

# Shah Gupta & Co.

## Chartered Accountants

### INDEPENDENT AUDITORS' REPORT

#### TO THE MEMBERS OF JINDAL STEEL & ALLOYS LIMITED

#### Report on the Financial Statements

##### Opinion

We have audited the financial statements of **Jindal Steel & Alloys Limited** (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and Statement of Cash Flows for the year then ended and Notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under sub-section (10) of section 143 of the Companies Act, 2013 ("the Act"). 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 Act and the Rules thereunder, 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.

##### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Overview, Board's Report including Annexures to Board's Report and Shareholder's Information 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 during the course of our 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.

##### Responsibilities of Management for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation of these 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions



of the Act for safeguarding of 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 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 and Board of Directors are 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 Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the audit of the financial Statements**

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 SAs 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 SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under sub-section (3)(i) of section 143 the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls over financial reporting with reference to these financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.
- 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.

### **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" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by sub-section (3) of Section 143 of the Act, based on our audit, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of written representations received from the directors as on March 31, 2019, and 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 sub-section (2) of Section 164 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 with reference to these financial statements of the Company, refer to our separate Report in "Annexure B" to this report.
  - (g) In our opinion and according to the information and explanations given to us, the Company has not paid/provided managerial remuneration. Accordingly, reporting under sub-section 16 of Section 197 of the Act is not applicable to the Company.
  - (h) 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 11 (2) of the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2019 for which there were any material foreseeable losses; and
    - iii. As at March 31, 2019 there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **SHAH GUPTA & CO.,**  
Chartered Accountants  
Firm Registration No.: 109574W

**Heneel K Patel**  
Partner  
M. No. 114103  
Place: Mumbai  
Date: May 15, 2019



## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Jindal Steel & Alloys Limited of even date)

- (i) The Company's does have fixed assets, hence, reporting under paragraph 3 (i) of the Order is not applicable to the Company.
- (ii) The Company's business does not involve inventories and, hence, reporting under paragraph 3 (ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, reporting under paragraph 3(iii) (a), (b) and (c) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of the loans and investments made by it.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence, reporting under paragraph 3(v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under sub-section 1 of section 148 of the Act.
- (vii) (a) According to the information and explanations given to us, and the records of the company examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, goods and service tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, service tax, goods and service tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us, there are no dues of sales tax, wealth tax, service tax, goods and service tax, income tax, excise duty, custom duty, value added tax, and cess which have not been deposited on account of any dispute except as follows:

Name of the Statute	Nature of the Dues	Amount* (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2.63	A.Y. 2005-06	Rectification before AO
		931.77	A.Y. 2008-09	Commissioner of Income Tax (Appeals)
		3.46	A.Y. 2010-11	Rectification before AO

# Net of amounts paid under protest

- (viii) Based on our examination of documents and records, the Company has not taken any loan from a financial institution, a bank, the government or issued debentures and hence, reporting under paragraph 3 (viii) of the Order is not applicable to the Company.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us by the Management, 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 under review. Accordingly, reporting under paragraph 3(ix) of the Order is not applicable to the Company.
- (x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the Management, we report that no material fraud by the Company and on the Company by its officer 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 not paid/provided managerial remuneration. Accordingly, reporting under paragraph (xi) of the Order is not applicable to the Company.
- (xii) In our opinion, the Company is not a Nidhi Company and hence, reporting under paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) The Company has not entered into transactions with related parties during the year and hence, reporting under paragraph 3 (xiii) of the Order is not applicable to the Company.
- (xiv) According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment/private placement of shares or fully or partly convertible debentures during the year and hence, reporting under paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements, in our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with the directors. Hence, reporting under paragraph 3 (xv) of the Order is 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 and hence, reporting under paragraph 3(xvi) of the Order is not applicable to the Company.

For **SHAH GUPTA & CO.,**  
Chartered Accountants  
Firm Registration No.: 109574W

**Heneel K Patel**  
Partner  
M. No. 114103  
Place: Mumbai  
Date: May 15, 2019



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

**(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Jindal Steel & Alloys Limited of even date)**

We have audited the internal financial controls over financial reporting of Jindal Steel & Alloys Limited (hereinafter referred to as "the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India. 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, 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 Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under sub-section 10 of Section 143 of the Act, 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 with reference to these financial statements of the Company 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 with reference to these financial statements of the Company 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 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 internal financial controls system over financial reporting with reference to these financial statements of the Company.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting with reference to these financial statements of the Company 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 with reference to these financial statements of the Company 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 with reference to these financial statements of the Company**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements of the Company, 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 with reference to these financial statements of the Company to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements of the Company 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, 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 March 31, 2019, 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 **SHAH GUPTA & CO.,**  
Chartered Accountants  
Firm Registration No.: 109574W

**Heneel K Patel**  
Partner  
M. No. 114103  
Place: Mumbai  
Date: May 15, 2019



**Jindal Steel & Alloys Limited**  
**Balance Sheet as at 31st March, 2019**

(Amount in ₹)

Particulars		Note No.	As at 31st March, 2019	As at 31st March, 2018
<b>I.</b>	<b>EQUITY AND LIABILITIES :</b>			
1	Shareholders' funds			
	(a) Share capital	2	7,02,00,000	7,02,00,000
	(b) Reserves and surplus	3	95,17,65,492	89,86,53,831
2	Current liabilities			
	Other current liabilities	4	55,870	91,450
	<b>TOTAL</b>		<b>1,02,20,21,362</b>	<b>96,89,45,281</b>
<b>II.</b>	<b>ASSETS :</b>			
1	Non-current assets			
	(a) Non-current investments	5	18,79,00,000	18,79,00,000
	(b) Long-term loans and advances	6	75,95,50,901	71,73,51,891
2	Current assets			
	(a) Cash and bank balances	7	23,97,291	11,72,601
	(b) Short term loans and advances	6	35,00,000	-
	(c) Other current assets	8	6,86,73,170	6,25,20,789
	<b>TOTAL</b>		<b>1,02,20,21,362</b>	<b>96,89,45,281</b>
	Significant Accounting Policies & Other Notes	1 & 11		

Notes referred to herein form an integral part of the Financial Statements.

As per our attached report of even date.

For SHAH GUPTA & CO.

Chartered Accountants

FRN - 109574W

For and on behalf of the Board of Directors

*Heneel K Patel*

Heneel K Patel

Partner

M.No. 114103



*Director*

Director

*Director*

Director

Place : Mumbai

Date : May 15, 2019

Place : Mumbai

Date : May 15, 2019



**Jindal Steel & Alloys Limited**  
**Statement of Profit and Loss for the year ended 31st March, 2019**

(Amount in ₹)

S.No.	Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
I.	<b>Income:</b> Revenue from operations	9	16,03,46,682	15,74,76,508
II.	<b>Total Revenue</b>		16,03,46,682	15,74,76,508
III.	<b>Expenses:</b> Purchases of stock-in-trade Other expenses	10	8,22,04,753 42,15,268	8,22,47,148 21,83,487
	<b>Total Expenses</b>		8,64,20,021	8,44,30,635
IV.	<b>Profit before tax (II-III)</b>		7,39,26,661	7,30,45,872
V.	<b>Tax expense:</b> Current tax Tax adjustment for earlier year		2,08,15,000 -	2,04,50,000 (1,761)
VI.	<b>Profit for the year (IV-V)</b>		5,31,11,661	5,25,97,633
VII.	<b>Earnings per equity share</b> -[Nominal value per share: ₹10 (Previous year: ₹10)] (1) Basic (2) Diluted	11 (6)	7.57 7.57	7.49 7.49
	Significant Accounting Policies & Other notes.	1 & 11		

Notes referred to herein form an integral part of the Financial Statements.

As per our attached report of even date  
**For SHAH GUPTA & CO.**  
Chartered Accountants  
FRN - 109574W

**For and on behalf of the Board of Directors**

  
**Heneel K Patel**  
Partner  
M.No. 114103



  
Director

  
Director

Place : Mumbai  
Date : May 15, 2019

Place : Mumbai  
Date : May 15, 2019

**Jindal Steel & Alloys Limited**  
**Cash Flow Statement for the year ended 31st March, 2019**

(Amount in ₹)

Particulars	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
<b>Cash Flows from Operating Activities:</b>		
Net Profit before Tax	7,39,26,661	7,30,45,872
Adjusted for :		
Interest Income	(7,61,40,201)	(7,50,42,000)
Premium on redemption of preference shares	-	-
<b>Operating Profit Before Working Capital Changes</b>	<b>(22,13,540)</b>	<b>(19,96,128)</b>
<b>Adjustments For Changes in Working Capital:</b>		
(Increase) / Decrease In long term loans & advances	25,000	-
(Increase) / Decrease In other current assets	43,140	(1,43,667)
Increase / (Decrease) in current liabilities & provisions	(35,580)	4,336
<b>Cash flow before taxation</b>	<b>(21,80,980)</b>	<b>(21,35,459)</b>
Direct Taxes paid (net of refund)	(2,10,39,010)	(2,07,54,201)
<b>Net Cash generated from Operating Activities</b>	<b>(2,32,19,990)</b>	<b>-2,28,89,660</b>
<b>Cash flow from Investing Activities:</b>		
Interest received	6,99,44,680	5,95,07,790
Sale of investmens	-	-
Loans & Advances Given	(4,55,00,000)	(3,68,00,000)
<b>Net Cash used in Investing Activities</b>	<b>2,44,44,680</b>	<b>2,27,07,790</b>
<b>Net increase/(Decrease) in cash and cash equivalents</b>	<b>12,24,690</b>	<b>(1,81,870)</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>11,72,601</b>	<b>13,54,471</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>23,97,291</b>	<b>11,72,601</b>
	<b>12,24,690</b>	<b>(1,81,870)</b>

**Notes:**


- 1) The cash flow statement is prepared using the "indirect method" set out in Accounting Standard (AS) - 3 "Cash Flow Statement" and presents the cash flows by operating, investing and financing activities of the Company.
- 2) Previous year's figures have been regrouped / rearranged wherever necessary to conform to current year's classification.

As per our attached report of even date

For SHAH GUPTA & CO.

Chartered Accountants

FRN - 109574W

  
Heneel K Patel

Partner

M.No. 114103

Place : Mumbai

Date : May 15, 2019



For and on behalf of the Board of Directors

  
Director

  
Director

Place : Mumbai

Date : May 15, 2019

**JINDAL STEEL & ALLOYS LIMITED**  
**Notes forming part of Financial Statements**

**Note 1 - Significant Accounting Policies**

**a) Basis of preparation of Financial Statements:**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and read with amendment rules and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**b) Use of estimates:**

The preparation of financial statements in conformity with generally Accepted Accounting Principles require the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) at the date of financial statements and the reported amounts of revenue and expenditures during the year. The Management believes that the estimates used in preparation of financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed at each balance sheet date. Future results could differ due to these estimates and the differences between actual results and estimates are recognized in the periods in which the results are known/ materialize.

**c) Revenue recognition:**

The Company follows mercantile system of Accounting and recognizes Income & Expenditure on accrual basis except dividend, which is accounted when the right to receive the same is established.

Revenue from sale of goods is recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude Goods and service tax. Service Income is recognized as and when the services are performed in accordance with the terms of the Contract. Interest income is accounted on accrual basis.

**Commodity future Contracts**

The margins paid on open positions of commodity future contracts are disclosed under the head "Loans and advances" in the Balance Sheet. The daily mark-to-market margin paid to/ received from in respect of commodity future contracts is debited or credited to daily mark-to-market account, which is disclosed under the head "other current assets" or "other current liabilities" in the Balance Sheet. Net mark to market gain / loss arising from settlement/expiry of the commodity future contracts are recognised in the Statement of Profit and loss.

**d) Investments:**

Investments are classified as current or Long-term in accordance with Accounting Standard 13 on Accounting for Investments.

Current Investments are stated at lower of cost and fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the Statement of profit & loss account.



Long-term investments are stated at cost. Provision is made to recognize a diminution, other than temporary, in the value of such investments.

**e) Earnings per Share:**

The Company reports basic and diluted Earnings per share (EPS) in accordance with Accounting Standard 20 on "Earning per Share". Basic EPS is computed by dividing the net profit or loss after tax for the year by weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss after tax for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

**f) Taxes on Income:**

Current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with Income Tax Act, 1961.

The tax effect of the timing differences that results between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset of a deferred tax liability. They are measured using the substantively enacted tax rates and tax laws as on balance sheet date. Deferred tax assets are recognized only when there is a reasonable certainty that sufficient future taxable income will be available against which they will be realized. Where there is a carry forward losses or unabsorbed depreciation, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence of availability of taxable income against which such deferred tax asset can be realized in future.

**g) Provisions & Contingent Liabilities**

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Assets are not recognized.





**Jindal Steel & Alloys Limited**  
**Notes forming part of the Financial Statements**

**Note 2**

**Share capital**

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number	Amount in ₹	Number	Amount in ₹
<b>Authorised</b> Equity Shares of ₹10 each	80,00,000	8,00,00,000	80,00,000	8,00,00,000
<b>Issued, Subscribed &amp; Paid up</b> Equity Shares of ₹10 each, fully paid up	70,20,000	7,02,00,000	70,20,000	7,02,00,000
<b>Total</b>	<b>70,20,000</b>	<b>7,02,00,000</b>	<b>70,20,000</b>	<b>7,02,00,000</b>

**Note 2.1**

**Reconciliation of the number of equity shares outstanding at the beginning and at the end of year**

Particulars	Equity Shares			
	As at 31st March, 2019		As at 31st March, 2018	
	Number	Amount in ₹	Number	Amount in ₹
Shares outstanding at the beginning of the year	70,20,000	7,02,00,000	70,20,000	7,02,00,000
Add: Shares Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	70,20,000	7,02,00,000	70,20,000	7,02,00,000

**Note 2.2**

The Company has only one class of equity shares having 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 the remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by each shareholder.

**Note 2.3**

**Disclosure of shareholders holding more than 5% of the aggregate shares in the company**

Name of Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Nalwa Sons Investments Ltd., the Holding company (including shares held by nominees)	70,19,860	99.99%	70,19,860	99.99%
	70,19,860	99.99%	70,19,860	99.99%



## Jindal Steel & Alloys Limited

### Notes forming part of the Financial Statements

#### Note 3

##### Reserves and surplus

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Amount in ₹	Amount in ₹
<b>a. Securities Premium Account:</b>		
Balance as at the beginning of the year	28,00,00,000	28,00,00,000
Balance as at the end of the year	28,00,00,000	28,00,00,000
<b>b. Surplus in the Statement of Profit and Loss:</b>		
Balance as at the beginning of the year	61,86,53,831	56,60,56,198
Add: Profit for the year	5,31,11,661	5,25,97,633
Balance as at the end of the year	67,17,65,492	61,86,53,831
<b>Total</b>	<b>95,17,65,492</b>	<b>89,86,53,831</b>

#### Note 4

##### Other current liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Amount in ₹	Amount in ₹
a. Statutory dues	4,500	7,750
b. Other payables	51,370	83,700
<b>Total</b>	<b>55,870</b>	<b>91,450</b>



# Jindal Steel & Alloys Limited

## Notes forming part of the Financial Statements

### Note 5

#### Non-current investments (Long-Term)

Name of Bodies corporate	Face Value In ₹	As at 31st March, 2019		As at 31st March, 2018	
		Nos.	Amount ₹	Nos.	Amount ₹
<b>Non-Trade Investments:</b>					
<b>Unquoted Preference Shares :</b>					
<b>In others:</b>					
8% Redeemable Non-Cumulative Non Convertible Preference shares of Baltimore Trading Pvt. Ltd.	100	1,40,000	1,40,00,000	1,40,000	1,40,00,000
8% Redeemable Non-Cumulative Non Convertible Preference shares of Vrindavan Services Pvt. Ltd.	10	19,90,000	1,99,00,000	19,90,000	1,99,00,000
8% Redeemable Non-Cumulative Non Convertible Preference shares of Musuko Trading Pvt. Ltd.	100	1,90,000	1,90,00,000	1,90,000	1,90,00,000
8% Redeemable Non-Cumulative Non Convertible Preference shares of JSW Investments Pvt. Ltd.	10	1,35,00,000	13,50,00,000	1,35,00,000	13,50,00,000
			<b>18,79,00,000</b>		<b>18,79,00,000</b>
<b>Aggregate Value of Unquoted Investments</b>	<b>- At Cost</b>		<b>18,79,00,000</b>		<b>18,79,00,000</b>
<b>Aggregate Provision for Diminution in value of Investments [Refer note 1(d)]</b>			<b>-</b>		<b>-</b>

#### Notes :

1. All Investments are fully paid up and valued at cost, unless stated otherwise.



# Jindal Steel & Alloys Limited

## Notes forming part of the Financial Statements

### Note 6

#### Loans and advances

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Non-current	Current	Non-current	Current
	Amount in ₹		Amount in ₹	
<b>Loans and advances to others</b>				
<b>Unsecured, considered good</b>				
Security deposit	95,000	-	1,20,000	-
Loans to body corporate*	74,85,00,000	35,00,000	70,65,00,000	-
Advance tax and tax deducted at source (net)	1,09,55,901	-	1,07,31,891	-
	75,95,50,901	35,00,000	71,73,51,891	-
<b>Unsecured, considered doubtful</b>				
Advances to body corporate	5,70,53,151	-	5,70,53,151	-
Less: Provision for Doubtful Debts	(5,70,53,151)	-	(5,70,53,151)	-
	-	-	-	-
	-	-	-	-
<b>Total</b>	<b>75,95,50,901</b>	<b>35,00,000</b>	<b>71,73,51,891</b>	<b>-</b>

\* The loans have been given for General Corporate Purpose.

### Note 7

#### Cash and bank balances

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Amount in ₹	Amount in ₹
<b>Cash and cash equivalents</b>		
Balance with banks in current accounts	23,97,291	11,72,601
<b>Total</b>	<b>23,97,291</b>	<b>11,72,601</b>

### Note 8

#### Other current assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Amount in ₹	Amount in ₹
Interest accrued on loans	6,85,26,191	6,23,30,670
Goods and Services tax receivable	1,46,979	1,76,844
Prepaid expenses	-	13,275
<b>Total</b>	<b>6,86,73,170</b>	<b>6,25,20,789</b>





# Jindal Steel & Alloys Limited

## Notes forming part of the Financial Statements

### Note 9

#### Revenue from operations

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Amount in ₹	Amount in ₹
<b>Sale of Products:</b>		
Domestic turnover	8,42,06,481	7,78,05,316
Net gain on trading of commodities	-	46,29,192
	<b>8,42,06,481</b>	<b>8,24,34,508</b>
<b>Other Operating Revenues:</b>		
Interest income	7,61,40,201	7,50,42,000
<b>Total</b>	<b>16,03,46,682</b>	<b>15,74,76,508</b>

### Note 10

#### Other expenses

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Amount in ₹	Amount in ₹
Brokerage, Commission, storage and selling expenses	3,51,996	1,67,104
Net loss on trading of commodities	18,81,870	-
Professional fees	12,770	94,173
Legal expenses	2,89,000	88,500
Auditors' remuneration (refer note 11(5))	39,600	1,01,450
CSR expenditure	16,10,000	17,00,000
Miscellaneous expenses	30,032	32,260
<b>Total</b>	<b>42,15,268</b>	<b>21,83,487</b>



**JINDAL STEEL & ALLOYS LIMITED**  
**Notes forming part of Financial Statements**

**Note 11 - Other Notes**

1. In the opinion of the Management, the current assets and other non-current assets have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. Provision for all known liabilities is adequate and not in excess of what is required.
2. Contingent Liabilities not provided for in respect of:

(Amount in ₹)		
Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Disputed Tax Liabilities (Including interest as demanded)	10,63,64,958	10,65,96,431

3. The Company is engaged in the business of Trading of commodities and Investing & Financing. The Company has identified primary business segments, viz. Trading of Commodities and Investment & Financing, which in the context of Accounting Standard (AS) 17 - "Segment Reporting" constitute reportable segments.

(Amount in ₹)								
Primary Segment	Trading of Commodities		Investment & Financing		Others		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
<b>Income</b>								
Segment Revenue	8,42,06,481	8,24,34,508	7,61,40,201	7,50,42,000	-	-	16,03,46,682	15,74,76,508
Less: Inter Segment Revenue	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>8,42,06,481</b>	<b>8,24,34,508</b>	<b>7,61,40,201</b>	<b>7,50,42,000</b>	<b>-</b>	<b>-</b>	<b>15,84,64,812</b>	<b>15,74,76,508</b>
Segment Results	(2,39,538)	(18,805)	7,61,26,926	7,50,28,725	-	-	7,58,87,388	7,50,09,920
<b>Unallocated Items:</b> (Expenses)/Income								
Unallocated Expenses	-	-	-	-	-	-	(19,60,277)	(19,64,048)
Provision for taxation	-	-	-	-	-	-	(208,15,000)	(2,04,48,239)
<b>Net Profit</b>							<b>5,31,11,661</b>	<b>5,25,97,633</b>
<b>Other Information</b>								
Segment Assets	2,41,979	2,96,844	100,49,26,191	95,67,43,945	-	-	100,51,68,170	95,70,40,789
Unallocated Assets	-	-	-	-	-	-	1,33,53,192	1,19,04,492
<b>Total Assets</b>	<b>2,41,979</b>	<b>2,96,844</b>	<b>100,49,26,191</b>	<b>95,67,43,945</b>	<b>-</b>	<b>-</b>	<b>101,85,21,362</b>	<b>96,89,45,281</b>
Segment Liabilities	-	-	-	-	-	-	-	-
Unallocated Liabilities & Provisions	-	-	-	-	-	-	55,870	91,450
<b>Total Liabilities</b>							<b>55,870</b>	<b>91,450</b>



4. **Related Parties Disclosure, as required by Accounting Standard (AS) 18:**

a) Parties where control exists and parties under common control:

(i) Holding company:

Nalwa Sons Investments Ltd.

(ii) Fellow subsidiary companies:

Jindal Holdings Ltd.

Brahmaputra Capital & Financial Services Ltd.

Massillon Stainless Inc., USA

Jindal Stainless (Mauritius) Ltd.

b) During the year, there have been no transactions with any related party.

5. **Remuneration to the Auditors (excluding GST):**

(Amount in ₹)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Audit Fees	35,000	47,500
Tax Audit Fees	10,000	10,225
Out of pocket expenses	-	2,500
Others	-	20,000
<b>Total</b>	<b>65,000</b>	<b>1,01,450</b>

6. **Computation of Basic and Diluted Earnings per Share:**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Profit after tax (in ₹) (A)	5,31,11,661	5,25,97,633
Weighted average number of equity shares Outstanding during the year for Basic & Diluted EPS (in Numbers) (B)	70,20,000	70,20,000
Basic & Diluted-Earning per share (in ₹) (A/B)	7.57	7.49
Nominal Value of share (in ₹)	10.00	10.00

7. **Additional Information:**

a) Opening stock, sales and closing stock:

Class of goods	Opening stock		Sales		Closing stock	
	Kgs.	Amt in ₹	Kgs.	Amount in ₹	Kgs.	Amount in ₹
Silver Bars	-	-	2230.31	8,42,06,481	-	-

8. Previous year's figures have been reclassified/regrouped, wherever necessary, to conform to current year's classification.

For and on behalf of the Board of Directors



Director



Director



Place : Mumbai

Date : May 15, 2019