<b>Total</b>	<b>571.53</b>	<b>653.34</b>
<b>Current Liabilities</b>		
<b>Financial Liabilities</b>		
<b>21 Borrowings</b>		
1) From Banks		
2) From Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>22 Trade Payables</b>		
a) Due to Micro and small Enterprises	-	-
b) Due to others	789.49	1,233.01
<b>Total</b>	<b>789.49</b>	<b>1,233.01</b>
<b>Note :</b> The Company has not received any communication from any 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.		
<b>23 Other Financial Liabilities</b>		
a) Deposit due with in one year	-	0.09
b) Due to Employees	46.99	21.23
c) Cheques under reconciliation	4.21	125.37
<b>Total</b>	<b>51.20</b>	<b>146.70</b>



## Notes on Financial Statements for the year ended 31.03.2020

	As at 31 March 2020	As at 31 March 2019 (Rs. In Lakhs)
<b>24 Other current Liabilities</b>		
a) Statutory dues payables	98.82	78.67
b) Electricity Expense Payable	238.93	282.67
c) Rent Payable	0.48	0.48
d) Expense Payable	0.02	19.65
e) Government Dues Payable	88.48	87.92
f) Professional Tax Payable	0.57	0.24
g) Advance from Customers	10.52	-
h) Audit Fee Payable	1.71	0.86
i) Deferred Income (Ind AS)	81.58	81.58
<b>Total</b>	<b>521.11</b>	<b>552.07</b>
<b>25 Provisions</b>		
a) Provision for Employee benefits	16.33	20.33
<b>Total</b>	<b>16.33</b>	<b>20.33</b>



## Notes on Financial Statements for the year ended 31.03.2020

	(Rs. In Lakhs)	
<b><u>26 Revenue from operations</u></b>		
Sale of products	3,287.30	8,390.15
<b>Total</b>	<b>3,287.30</b>	<b>8,390.15</b>
<b><u>26.1 Particulars of Sale of Products</u></b>		
Electricity	-	53.48
Flex Sheet	26.51	20.06
Yarn	3,009.82	4,773.34
Fabrics	-	698.09
Other	10.28	30.45
Chemicals	240.70	2,814.73
<b>Total</b>	<b>3,287.30</b>	<b>8,390.15</b>
<b><u>27 Other Income</u></b>		
Interest income	0.07	-
Profit on Sale of Fixed Assets	-	162.15
Interest Income(Ind AS)	73.29	65.83
Others Income (Ind AS)	81.81	81.58
<b>Total</b>	<b>155.16</b>	<b>309.57</b>
<b><u>28 Cost of materials consumed</u></b>		
Opening stock	3.61	67.32
Add : Purchases (Net)	1,535.69	2,911.12
Less: Closing Stock	1.23	3.61
<b>Total</b>	<b>1,538.06</b>	<b>2,974.83</b>
<b><u>28.1 Detail of cost of Material Consumed</u></b>		
Fiber	1,535.69	2,974.83
<b>Total</b>	<b>1,535.69</b>	<b>2,974.83</b>





## Notes on Financial Statements for the year ended 31.03.2020

	As at 31 March 2020	As at 31 March 2019
	(Rs. In Lakhs)	
<b>29 Purchases of stock-in-trade</b>		
Yarn	131.93	470.93
Fabric	-	506.55
Flex Sheet	3.26	18.71
Chemical	347.27	2,510.11
<b>Total</b>	<b>482.46</b>	<b>3,506.31</b>
<b>30 Change in inventories of finished goods, stock in trade and work -in-progress</b>		
<b>A) Opening stock</b>		
Work-in-Progress	109.75	79.01
Finished Goods / Stock in Trade	89.35	39.10
Waste Stock	0.24	0.62
<b>Sub Total A</b>	<b>199.34</b>	<b>118.73</b>
<b>B) Closing Stock</b>		
Work-in-Progress	27.82	109.75
Finished Goods / Stock in Trade	60.88	89.35
Waste Stock	0.70	0.24
<b>Sub Total B</b>	<b>89.41</b>	<b>199.34</b>
<b>TOTAL ( A-B )</b>	<b>109.93</b>	<b>(80.61)</b>
<b>31 Employee benefit expense</b>		
Salary, Wages and other Allowances	275.83	322.63
Contribution to Provident and other funds	8.63	8.94
Staff Welfare Expenses	6.72	0.67
<b>Total</b>	<b>291.18</b>	<b>332.23</b>
<b>32 Finance cost</b>		
Bank Charges	0.66	0.39
Other Interest	19.64	18.96
Interest Expenses (Ind AS)	70.46	63.30
<b>Total</b>	<b>90.76</b>	<b>82.66</b>
<b>33 Other expenses</b>		
<b>a) Manufacturing Expenses</b>		
Packing Material	34.35	59.47
Power and Fuel	663.32	826.99
Store Consumption	5.74	76.29
Repair and Maintenance	12.71	88.23
Other Manufacturing Expenses	3.23	1.78
<b>Total (a)</b>	<b>719.35</b>	<b>1,052.76</b>



## Notes on Financial Statements for the year ended 31.03.2020

	As at 31 March 2020	As at 31 March 2019 (Rs. In Lakhs)
<b><u>b) Administrative &amp; Other Expenses</u></b>		
Loading & unloading	3.46	5.96
Fee & Taxes	10.47	12.39
Listing charges	-	2.90
Travelling & Conveyance	20.61	39.02
Telephone & Internet Expenses	2.15	1.95
Printing and Stationary	1.14	2.06
Rent Rates & Taxes	1.25	2.10
Annual Maintenance Charges	-	19.18
Energy Loss	-	-
Payments to auditors	1.04	1.22
Legal & Professional Charges	9.67	18.29
Insurance Charges	2.06	3.16
Misc. Expenses	4.72	7.51
Repair & Maintenance	6.53	14.49
Director Remuneration	7.50	7.50
Other Expenses (Ind AS)	82.71	82.50
Demand & Penalty	0.83	0.94
Charity and Donation	0.00	0.03
Loss on sale of Investment	30.17	-
<b><u>Total (b)</u></b>	<b>184.32</b>	<b>221.20</b>
<b><u>c) Selling Expenses</u></b>		
Advertisement Expenses	0.64	2.21
Rebate and Discount	8.75	-
Freight Carriage and outward	28.52	7.16
<b><u>Total ©</u></b>	<b>37.91</b>	<b>9.37</b>
<b><u>Total (a+b+c)</u></b>	<b>941.58</b>	<b>1,283.33</b>
<b>33.1 Payment to Auditors</b>		
Statutory Audit Fee	0.80	0.80
Company Law Matters	0.15	0.15
Reimbursement of expenses	0.09	0.27
<b><u>Total</u></b>	<b>1.04</b>	<b>1.22</b>
<b>34 Exceptional Items</b>		
Profit on Sale of Investments (after provision)	-	875.00
Excess Provision on Debtors written back	-	473.82
Income on term loan written off	2,265.39	-
Previous Year Expenses	(29.03)	(36.25)
Previous Year Incomes	7.68	1.31
<b><u>Total</u></b>	<b>2,244.04</b>	<b>1,313.88</b>



Notes on Financial Statements for the year ended 31.03.2020

PARTICULARS	(Rs. in Lakhs)	
	31.03.2020	31.03.2019
i) Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	1,620.10	1,293.39
ii) Weighted Average number of equity shares used as denominator for calculating EPS	450	450
iii) Basic Earnings per share	3.60	2.87
iv) Diluted Earnings per share	3.60	2.87
v) Face Value per equity share	10	10

36 Information Related to Relating Party Transaction As Per IND AS - 24, issued by Institute of Chartered Accountants of India is given below:

2019-20

A) Associate Concerns:

Himachal Textile Park Limited

B) Subsidiary Co.

Jindal International 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 Medicot Limited

Jindal Specialty Textiles Limited

Jindal Fine Industries

Leader Cycles Ltd

Jindal Infomedica Pvt Ltd

Jindal Holdings & Investment Limited

Jindal Technotex Limited

E) Relatives of Key Management Personnel

Mrs. Manu Jindal

Mr. Yash Paul Jindal

Mr. Ramesh Jindal

Mr. Rajinder Jindal

2018-19

A) Associate Concerns:

Himachal Textile Park Limited

B) Subsidiary Co.

Jindal International 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 Medicot Limited

Jindal Specialty Textiles Limited

Jindal Fine Industries

Leader Cycles Ltd

Jindal Infomedica Pvt Ltd

Jindal Holdings & Investment Limited

Poonam Enterprises

Jindal Technotex Limited

E) Relatives of Key Management Personnel

Mrs. Manu Jindal

Mr. Yash Paul Jindal

Mr. Ramesh Jindal

Mr. Rajinder Jindal

Transactions with Related party

(Rs. in Lakhs)

Particulars	Subsidiaries		Key Management Personnel		KMP or their relatives are influence or control the enterprises		Relatives of Key Management Personnel	
	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019
Lease Rent Income	-	-	-	-	-	-	-	-
Lease Rent Expenses	-	-	-	-	-	-	-	-
Director Remuneration	-	-	7.50	7.50	-	-	-	-
Remuneration	-	-	1.64	7.24	-	-	4.20	4.20
Purchase of goods	-	-	-	-	281.15	22.07	-	-
Sale of Goods	-	-	-	-	81.08	297.00	-	-

37 Segment Information as required by Ind AS-108 "Operating Segments" issued by the ICAI and compiled on the basis of the financial statements is as under :-

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

- Textile: - Production/Trading of Acrylic Yarn, Polyester Yarn, Poly/cotton Blended Yarn, Cotton Yarn, Blended Yarns, Knitted cloth, & Flex Sheet
- Energy Generation: - Generation of Energy from Wind Mill.

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

(a) Information about Primary Business Segments:

(Rs. in Lakhs)

	Textile		Wind Mill		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Revenue:						
External (Net of Excise)	3,287.31	8,336.67	-	53.48	3,287.31	8,390.15
Inter-segment	-	-	-	-	-	-
Total Revenue	3,287.31	8,336.67	-	53.48	3,287.31	8,390.15
Result:						
Segment Result	1,620.10	1,259.29	-	34.30	1,620.10	1,293.59
Unallocated Expenditure	-	-	-	-	-	-
Profit before Tax	1,620.10	1,259.29	-	34.30	1,620.10	1,293.59
Provision for Tax/Adjustment of tax for Earlier Years	-	-	-	-	-	-
Profit After Tax	1,620.10	1,259.29	-	34.30	1,620.10	1,293.59



## Notes on Financial Statements for the year ended 31.03.2020

(Rs. in Lakhs)

Particulars	Textile		Wind Mill		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Segment Assets	30,290.55	31,871.49	32.87	32.87	30,323.42	31,904.36
Segment Liabilities	22,286.47	25,364.63	335.26	335.26	22,621.73	25,699.89
Capital Expenditure	-	-	-	-	-	-
Depreciation	612.43	621.26	-	-	612.43	621.26

38 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.

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

**40 CONTINGENT LIABILITIES AND COMMITMENTS**

(Rs. in Lakhs)

PARTICULARS	31.03.2020	31.03.2019
(To the extent not provided for)		
(a) Contingent Liabilities:		
i) Duty saved upon procurement of machinery pending fulfillment of export obligation	5.06	5.06
ii) Corporate Guarantee given to Banks for grant of Term Loan and CC Limits to Jindal Medicot Limited & Jindal Specialty Textiles Limited	32,756.39	32,756.39
(b) Commitments		
i) Estimated amount of contracts remaining to be executed on capital and not provided for	8,863.45	8,863.45
<b>TOTAL</b>	<b>41,624.90</b>	<b>41,624.90</b>

**41 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.2897.62 lacs .
- There are various suits filed against the company u/s 138 of Negotiable Instruments Act, 1881.
- One of the creditor being 'vinod cotton corporation' has even filed petition application for winding up of the company.
- IDBI Capital Services Ltd. has filed application under Section 9 of IBC, 2016 against the company in NCLT which is pending for adjudication
- The company has filed writ petition against the application made by State Bank of India for decalring the company as willful defaulter. The same is pending for adjudication.

42 The Company has accumulated losses of Rs.239.04 Crores which has eroded its peak level net worth. 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.

For and on behalf of the Board

As per our report of even date attached

For K R Aggarwal &amp; Associates

Chartered Accountants

FRN NO. 030088N

Sandeep Jindal  
Managing Director  
DIN 01639743Kartar Chand Dhiman  
Director  
DIN 05143805Place : Ludhiana  
DATE : 31.07.2020(KANIKA)  
PARTNER  
M.NO. 539337

**Form AOC-1****As on 31.03.2020**

(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
1.	Name of the subsidiary	Jindal International FZE
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2020
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	1,26,27,664
5.	Reserves & surplus	57,914,099
6.	Total assets	2,075,715,621
7.	Total Liabilities	1,718,849,139
8.	Investments (Net of Provision For Dimulation in Value)	12,627,664
9.	Turnover	--
10.	Profit before taxation	--
11.	Provision for taxation	--
12.	Profit after taxation	--
13.	Proposed Dividend	Nil
14.	% of shareholding	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
1. Latest audited Balance Sheet Date	31.03.2020
2. Shares of Associate/Joint Ventures held by the company on the year end	
No. of Shares	88,500
Amount of Investment in Associates/Joint Venture	8,85,000
Extend of Holding%	23.29%
3. Description of how there is significant influence	Section 2(6) of the Companies Act, 2013
4. Reason why the associate/joint venture is not consolidated	--
5. Net worth attributable to shareholding as per latest audited Balance Sheet	885,000
6. Profit/Loss for the year*	N.A.
i. Considered in Consolidation	N.A.
ii. Not Considered in Consolidation	N.A.

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

\* The Associates company i.e. Himachal textile 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.

2. 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  
Registered Office: Village Mandiala Kalan, P.O. Bija, Tehsil Khanna, District Ludhiana-141412  
CIN :17115PB1998PLC021084  
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 23rd Annual General Meeting of the company held on Wednesday, 30th day of December, 2020 at 9.30 A.M. at its Registered Office at Village Mandiala Kalan, P.O. Bija, Tehsil Khanna, District Ludhiana-141412.

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 :17115PB1998PLC021084  
JINDAL COTEX LIMITED  
Registered Office: Village Mandiala Kalan, P.O. Bija, Tehsil Khanna, District Ludhiana-141412  
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 23rd Annual General Meeting of the company, to be held on Wednesday, 30th day of December, 2020 at 9.30 A.M. at its Registered Office at Village Mandiala Kalan, P.O. Bija, Tehsil Khanna, District 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, 2020		
2	Appointment of Mr. Sandeep Jindal (DIN : 01639743) who retires by rotation and being eligible offers himself for re-appointment.		
	SPECIAL BUSINESS		
3	Ratify the appointment and remuneration of M/s. Gurvinder Chopra and Co., Cost Auditors of the company		

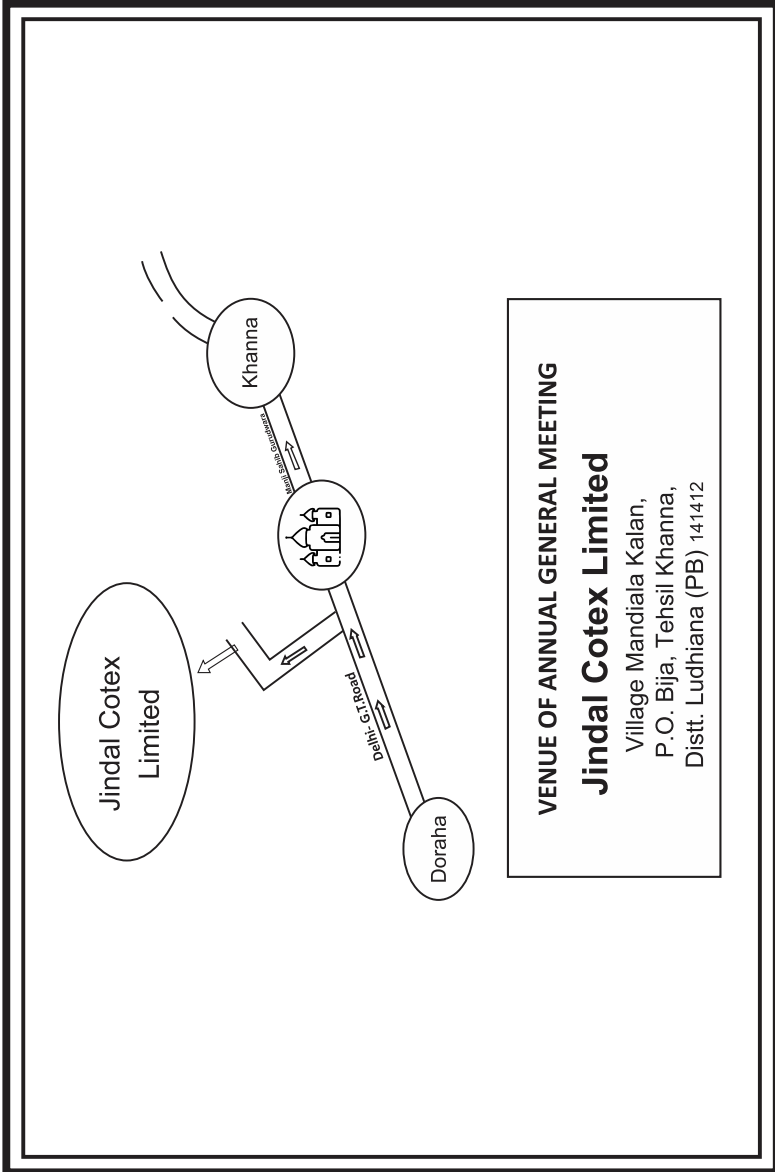
Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2020 Signature \_\_\_\_\_

Affix  
Revenue  
Stamp of  
Rs. 1/-

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.





**VENUE OF ANNUAL GENERAL MEETING**  
**Jindal Cotex Limited**  
Village Mandiala Kalan,  
P.O. Bija, Tehsil Khanna,  
Distt. Ludhiana (PB) 141412

If undelivered please return to :

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

Mumbai - 400059 - Maharashtra,

Phones: (022) 62638200, 62638209

1st Floor, Bharat Tin Works Building,

Opp. Vasant Oasis, Makwana Road, Marol, Andheri East

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