

JAIPRAKASH ENGINEERING AND STEEL COMPANY LIMITED

34TH ANNUAL REPORT

2018 - 19

Board of Directors

K S Raju
Chairman

C B Mouli

Uday Shankar Jha

Lalitha Raghuram

Registered Office

No. 510, 3rd A Cross 2nd
Main, 3rd Block, Raj Mahal
Vilas II,
Dollars Colony,
Bangalore – 560 094

CIN : U00337KA1993PLC014694

Auditors

M/s. M Bhaskara Rao & Co.,
Chartered Accountants
Hyderabad

K Chandra Sekhar Naidu
Company Secretary

NOTICE

Notice is hereby given that the 34th Annual General Meeting of Jaiprakash Engineering and Steel Company Limited will be held at 10.00 a.m. on Monday, September 30, 2019 at the registered office of the company at No. 510, 3rd A Cross 2nd main, 3rd Block, Rajahal Vilas – II Dollars Colony, Bangalore – 560 094, Karnataka to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the 34th Annual Report of the company including Financial Statements for the Financial Year ended March 31, 2019 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. K S Raju (DIN No. 00008177) who retires by rotation and, being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force), the consent of the Members be and is hereby accorded for the ratification of the appointment of Statutory Auditors of the Company, M/s Saranga Pani & Co., Chartered Accountants, Hyderabad, (Firm Registration No. 050030S) to hold office from the conclusion of 34th Annual General Meeting up to the conclusion of 35th Annual General Meeting of the Company, on such remuneration as may be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:

4. Appointment of Mr. Uday Shankar Jha, as a Non-executive Director

To consider and, if though fit, to pass with or without modification, the following resolution as an Ordinary Resolution

“RESOLVED THAT pursuant to the Section 152 and other provisions of the Companies Act, 2013, Mr. Uday Shankar Jha (DIN: 00056510) who was appointed as an Additional Director by the Board to hold office up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company liable to retire by rotation”.

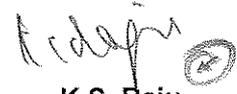
5. Appointment of Ms. Lalitha Raghram as an Independent Director

To consider and, if though fit, to pass with or without modification, the following resolution as an Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Ms. Lalitha Raghram, who was appointed as an Additional Director of the Company by the Board of Directors in terms of Section 161 of the Companies Act, 2013, who meets the criteria for independence under Section 149 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five year commencing from March 11, 2019 to March 10, 2024, not liable to retire by rotation."

Hyderabad
May 15, 2019

By Order of the Board


K.S. Raju
Chairman

NOTES

- 1) A member entitled to attend and vote at the annual general meeting ("the meeting") is entitled to appoint a proxy(ies) to attend and vote instead of himself / herself and such a proxy need not be a member of the company.

A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

The instrument appointing the proxy should be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.

- 2) The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed hereto.
- 3) Members / Proxyholders and Authorized representatives are requested to bring to the Meeting, the duly filled in attendance slip(s) enclosed herewith along with their copy of Annual Report. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Act are requested to send to the Company, a certified copy of the Board Resolution authorizing representative to attend and vote on its behalf at the Meeting.
- 4) Copies of all documents referred to in the notice and explanatory statement annexed thereto are available for inspection at the Registered Office of the Company during normal business hours on all working days till the date of the Annual General Meeting.
- 5) A route map showing directions to reach the venue of the Annual General Meeting forms part of the Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

Mr. Uday Shankar Jha (DIN 00056510), was appointed as an Additional and Independent Director on the Board of the Company with effect from November 16, 2018.

Subsequently, Mr. Uday Shankar Jha, informed the Board that he was an Independent Director on the Board of its Holding Company, Nagarjuna Fertilizers and Chemicals Limited.

The Promoter of the Holding Company has nominated Mr. Uday Shankar Jha, as its nominee Chairman of the Board of Directors with effect from January 19, 2019, thereby he ceased to be an Independent Director on the Board of Nagarjuna Fertilizers and Chemicals Limited.

In view of the above and Mr. Uday Shankar Jha, not satisfying the criteria of Independence as envisaged in the Companies Act, 2013, the Board proposes to appoint him as a Non-Executive Director on the Board of the Company.

In terms of Section 161 of the Act, Mr. Uday Shankar Jha (DIN 00056510) holds office only up to the date of the ensuing Annual General Meeting of the Company.

The Company has received from Mr. Uday Shankar Jha

- (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment And Qualification of Directors) Rules 2014,
- (ii) intimation in Form DIR-8 in terms of Companies (Appointment And Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act and

Mr. Uday Shankar Jha has M.Sc. in Physics. He has attended various short term and long term courses on logistics, marketing and management in various Institutions within India and abroad. He has presented papers in National and International seminars, chaired several technical sessions in various seminars both within and outside India. Mr. Uday Shankar Jha has a vast Board experience in Rashtriya Chemicals and Fertilisers Ltd (RCF) as Chairman, Rajasthan RCF (RRCF) as Chairman among others

None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution, financially or otherwise except Mr. Uday Shankar Jha.

Details as required pursuant to Companies Act, 2013, the Rules made thereunder, and Secretarial Standard on General Meetings, is set out as Annexure to this Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 for approval by shareholders.

ITEM NO. 5

The Board of Directors of the Company on March 11, 2019, appointed Mrs. Lalitha Raghuram as Additional Director of the Company.

The Company has received from Mrs. Lalitha Raghuram, the following:

- a) Consent in writing to act as Director in Form DIR- 2
- b) Declaration in Form DIR-8 confirming that he is not disqualified under Section 164(2) of the Companies Act, 2013.
- c) Declaration as per Section 149(6) of the Companies Act, 2013, that he meets the criteria of independence.

It is proposed to appoint Mrs. Lalitha Raghuram as Independent Director of the Company not liable to retire by rotation commencing from March 11, 2019 to March 10, 2024, pursuant to the provisions of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Mrs. Lalitha Raghuram fulfills the conditions for appointment as Independent Director as specified in the Companies Act, 2013 and the Rules made thereunder

Mrs. Lalitha Raghuram is independent of the management.

Brief Profile of Mrs. Lalitha Raghuram:-

Ms. Lalitha Raghuram is the Country Director of MOHAN Foundation which is a not-for-profit, non-governmental organization started to promote organ donation. She has recently been elected as an "Ashoka Fellow" with formal induction on February 27, 2015 in Delhi. Ashoka is one of the largest networks of social entrepreneurs worldwide that recognizes individuals that create large-scale impact through new innovations to solve social problems. Ms. Lalitha Raghuram has played a pivotal role in bringing together all the stakeholders in building a culture of eye and organ donations in India. She brings substantial managerial and administrative experience in view of her present role.

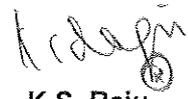
Details as required pursuant to Companies Act, 2013, the Rules made thereunder, and Secretarial Standard on General Meetings, is set out as Annexure to this Notice.

None of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions except Mrs. Lalitha Raghuram.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for the approval of the Members.

Hyderabad
May 15, 2019

By Order of the Board


K.S. Raju
Chairman

ANNEXURE TO ITEM No. 2, 4 & 5 OF THE NOTICE
Details of the Directors / Manager seeking appointment or reappointment at the
Annual General Meeting

Name of the Director	Mr. K S RAJU	Mr. Uday Shankar Jha	Mrs. Lalitha Raghuram
DIN / PAN	00008177	ABAPT0408N	03150763
Date of Birth	29.06.1950	10.10.1959	14.07.1956
Age	68	58	61
Nationality	Indian	Indian	Indian
Appointment	September 24, 1994	July 20, 2018	July 20, 2018
Qualification	B.E (Mech)	B.Com, B.L	Graduation
Expertise in Specific functional areas	He is a veteran Industrialist & a Mechanical Engineer. As an engineer he has been instrumental in propelling the Nagarjuna Fertilizers and Chemicals and its Group Companies forward, achieving newer heights of glory. As a champion entrepreneur, he has successfully led the Group's foray into several core industrial sectors.	He has over 32 years of experience in the field of Law with specialization in matters relating to immovable properties and litigations relating thereto	Mr. Hariharan Ramanathan is experienced in the fields of Manufacture and exports, he is also Consultant and Skill Development trainer
Share holding in Company	Nil	Nil	Nil
List of Directorships held in other Companies	<ol style="list-style-type: none"> 1. Nagarjuna Oil Refinery Limited 2. Nagarjuna Fertilizers and Chemicals Limited 3. Bhagiradha Chemicals and Industries Ltd. 4. Jaiprakash Engineering and Steel Company Limited 5. Himagiri Enterprises Private Limited 6. Nagarjuna Agricultural Research and Development Institute 7. Nagarjuna Oil Corporation Limited 8. Himagiri Hydro Energy Private Limited 9. Global Horizon Urban Infra Private Limited 10. K V K Raju International Leadership Limited 11. Kanumuru Properties and Images Private Limited 	Nil	<ol style="list-style-type: none"> 1. Nagarjuna Oil Refinery Limited 2. Nagarjuna Fertilizers and Chemicals Limited 3. Nagarjuna Oil Corporation Limited

	12. Nagaarjuna Shubho Green Technologies Private Limited 13. The Fertiliser Association of India.		
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DIRECTORS' REPORT

Your Directors present the 34th Annual Report on the Business and Operations of Jaiprakash Engineering And Steel Company Limited ("JESCO" / "the Company") together with the Audited Financial Statements of Accounts of your Company for the year ended March 31, 2019 and other accompanying reports, notes and certificates.

The Financial Results of the Company for the year ended March 31, 2019 are as under:

A. BUSINESS AND FINANCIAL HIGHLIGHTS

Particulars	(in Rs.)	
	2017 – 2018 Current Year	2016 – 2017 Previous Year
Net sales/income from Operations	-	-
Other Income	104148	125136
Total Expenditure		
a. Increase/(decrease) in Stock	-	-
b. Cost of materials consumed	-	-
c. Employee benefits expense	166986	228000
d. Purchase of traded products	-	-
e. Power and fuel	-	-
f. Other expenses	107723	60701
Total	274709	288701
Finance cost	1206	1182
Depreciation and amortization	-	-
Profit before tax	(171767)	(164747)
Provision for tax	-	-
Deferred tax	-	-
Profit after tax	(171767)	(164747)
Dividend – equity shares	-	-
Tax on proposed dividend	-	-
Balance c/d to balance sheet	(171767)	(164747)
Paid Up equity share capital (Face value of Re.10/- per share)	225972030	225972030
Reserves excluding revaluation reserve	(46594416)	(46422649)
Earnings per share (annualized) – in Rs.		
Basic and Diluted	(0.008)	(0.007)

Indian Accounting Standards (Ind AS)

The audited financial statements of the Company drawn up for the financial year ended March 31, 2018 are in accordance with the requirements of the Ind-AS Rules. Figures for the previous year have also been re-stated in line with the requirements of the above Rules.

Financial Summary

The Loss after tax for the year was Rs.1,71,767 against loss after tax of Rs.1,64,747 for the previous year.

Activities of the company

Your Company is considering implementing the projects related to development of Fertilizers and Chemicals Complex and Integrated Township projects in Kenjar, Thokur and Kulai villages of Mangalore to utilize the available land appropriately and gainfully.

The Company has, during the year 1996 made application to Karnataka Industrial Areas Development Board (KIADB) for allotment of land for the purpose of its integrated steel plant at Mangalore. The Company had paid Rs.30.53 Crore to KIADB towards deposit for acquisition of land (lease hold and free hold). KIADB had given possession of 986.52 acres of land to the Company. Subsequently, the Company has decided to shelve the Project and approached to KIADB for surrender of land allotted and refund the amount deposited. KIADB agreed to reimburse the deposit with a condition that as and when KIADB receive request from any prospective investor, the Company's lands will be offered and upon acceptance by potential investor deposit will be refunded to Company from the sale proceeds so received.

Accordingly, the Company has surrendered 204.96 acres for sale by KIADB to others and 232.86 acres for other uses as ordered by the Govt. of Karnataka and KIADB after which it is in possession of 548.70 acres as at March 31, 2016. After adjusting the amounts received from KIADB and the amounts charged by it towards various expenses, the deposit recoverable stands at Rs.17,59,47,363 as at March 31, 2018 which is shown under Long term Loans and Advances. In the opinion of the management, the realisable value of land in possession is in excess of deposit with KIADB.

In the meantime the Company has applied for approval to implement two projects i.e. Fertilizers and Chemicals Complex and Integrated Township to Karnataka Government during the year in the balance land held by the Company. The Government of Karnataka has approved the same vide GO No. CI 175 SPI 2011, Bangalore dated 18.08.2011, 07.05.2012 and GO No. CI176 SPI 2011 dt.18.08.2011.

The Government of Karnataka has passed order No. CI 175 SPI 2011 Dt. 11-11-2013 cancelling the land allotment made to the Company stating that the Company has not implemented the approved projects and also advised KIADB to resume the balance land from the Company. The Company has filed a writ petition challenging the Order of the Govt. of Karnataka and the Hon'ble High Court of Karnataka has prohibited the Govt. of Karnataka from dispossessing the land in possession of the Company.

The High Court of Karnataka on April 23, 2018 has lifted the stay and permitted the Government of Karnataka from taking possession of 160 acres of land from the Company for handing over the same to prospective applicants.

The stay of the High Court of Karnataka in relation to dis-possession of land in the possession of the Company for 388.70 acres continues. Pending crystallization of plans and considering the above said developments, the Financial Statements of the Company for the year have been prepared on going concern basis, notwithstanding the project initially planned been shelved.

Share Capital

The paid-up equity capital of the company as on March 31, 2018, is Rs.22,59,72,030/- consisting of 2,25,97,203 equity shares of Rs.10/- each.

Transfer to Reserves

There has been no transfer to General Reserves during the Financial Year 2017-18 in view of losses incurred by the Company.

Dividend

Considering the operating performance for the financial year ended on March 31, 2018, your Directors do not recommend any dividend for the year.

Change in the nature of business

During the year, there was no change in the nature of business of the company

Subsidiaries, Joint Ventures or Associate Companies

During the year, there was no subsidiaries, Joint Ventures or Associate Companies

Material changes and commitments

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of the Report.

B. DIRECTORS, BOARD COMMITTEES, KEY MANAGERIAL PERSONNEL AND REMUNERATION**Directors Retiring by Rotation**

In accordance with Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. K S Raju who is liable to retire by rotation and being eligible, offers himself for re-appointment as Director of the Company, subject to retirement by rotation.

The Board of Directors commend his re-appointment for consideration of the Shareholders.

Appointment of Mr. Uday Shankar Jha as a Director

Mr. Uday Shankar Jha, was appointed as an Additional Director and Independent Director with effect from November 16, 2018.

Subsequently, Mr. Uday Shankar Jha was appointed as Promoter Nominee Chairman of the Board of Directors of Nagarjuna Fertilizers and Chemicals Limited (NFCL), Holding Company of our Company, with effect from January 19, 2019.

Consequent to his appointment as the Promoter Nominee Chairman of NFCL, Mr. Uday Shankar Jha has ceased to be an Independent Director on the Board of NFCL.

In view of the above and Mr. Uday Shankar Jha, not satisfying the criteria of Independence as envisaged in the Companies Act, 2013, the Board proposes to appoint him as a Non-Executive Director on the Board of the Company

The Board of Directors commend his appointment for consideration of the Shareholders.

Resignation of Mr. Somaraju as Director

Mr. Somaraju has submitted his Resignation with effect from 20-July-2018. The Board took note of the resignation of Mr. Somaraju from the office of Directorship of the Company and conveyed its deep appreciation of the significant contribution made by him during his tenure as a Director on the Board of the Company

Independent Director:

sad demise of Capt. Hariharan Ramanathan

Capt. Hariharan Ramanathan, an Independent Director of the company, has passed away on November 13, 2018.

The Board expressed its condolences to the family of Capt. Hariharan Ramanathan, at his demise.

The Board Placed on record its deep appreciation for the services rendered by Capt. Hariharan Ramanathan, during his tenure as Director of the Company.

Appointment of Ms. Lalitha Raghuram

The Board of Directors of the Company has appointed Ms. Lalitha Raghuram, as an Additional Director and Independent Director with effect from March 11, 2019.

It is proposed to appoint Ms. Lalitha Raghuram as an Independent Director of the Company not liable to retire by rotation for a tenure of 5 years starting from March 11, 2019 to March 10, 2024.

The Board of Directors commend her appointment for consideration of the Shareholders.

Declaration by Independent Directors:

The Independent Directors have submitted their disclosure to the Board that they fulfill all the requirements of independence so as to qualify as an Independent Director under Section 149(6) of the Companies Act, 2013.

Key Managerial Personnel:

The following are the Key Managerial Personnel of the Company as defined under Sections 2(51), 203 of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 as on date of this report:

Mr. Tsalla Srinivas	Manager (w.e.f July 20, 2018)
Mr. Hanumantha Rao Muralidhar	Chief Financial Officer (w.e.f August 01, 2018)
Mr. K Chandra Sekhar Naidu	Company Secretary (w.e.f August 01, 2018)

Meetings of the Board

The Board of Directors of your company, during the period under review met five times on May 23, 2018, July 20, 2018, August 01, 2018, November 16, 2018, February 07, 2019 and March 11, 2019.

Personnel

There are no employees as on date on the rolls of the Company who are in receipt of remuneration which requires disclosures under 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.

COMMITTEES:

Audit Committee:

The Audit Committee of the Board of Directors is in compliance with the provisions of Section 177 of the Companies Act, 2013. The terms of reference are in compliance with the provisions of the law.

The Committee meets periodically to review the internal audit report, quarterly financial statements and annual financial statements and recommends its findings to the Board apart from taking action independently whenever required. The Statutory Auditors, the Internal Auditor, Cost Auditors attend and participate in the Audit committee Meetings.

The Audit Committee comprises of :

Name	Designation
Mr. C B Mouli	Chairman
Mr. K S Raju	Member
Mrs. Lalitha Raghuram	Member

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee was constituted in compliance with the provisions of the Companies Act, 2013.

The Company has formulated the criteria for determining, inter-alia, qualifications, positive attributes and independence of a Director and policy relating to the remuneration for the Directors, Key Managerial Personnel, Senior Management and other employees.

The Nomination and Remuneration Committee comprises of :

Name	Designation
Mr. C B Mouli	Chairman
Mr. K S Raju	Member
Mrs. Lalitha Raghuram	Member

C. DISCLOSURES

Related party transactions

All related party transactions done by the Company during the financial year were at arm's length and in ordinary course of business. There are no contracts or arrangements entered into by the company with related parties in accordance with the provisions of Section 188(1) of the Companies Act, 2013.

Particulars of Loans, Guarantees or Investments

The company has not provided any Loans, Guarantees or made Investments pursuant to Section 186 of the Companies Act, 2013.

Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

In relation to the information required to be furnished under the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the company is not undertaking any manufacturing activity and accordingly there is no information available pertaining to Conservation of Energy and Technology Absorption. There is no Foreign Exchange Earnings and Outgo.

Extract of Annual Return

The Extract of the Annual Return for the year ended 31st March, 2018; appear as **Annexure- I** to this report

Compliance with Secretarial Standards

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India relating to Meetings of the Board and its Committees and the General Meetings, which have mandatory application during the year under review.

Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

There were no orders passed by Regulators or Courts or Tribunals impacting the going concern status and future business operations of the Company.

Adequacy of Internal Financial Controls

The company has established and is maintaining internal controls and procedures. The Board of Directors have evaluated the effectiveness of the company's internal controls and procedures and confirm that they are adequate based on the size and the nature of its business.

Details in respect of frauds reported by Auditors other than those which are reportable to the Central Government

The Statutory Auditors, Cost Auditors or Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

Deposits

The Company has not accepted any deposits falling under the ambit of Chapter V of the Companies Act, 2013 and the Rules framed thereunder, during the year nor are there any unpaid /unclaimed deposits at the end of the year. Accordingly, no disclosure or reporting is required in respect of details relating to deposits.

D. AUDITORS AND AUDIT REPORT

Appointment of Statutory Auditors

M/s. Saranga Pani & Co., Chartered Accountants, Hyderabad, were appointed as the Statutory Auditors' for a term of five years commencing from the conclusion of the 32nd Annual General Meeting up to the conclusion of the 37th Annual General Meeting subject to ratification by the Members of the company every year at the Annual General Meeting.

M/s. Saranga Pani & Co., signified their willingness to accept ratification of appointment vide letter dated March 31, 2016 and have further confirmed their eligibility under Section 141 of the Companies Act, 2013.

The company's Statutory Auditors have also furnished a certificate from the Peer Review Board of the ICAI confirming that they have undergone the process of peer review.

The Board of Directors in accordance with the provisions of Section 139 of the Companies Act, 2013 and the rules made there under recommend the ratification of the appointment of Statutory Auditors for the Financial Year 2019-20, for consideration of the Members.

Statutory Audit Report

The Auditors of the company have invited attention to "Emphasis of Matter" in the Auditors Report, in relation to matter pending before the Hon' ble High Court of Karnataka. Emphasis of Matter given in Auditors Report read with Note 3.1 of Notes to Financial Statements for the year ended March 31, 2019 are self-explanatory and do not call for any further comments.

E. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company hereby report:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the Directors had taken proper and 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 and detecting fraud and other irregularities;

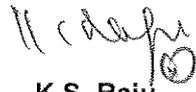
- (d) the Directors had prepared the annual accounts on a going concern basis; and
- (e) the Directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the support and cooperation extended by the Central Government, Government of Karnataka and Nagarjuna Fertilizers and Chemicals Limited.

Hyderabad
May 15, 2019

By Order of the Board


K.S. Raju
Chairman

Annexure – I

FORM MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	U00337KA1993PLC014694
Registration Date	01.09.1993
Name of the Company	Jaiprakash Engineering and Steel Company Limited
Category / Sub-Category of the Company	Public Company Limited by Shares
Address of the Registered office and contact details	No. 510, 3rd A Cross 2nd Main, 3rd Block, Raj Mahal Vilas II, Dollars Colony, Bangalore – 560 094
Whether listed company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	--

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:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	NA	NA	NIL

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1.	Nagarjuna Fertilizers and Chemicals Limited	L24129AP2006PLC07623 8	Holding Company	99.84%	2(46)

b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	28,880	28,880	0.12%	-	28,880	28,880	0.12%	0.00%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	6,630	6,630	0.04%	-	6,630	6,630	0.04%	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	0.0%	-
c) Others NRI	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign National	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	35,510	35,510	0.16%	-	35,510	35,510	0.16%	0.00%
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	35,510	35,510	0.16%	-	35,510	35,510	0.16%	0.00%

C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2,25,61,693	35,510	2,25,97,203	100.00%	2,25,61,693	35,510	2,25,97,203	100.00%	0.00%

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change holding 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.	Nagarjuna Fertilizers and Chemicals Ltd.	2,25,61,693	99.84%	-	2,25,61,693	99.84%	-	0.00%
	Total	2,25,61,693	99.84%	-	2,25,61,693	99.84%	-	0.00%

(iii) Change in Promoters' Shareholding

Sl. No.	Shareholding at the beginning of the year				Cumulative Shareholding during the year	
	Name	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
	At the beginning of the year					
-	-	-	-	-	-	
	At the End of the year					
-	-	-	-	-	-	

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
	For Each of the Top 10 Shareholders				
	At the beginning of the year				
1.	Amlika Mercantile Private Limited	28,880	0.13%	28,880	0.13%
2.	Mr. Rahul Raju	6,626	0.03	6,626	0.03
3.	Mr Vyas Maheshwara Rao	1	0.00%	1	0.00%
4.	Mr T V Dwarkanath	1	0.00%	1	0.00%
5.	Mr. M Rambabu	1	0.00%	1	0.00%
	At the End of the year (or on the date of separation, if separated during the year)				
1.	Amlika Mercantile Private Limited	28,880	0.13%	28,880	0.13%
2.	Mr. Rahul Raju	6,626	0.03	6,626	0.03
3.	Mr Vyas Maheshwara Rao	1	0.00%	1	0.00%
4.	Mr T V Dwarkanath	1	0.00%	1	0.00%
5.	Mr. M Rambabu	1	0.00%	1	0.00%

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
1.	Mr. K Soma Raju	1	0.00%	1	0.00%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat				
	At the End of the year				
-	-	-	-	-	-

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	-	-	-	-
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Managing Director/Whole Time Director/ Manager	Total Amount
1.	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-

4.	Commission - as % of profit - others, specify...	-	-
5.	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	-	-

B. Remuneration to other directors

Sl. No	Particulars of Remuneration	Name of the Director	Total Amount
1.	Independent Directors	-	-
	• Fee for attending board / committee meetings	-	-
	• Commission	-	-
	• Others, please specify	-	-
	Total (1)	-	-
2.	Other Non-Executive Directors	-	-
	• Fee for attending board / committee meetings	-	-
	• Commission	-	-
	• Others, please specify	-	-
	Total (2)	-	-
	Total(1+2)	-	-
	Total Managerial Remuneration	-	-
	Overall Ceiling as per the Act	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

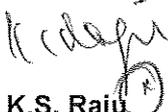
Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit -others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A.COMPANY	-	-	-	-	-
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B.DIRECTORS	-	-	-	-	-
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT	-	-	-	-	-
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

By Order of the Board

Hyderabad
May 15, 2019


K.S. Raju
Chairman



INDEPENDENT AUDITORS' REPORT

To

The Members of
M/s. Jaiprakash Engineering and Steel Company Limited

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of **Jaiprakash Engineering and Steel Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other Comprehensive Income), the 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 referred to as "Standalone Ind AS Financial Statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.





Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March 2019, its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw the attention of the members to Note No. 3.1 regarding Standalone Ind AS Financial Statements being drawn up on a going concern basis notwithstanding shelving the project initially planned for the reasons stated in the said note.

Our opinion is not qualified in respect of this matter.





Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the 'Order'), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position in Standalone Ind AS Financial Statements.



SARANGA PANI & CO
CHARTERED ACCOUNTANTS



1-1-719, Gandhi Nagar,
Hyderabad - 500 080, Telangana
Tel : 040 - 27671515, Cell : 9989991515
E-mail : cacspani@gmail.com

- ii. The Company did not, as at March 31, 2019, have any material foreseeable losses relating to long-term contracts including derivative contracts.
- iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

For Saranga Pani & Co
Chartered Accountants
Firm Registration No. 050030S



(C S Pani)
Proprietor

Membership No. 073178

Place: Hyderabad
Date: 15.05.2019

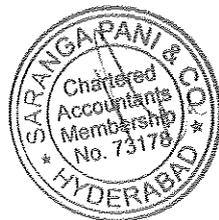


Re: Jaiprakash Engineering and Steel Company Limited

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) The Company has no fixed assets, paragraph 3(i) of the Order is not applicable for the current year under report.
- (ii) The Company has no inventory, paragraph 3(ii) of the Order is not applicable for the current year under report.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, reporting under clauses (a), (b) and (c) of paragraph 3(iii) of the Order are not applicable for the current year under report.
- (iv) According to the information and explanations furnished to us, the Company has not granted any loans, nor made any investments or given any guarantees or securities during the year to any of the parties specified in the Sections 185 and 186 of the Companies Act, 2013. Accordingly, reporting under paragraph 3(iv) of the Order is not applicable for the current year under report.
- (v) According to the information and explanations furnished to us, the Company has not accepted any deposits from the public. Accordingly, reporting under paragraph 3(v) of the Order is not applicable for the current year under report.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not commenced any operations. Hence paragraph 3(vi) of the Order is not applicable for the current year under report.





- (vii) According to the information and explanations given to us, in respect of statutory dues, during the year under report:
- (a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities, and there were no amounts payable in respect of the aforesaid undisputed statutory dues in arrears, as at March 31, 2019, for a period of more than six months from the date they became payable.
- (b) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2019 on account of dispute.
- (viii) The Company has not made borrowings or taken loans from financial institutions, banks, government and has not issued debentures. Accordingly, reporting under paragraph 3(viii) of the Order is not applicable for the current year under report.
- (ix) According to the information and explanations furnished to us, the Company has not raised monies by way of initial public offer or further public offer of any of its securities during the year under report. Accordingly, reporting under paragraph 3(ix) of the Order is not applicable for the current year under report.
- (x) According to the information and explanations furnished to us, neither fraud by the Company, nor any fraud on the Company by any of its officers or its employees has been noticed or reported during the year under report. Accordingly, the provisions of paragraph 3(x) of the Order are not applicable to the Company for the current year under report.
- (xi) According to the information and explanations furnished to us, the Company has not paid/provided for managerial remuneration in the books of account. Hence, reporting under paragraph 3(xi) of the Order is not applicable for the current year under report.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, paragraph 3 (xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations furnished to us, there are no transactions with related parties. Hence, reporting under paragraph 3(xiii) of the Order is not applicable for the current year under report.



SARANGA PANI & CO
CHARTERED ACCOUNTANTS



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- (xiv) According to the information and explanations furnished to us, the Company has not made any preferential allotment or private placement of its shares or fully or partly convertible debentures during the year under report. Accordingly, the provisions of paragraph 3(xiv) of the Order are not applicable for the current year under report.
- (xv) According to the information and explanations given to us and based on examination of records of the Company, the Company has not entered into any non-cash transaction with directors or persons connected with him. Hence paragraph 3(xv) of the Order is not applicable for the current year under report.
- (xvi) According to the information and explanations furnished to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the provisions of paragraph 3(xvi) of the Order are not applicable for the current year under report.

For Saranga Pani & Co
Chartered Accountants
Firm Registration No. 050030S



(C S Pani)
Proprietor
Membership No. 073178

Place: Hyderabad

Date: 15-05-2019



Re: Jaiprakash Engineering and Steel Company Limited

Annexure B to the Independent Auditors' report

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 Jaiprakash Engineering and Steel Company Limited ("the Company") as of March 31, 2019 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. 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 whether 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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





Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control over financial reporting and such internal control over financial reporting were operating effectively as at March 31, 2019, based in the internal control over financial reporting criteria established by the Company considering the essential components of internal control state in Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Saranga Pani & Co
Chartered Accountants
Firm Registration No. 050030S



(C S Pani)
Proprietor
Membership No. 073178

Place: Hyderabad

Date: 15.05.2019

JAI PRAKASH ENGINEERING AND STEEL COMPANY LIMITED

Balance Sheet As At March 31, 2019

Particulars	Note No	As At March 31, 2019	As At March 31, 2018
		₹	₹
ASSETS			
Non-Current Assets			
a) Property, Plant and Equipment		-	-
b) Capital work-in-progress		-	-
c) Other Intangible Assets		-	-
d) Financial Assets			
(i) Loans and advances	3	181,385,427	181,385,427
(ii) Other Financial Assets	4	1,263,045	1,286,829
Current Assets			
a) Financial Assets			
(i) Cash and Cash Equivalents	5	151,897	101,771
(ii) Other Financial Assets	6	48,614	143,444
b) Current Tax Assets (Net)	7	21,576	22,893
Total Assets		182,870,559	182,940,364
EQUITY AND LIABILITIES			
EQUITY:			
(a) Equity Share Capital	8	225,972,030	225,972,030
(b) Other Equity	9	(46,664,221)	(46,594,416)
LIABILITIES:			
Non-current Liabilities		-	-
Current Liabilities			
a) Financial Liabilities			
(i) Other Financial Liabilities	10	3,504,500	3,504,500
b) Other current liabilities	11	58,250	58,250
Total Equity and Liabilities		182,870,559	182,940,364

Corporate Information and Significant Accounting Policies 1 and 2

Accompanying Notes form an integral part of the Financial Statements

As per our report of even date attached
for Saranga Pani & Co.
Chartered Accountants

For and on behalf of the Board

C S Pani
Proprietor
Hyderabad,
Date:

15.05.19



Chief Financial Officer

Director

Director

Company Secretary

JAI PRAKASH ENGINEERING AND STEEL COMPANY LIMITED
Statement of Profit and Loss for the Period ended March 31, 2019

₹

Particulars	Note No	Year ended 31st March, 2019	Year ended 31st March, 2018
Income			
Other Income	12	90,889	104,148
Total Income		90,889	104,148
Expenses			
Employee Benefits Expense	13	-	166,986
Finance Cost	14	606	1,206
Other Expenses	15	160,088	107,723
Total Exepnses		160,694	275,915
Loss Before Tax		(69,805)	(171,767)
Tax Expense		-	-
Loss After Tax		(69,805)	(171,767)
Other Comprehensive Income		-	-
Total Comprehensive Income		(69,805)	(171,767)
Earnings per equity share of face value ₹10/- each			
Basic and Diluted	16	(0.003)	(0.008)
Corporate Information and Significant Accounting Policies	1 and 2		

Accompanying Notes form an integral part of the Financial Statements

As per our report of even date attached
for Saranga Pani & Co.
Chartered Accountants

For and on behalf of the Board

C S Pani
Proprietor
Hyderabad,

Director

Date: 15-05-19



Chief Financial Officer

Company Secretary

K. Raju
Director

JAI PRAKASH ENGINEERING AND STEEL COMPANY LIMITED
Statement of Changes in Equity for the period ended 31st March, 2019

Amount in ₹

A. Equity Share Capital

Balance as at 31st March, 2018	225,972,030
Changes in Equity Share Capital during the year	-
Balance as at 31st March, 2019	<u>225,972,030</u>

B. Other Equity

	Reserves and Surplus						Total
	Share application money pending allotment	Equity component of Compound financial instruments	Capital Reserve	Security Premium Reserve	General Reserve	Retained Earnings	
Balance at 1st April, 2018	-	-	-	-	284,877	(46,879,293)	(46,594,416)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at 1st April 2018	-	-	-	-	284,877	(46,879,293)	(46,594,416)
Total Comprehensive Income for the year.	-	-	-	-	-	(69,805)	(69,805)
Dividends	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-
Any other change to be specified	-	-	-	-	-	-	-
Balance at 31st March, 2019	-	-	-	-	284,877	(46,949,098)	(46,664,221)

Accompanying Notes form an integral part of the Financial Statements

As per our report of even date attached
for Saranga Pani & Co.
Chartered Accountants

For and on behalf of the Board

C S Pani
Proprietor
Hyderabad,

Director

Director

Date: 15-05-2019

Chief Financial Officer

Company Secretary



JAI PRAKASH ENGINEERING AND STEEL COMPANY LTD
Cash Flow Statement for the year ended March 31, 2019

₹

	Year ended 31st March, 2018	Year ended 31st March, 2018
A. Cash Flow from Operating Activities		
Net Profit /(Loss) before Tax	(69,805)	(171,767)
Operating Profit before working capital changes	(69,805)	(171,767)
Movements in Working Capital :		
Increase / (Decrease) in Other Current Liabilities	-	25,500
(Increase) / Decrease in Long Term Loans and Advances	-	-
(Increase) / Decrease in Other Current Assets	94,830	(74,699)
Cash generated from / (used in) operations	25,025	(220,967)
Direct Taxes Paid (net of refunds)	1,317	2,105
Net cash from / (used in) operating activities	26,342	(218,862)
B. Cash Flow from Investing activities		
Fixed Deposit	23,784	300,000
Net cash from / (used in) investing activities	23,784	300,000
C. Cash flow from Financing activities		
Net cash from / (used in) financing activities	-	-
Net Increase/(Decrease) in Cash and Cash equivalents	50,126	81,138
Cash and cash equivalents as at the beginning of the year	101,771	20,633
Cash and cash equivalents as at the end of the year	151,897	101,771

Accompanying Notes form an integral part of the Financial Statements

As per our report of even date attached
for Saranga Pani & Co.
Chartered Accountants

For and on behalf of the Board

C S Pani
Proprietor
Hyderabad

Director

Director

Date: 15.05.2019



Chief Financial Officer

Company Secretary

1 CORPORATE INFORMATION

Jaiprakash Associates Constructions Limited was incorporated on September 21, 1984 in the state of Uttar Pradesh with an objective of setting up an integrated steel plant. On May 25, 1992 Company passed Special Resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government is accorded on June 11, 1992 for change of name to Jaiprakash Engineering and Steel Company Limited. Jaiprakash Engineering and Steel Company Limited having by special resolution altered the provisions of its Memorandum of Association with respect to the Place of its registered office by changing it from the state of Uttar Pradesh to the state of Karnataka and such Alteration having been confirmed by an order of Company Law Board registered dated September 01, 1993. Due to various reasons, the Company has shelved the project. As an alternative, the Company has applied to Government of Karnataka approval to implement two projects i.e Fertilizers and Chemicals Complex and Integrated Township during the year 2011-12 and 2012-13. The Government of Karnataka has approved the same. Consequently, the Government of Karnataka also passed order No. CI 175 SPI 2011 Dt. 11-11-2013 cancelling the Land Allotment made to the Company stating that the Company has not implemented the approved projects and also advised KIADB to resume the balance land from the Company. The Company has filed a writ petition challenging the Order of the Govt. and the Hon'ble High Court of Karnataka has prohibited the Govt. of Karnataka from dispossessing the land in possession of the Company. The High Court of Karnataka on April 23, 2018 has lifted the stay and permitted the Government of Karnataka from taking possession of 160 acres of land from the Company for handing over the same to prospective applicants. The stay of the High Court of Karnataka in relation to dis-possession of land in the possession of the Company for 388.70 acres continues.

The company is a wholly owned subsidiary of Nagarjuna Fertilizer and Chemicals Limited.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 in line with the decision of the holding company.

The financial statements have been prepared on a historical cost basis and are presented in Indian Rupees ('INR').

2.2. Current versus non-current classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

- i. the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- ii. the asset is intended for sale or consumption;
- iii. the asset/liability is held primarily for the purpose of trading;
- iv. the asset/liability is expected to be realized/settled within twelve months after the reporting period;
- v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- vi. in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

2.3. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.4. Earnings Per Share:

Basic earnings per equity share is computed by dividing the net profit/loss for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year.



Notes to Financial Statements for the year ended March 31, 2019

2.5. Taxes:

- 2.5.1. **Current Tax:** Provision for current tax is made based on the taxable income computed for the year under the Income Tax Act, 1961.
- 2.5.2. **Deferred Tax:** Deferred tax is recognised on timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

2.6. Provisions, Contingent liabilities, Contingent assets and Commitments:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.7. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.



Amount in ₹

3. Long Term Loans and Advances (Unsecured)

Security Deposit with KIADB

Deposit with KIADB - Land (Refer Note No.3.1)

As at March 31, 2019	As at March 31, 2018
5,438,064	5,438,064
175,947,363	175,947,363
181,385,427	181,385,427

- 3.1 The Company has, during the year 1996 made application to Karnataka Industrial Areas Development Board (KIADB) for allotment of land for the purpose of its integrated steel plant at Mangalore. The Company had paid Rs. 30.53 crores to KIADB towards deposit for acquisition of land (lease hold and free hold). KIADB had given possession of 986.52 acres of land to the Company. Subsequently, the Company has decided to shelve the Project and approached to KIADB for surrender of land allotted, and refund the amount deposited. KIADB agreed to reimburse the deposit with a condition that as and when KIADB receive request from any prospective investor, the Company's lands will be offered and upon acceptance by potential investor deposit will be refunded to Company from the sale proceeds so received.

Accordingly, the Company has surrendered 204.96 acres for sale by KIADB to others and 232.86 acres for other uses as ordered by the Govt. of Karnataka and KIADB after which it is in possession of 548.70 acres as at March 31, 2016. After adjusting the amounts received from KIADB and the amounts charged by it towards various expenses, the deposit recoverable stands at Rs. 17,59,47,363 as at March 31, 2019 which is shown under Long term Loans and Advances. In the opinion of the management, the realisable value of land in possession is in excess of deposit with KIADB.

In the mean time the Company has applied for approval to implement two projects i.e. Fertilizers and Chemicals Complex and Integrated Township to Karnataka Government during the year in the balance land held by the Company. The Government of Karnataka has approved the same vide GO No. CI 175 SPI 2011, Bangalore dt. 18.08.2011, 07.05.2012 and GO No. CI176 SPI 2011 dt.18.08.2011.

The Government of Karnataka has passed order No. CI 175 SPI 2011 Dt. 11-11-2013 cancelling the Land Allotment made to the Company stating that the Company has not implemented the approved projects and also advised KIADB to resume the balance land from the Company. The Company has filed a writ petition challenging the Order of the Govt. of Karnataka and the Hon'ble High Court of Karnataka has prohibited the Govt. of Karnataka from dispossessing the land in possession of the Company.

The High Court of Karnataka on April 23, 2018 has lifted the stay and permitted the Government of Karnataka from taking possession of 160 acres of land from the Company for handing over the same to prospective applicants. We filed Writ appeal against this modified order. Our WA was disposed. We are filing fresh W.P challenging the allotment of 160 Acres.

The stay of the High Court of Karnataka in relation to dis-possession of land in the possession of the Company for 388.70 acres continues.

Pending crystallization of plans and considering the above said developments, the Financial Statements of the Company for the year have been prepared on going concern basis, notwithstanding the project initially planned been shelved.



4. Other Financial Assets

Bank deposits with more than 12 months maturity
Total

Amount in ₹	
As at March 31, 2019	As at March 31, 2018
1,263,045	1,286,829
1,263,045	1,286,829

5. Cash and Cash equivalents

Cash and Cash equivalents
Cash on hand
Balances with banks in Current accounts

Amount in ₹	
As at March 31, 2019	As at March 31, 2018
-	-
151,897	101,771
151,897	101,771

6. Other Financial Assets- current portion

Interest accrued on Deposit

Amount in ₹	
As at March 31, 2019	As at March 31, 2018
48,614	143,444
48,614	143,444

7. Current Tax Assets (Net)

Current tax Assets
Tax Deducted at Source

Amount in ₹	
As at March 31, 2019	As at March 31, 2018
21,576	22,893
21,576	22,893



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Jaiprakash Engineering and Steel Company Limited

Notes to Financial Statements for the year ended March 31, 2019

8. Share Capital

	March 31, 2019		March 31, 2018	
	No. of Shares	₹	No. of Shares	₹
Authorised Equity Shares of ₹ 10/- each	23,000,000	230,000,000	23,000,000	230,000,000
Issued, Subscribed and Paid Up Equity Shares of ₹ 10/- each	22,597,203	225,972,030	22,597,203	225,972,030

8.1 Reconciliation of the Number of shares outstanding at the beginning and at the end of the year

	March 31, 2019		March 31, 2018	
	No. of Shares	₹	No. of Shares	₹
Equity Shares of ₹ 10/- each Balance at the beginning of the year	22,597,203	225,972,030	22,597,203	225,972,030
Add: Issued during the year Balance at the end of the year	<u>22,597,203</u>	<u>225,972,030</u>	<u>22,597,203</u>	<u>225,972,030</u>

8.2 Rights, Preferences and Restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

8.3 Shares held by the holding Company

	March 31, 2019		March 31, 2018	
	No. of shares	₹	No. of shares	₹
Equity Shares of ₹ 10/- each Nagarjuna Fertilizers and Chemicals Limited	22,561,693	225,616,930	22,561,693	225,616,930

8.4 Details of shareholders holding more than 5% of the Shares

	March 31, 2019		March 31, 2018	
	No. of shares	% of Share holding	No. of shares	% of Share holding
Equity Shares of ₹ 10/- each Nagarjuna Fertilizers and Chemicals Limited	22,561,693	99.84%	22,561,693	99.84%



Jaiprakash Engineering and Steel Company Limited

Notes to Financial Statements for the year ended March 31, 2019

Amount in ₹

9. Other Equity

General Reserve

Opening Balance

Add: Appropriations

Closing Balance

Deficit in the Statement of Profit and Loss

Opening Balance

Add: Loss after tax for the year

Closing Balance

As at March 31, 2019	As at March 31, 2018
284,877	284,877
-	-
284,877	284,877
(46,879,293)	(46,707,526)
(69,805)	(171,767)
(46,949,098)	(46,879,293)
(46,664,221)	(46,594,416)

10. Other Financial Liabilities

Other payables

Others

As at March 31, 2019	As at March 31, 2018
3,504,500	3,504,500
3,504,500	3,504,500

11. Other Current Liabilities

Others

Expenses Payable

As at March 31, 2019	As at March 31, 2018
58,250	58,250
58,250	58,250



Jaiprakash Engineering and Steel Company Limited

Notes to Financial Statements for the year ended March 31, 2019

	Amount in ₹	
	Year ended 31st March, 2019	Year ended 31st March, 2018
12. Other Income		
Interest on TDS Refund	460	555
Interest on Fixed Deposit	90,429	103,593
	90,889	104,148

	Amount in ₹	
	Year ended 31st March, 2019	Year ended 31st March, 2018
13. Employee Benefits Expense		
Salaries and Wages	-	166,986
	-	166,986

	Amount in ₹	
	Year ended 31st March, 2019	Year ended 31st March, 2018
14. Finance Cost		
Bank Charges	606	1,206
	606	1,206

	Amount in ₹	
	Year ended 31st March, 2019	Year ended 31st March, 2018
15. Other Expenses		
Rates and Taxes	2,500	2,500
Professional and Consultancy	103,400	13,421
Filing fees	21,000	14,400
Demat Charges	3,540	47,796
Miscellaneous Expenses	148	106
Auditors' remuneration (Refer Note 18)	29,500	29,500
	160,088	107,723

16. Earnings per share

S.No	Particulars	Unit of Measurement	2018-19	2017-18
1	Loss after tax	₹	(69,805)	(171,767)
2	Number of Equity shares (fully paid up)	(Numbers)	22,597,203	22,597,203
3	Earnings per share – Basic and Diluted (Face value of Rs 10/- per share)	[1] / [2]	(0.003)	(0.008)

17. Related party transaction:

Names of related parties and description of relationship
Nagarjuna Fertilizers and Chemicals Limited

Holding Company

Key Managerial Persons

Sri H Muralidhara Rao

Chief Financial Officer with effect from 1st August, 2018

Sri K Chandra Sekhar Naidu

Company Secretary with effect from 1st August, 2018

Sri T Srinivas

Manager with effect from 20th July, 2018

Related party transactions during the year ended March 31, 2019--- Rs. Nil/- (Previous Year Nil)



JAI PRAKASH ENGINEERING AND STEEL COMPANY LIMITED

Notes to the Financial Statements for the year ended 31st March 2019

18. Audit Fees inclusive of GST/service tax:

S.No	Particulars	Amount in ₹	
		2018-19	2017-18
1	Fee towards: Statutory Audit*	29,500	29,500
	Total	29,500	29,500

* includes GST/service tax Rs. 4,500/- (Previous Year Rs. 4,500/-)

19. Contingent Liabilities not provided for: ` Nil (Previous Year : ` Nil)

20. There are no employees in the Company eligible for retirement benefits and therefore no provision is warranted as provided in AS-15 on 'Employee Benefits' issued by the Institute of Chartered Accountants of India.

21. There are no reportable segments as envisaged in AS-17 on 'Segment Reporting' issued by the Institute of Chartered Accountants of India.

22. Based on the information available with the Company, there are no transactions during the year or balances outstanding as at the Balance Sheet date with / to small scale industrial undertakings and Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

23. As per Accounting Standard No 22 on Taxes on Income issued by The Institute of Chartered Accountants of India, in the absence of virtual certainty of utilizing the carry forward losses, no deferred tax asset is recognized.

24. Balances in the accounts of various parties appearing in these statements are subject to confirmations and reconciliations.

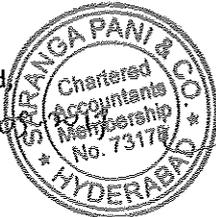
25. Previous year figures have been regrouped / reclassified to conform to current year classification.

Signatories to Notes '1 to 25'

As per our report of even date attached
for Saranga Pani & Co.
Chartered Accountants

C S Pani
Proprietor

Hyderabad,



Director

Chief Financial Officer

For and on behalf of the Board

Director

Company Secretary