

# **Shah Gupta & Co.**

## **Chartered Accountants**

### **INDEPENDENT AUDITORS' REPORT**

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

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **JINDAL STEEL & ALLOYS LIMITED** (hereinafter referred to as "the Company") which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in sub-section 5 of Section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with 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 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

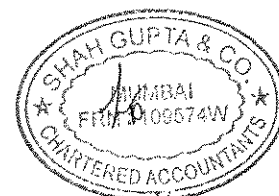
Our responsibility is to express an opinion on these financial statements based on our audit.

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 thereunder.

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, specified under sub-section 10 of Section 143 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2016, its profit, and its cash flows for the year ended on that date.

## 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.
2. As required by sub-section 3 of Section 143 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 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, 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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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, refer to our separate Report in "Annexure B" to this report.
  - (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 Auditor's) Rules, 2014, 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 12(2) to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts as at year end for which there were any material foreseeable losses; and
    - iii. As at March 31, 2016 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.114106

Place: Mumbai

Date : May 25, 2016



## 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 does not have fixed assets, accordingly, the reporting under the provisions of clause 3(i) of the Order are not applicable to the Company.
- (ii) The nature of the Company's business is such that it is not required to hold any inventories. Accordingly, reporting under the provisions of clause 3(ii) of the Order are not applicable to the Company.
- (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 Act. Accordingly, reporting under the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made under Section 186.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed, 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, in our opinion, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it. According to information and explanation given to us, no undisputed amounts payable were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, there are no dues of sales tax, wealth tax, 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 lacs)	Amount paid / adjusted	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	9.67	9.67	AY 2004-05	Commissioner of Income Tax (appeals)
		4.85	1.09	AY 2005-06	
		935.25	-	A.Y.2008-09	
		3.46	-	A.Y.2010-11	

- (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 accordingly reporting under provisions of paragraph 3(viii) of the Order are not applicable to the Company.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, reporting under provisions of clause 3(ix) of the Order are not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officer or employees has been noticed or reported during the year.



- (xi) During the year, the Company has not paid/provided managerial remuneration and, hence, compliance with the provisions of Section 197 read with Schedule V to the Act for the year are not applicable to the Company. Accordingly, reporting under the provisions of clause 3(xi) of the said order are not applicable to the Company.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, reporting under the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) The Company has not entered into transactions with related parties during the year. Accordingly, reporting under the provisions of Clause 3(xiii) of the Order are not applicable to the Company.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence, reporting under provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- (xv) Based upon the 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 him. Accordingly, reporting under the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

*Heneel K Patel*

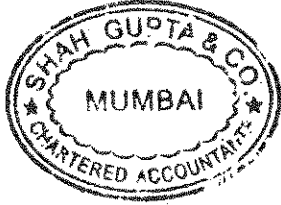
Heneel K Patel

Partner

M. No.114106

Place: Mumbai

Date : May 25, 2016



**Annexure to the independent auditors' report of even date on the standalone financial statements of JINDAL STEEL & ALLOYS LIMITED**

**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 **JINDAL STEEL & ALLOYS LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone 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. 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 the 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 Act.

**Auditor's 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 the Institute of Chartered Accountants of India and specified 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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.



### 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.

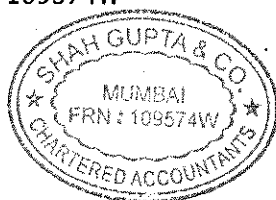
### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.114106  
Place: Mumbai  
Date : May 25, 2016



# Jindal Steel & Alloys Limited

## Balance Sheet as at 31st March, 2016

(Amount in Rupees)

Particulars		Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>I. EQUITY AND LIABILITIES :</b>				
1 Shareholders' funds				
(a) Share capital	2		7,02,00,000	7,02,00,000
(b) Reserves and surplus	3		77,28,26,679	72,37,65,161
2 Current liabilities				
(a) Other current liabilities	4		4,12,985	42,135
<b>TOTAL</b>			<b>84,34,39,664</b>	<b>79,40,07,296</b>
<b>II. ASSETS :</b>				
1 Non-current assets				
(a) Non-current investments	5		36,79,00,000	36,79,00,000
(b) Long-term loans and advances	6		42,77,54,198	4,41,34,282
2 Current assets				
(a) Cash and bank balances	7		57,05,157	2,79,238
(b) Short-term loans and advances	6		-	34,40,00,000
(c) Other current assets	8		4,20,80,309	3,76,93,776
<b>TOTAL</b>			<b>84,34,39,664</b>	<b>79,40,07,296</b>
Significant Accounting Policies & Other notes.		1 & 12		

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

*Heneel K. Patel*

Heneel K. Patel

Partner

M.No. 114103

Place : Mumbai

Date : 25.05.2016



For and on behalf of the Board of Directors

*A. Y. Joshi*

*Alok Mehrotra*

Alok Mehrotra

Director

Ajay Joshi

Director

Place : Mumbai

Date : 25.05.2016

**Jindal Steel & Alloys Limited**

**Statement of Profit and Loss for the year ended 31st March, 2016**

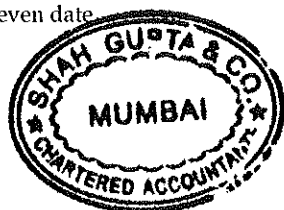
(Amount in Rupees)

S.No.	Particulars	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
I.	Income:			
II.	Revenue from operations	9	10,23,13,076	8,76,38,871
III.	Other income	10	55,80,068	9,46,898
IV.	<b>Total Revenue (I+II)</b>		<b>10,78,93,144</b>	<b>8,85,85,769</b>
V.	Expenses:			
VI.	Purchases of stock-in-trade		3,04,63,299	-
VII.	Other expenses	11	26,93,253	15,95,400
VIII.	<b>Total Expenses</b>		<b>3,31,56,552</b>	<b>15,95,400</b>
IX.	<b>Profit before tax (III-IV)</b>		<b>7,47,36,592</b>	<b>8,69,90,369</b>
X.	Tax expense:			
XI.	Current tax		2,55,71,000	2,87,50,000
XII.	Earlier years		1,04,074	-
XIII.	<b>Profit for the year (V-VI)</b>		<b>4,90,61,518</b>	<b>5,82,40,369</b>
XIV.	Earnings per equity share-[Nominal value per share: Rs.10 (Previous year: Rs.10)]	12 (6)		
XV.	(1) Basic		6.99	8.30
XVI.	(2) Diluted		6.99	8.30
XVII.	Significant Accounting Policies & Other notes.	1 & 12		

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

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



Place : Mumbai  
Date : 25.05.2016

For and on behalf of the Board of Directors

*Alok Mehrotra*  
Alok Mehrotra  
Director

*Ajay Joshi*  
Ajay Joshi  
Director

Place : Mumbai  
Date : 25.05.2016



# Jindal Steel & Alloys Limited

## Cash Flow Statement for the year ended 31st March, 2016

(Amount in Rupees)

Particulars	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
<b>Cash Flows from Operating Activities:</b>		
Net Profit before Tax	7,47,36,592	8,69,90,369
Adjusted for :		
Interest Income	(4,67,55,898)	(4,26,38,871)
<b>Operating Profit Before Working Capital Changes</b>	<b>2,79,80,694</b>	<b>4,43,51,498</b>
<b>Adjustments For Changes in Working Capital:</b>		
(Increase) / Decrease In long term loans & advances	(1,00,000)	-
Increase / (Decrease) in current liabilities & provisions	3,70,850	(1,84,196)
<b>Cash flow before taxation</b>	<b>2,82,51,544</b>	<b>4,41,67,302</b>
Direct Taxes paid (net of refund)	(2,59,94,990)	(2,66,06,874)
<b>Net Cash generated from Operating Activities</b>	<b>22,56,554</b>	<b>1,75,60,428</b>
<b>Cash flow from Investing Activities:</b>		
Interest received	4,23,69,365	1,41,80,426
Loans & Advances Given	(3,92,00,000)	(3,40,00,000)
<b>Net Cash used in Investing Activities</b>	<b>31,69,365</b>	<b>(1,98,19,574)</b>
<b>Net increase/(Decrease) in cash and cash equivalents</b>	<b>54,25,919</b>	<b>(22,59,146)</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>2,79,238</b>	<b>25,38,384</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>57,05,157</b>	<b>2,79,238</b>
	<b>54,25,919</b>	<b>(22,59,146)</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 period 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 : 25.05.2016



For and on behalf of the Board of Directors

*Alok Mehrotra*  
Alok Mehrotra  
Director

Place : Mumbai  
Date : 25.05.2016

*A. Y. Joshi*  
Ajay Joshi  
Director

# JINDAL STEEL & ALLOYS LIMITED

## Notes forming part of Financial Statements

### Note 1 - Significant Accounting Policies

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

- i) 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 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 sales tax and value added 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.

**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, 2016		As at 31st March, 2015	
	Number	Amount in Rupees	Number	Amount in Rupees
<b>Authorised</b> Equity Shares of Rs.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 Rs.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, 2016		As at 31st March, 2015	
	Number	Amount in Rupees	Number	Amount in Rupees
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 Rs.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, 2016		As at 31st March, 2015	
	No. of Shares	% of Holding	No. of Shares	% 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, 2016	As at 31st March, 2015
	Amount in Rupees	Amount in Rupees
<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	44,37,65,161	38,55,24,792
Add: Profit for the year	4,90,61,518	5,82,40,369
Balance as at the end of the year	49,28,26,679	44,37,65,161
<b>Total</b>	<b>77,28,26,679</b>	<b>72,37,65,161</b>

### Note 4

#### Other current liabilities

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Amount in Rupees	Amount in Rupees
a. Statutory dues	39,480	3,750
b. Other payables	3,73,505	38,385
<b>Total</b>	<b>4,12,985</b>	<b>42,135</b>



# Jindal Steel & Alloys Limited

## Notes forming part of the Financial Statements

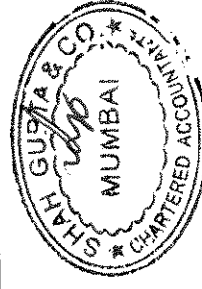
### Note 5

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

Name of Bodies corporate	Face Value In Rupees	As at 31st March, 2016		As at 31st March, 2015	
		Nos.	Amount Rupees	Nos.	Amount Rupees
<b>Non-Trade Investments:</b>					
<b>Unquoted Equity Shares :</b>					
<u>In associates:</u>					
Jindal Overseas Pte. Ltd.	\$S1	1,53,000	4,87,866	1,53,000	4,87,866
			<u>4,87,866</u>		<u>4,87,866</u>
<b>Unquoted Preference Shares :</b>					
<u>In others:</u>					
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
8% Cumulative Optionally Convertible Preference shares of JSW Investments Pvt. Ltd.	10	1,80,00,000	18,00,00,000	1,80,00,000	18,00,00,000
			<u>36,79,00,000</u>		<u>36,79,00,000</u>
Less: Aggregate Provision for Diminution in value of Investments			4,87,866		4,87,866
<b>TOTAL</b>			<u>36,79,00,000</u>		<u>36,79,00,000</u>
<b>Aggregate Value of Unquoted Investments</b>	- At Cost		36,83,87,866		36,83,87,866
<b>Aggregate Provision for Diminution in value of Investments [Refer note 1(d)]</b>			4,87,866		4,87,866

#### Note:

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, 2016		As at 31st March, 2015	
	Non-current	Current	Non-current	Current
	Amount in Rupees		Amount in Rupees	
Loans and advances to others				
Unsecured, considered good				
Security deposit	1,00,000	-	-	-
Loans to body corporate*	41,72,00,000	-	3,40,00,000	34,40,00,000
Advance tax and tax deducted at source (Net)	1,04,54,198	-	1,01,34,282	-
	42,77,54,198	-	4,41,34,282	34,40,00,000
Unsecured, considered doubtful				
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>42,77,54,198</b>	<b>-</b>	<b>4,41,34,282</b>	<b>34,40,00,000</b>

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

### Note 7

#### Cash and bank balances

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Amount in Rupees	Amount in Rupees
Cash and cash equivalents		
Balance with banks in current accounts	57,05,157	2,79,238
<b>Total</b>	<b>57,05,157</b>	<b>2,79,238</b>

### Note 8

#### Other current assets

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Amount in Rupees	Amount in Rupees
Unsecured, considered good		
Interest accrued on loans	4,20,80,309	3,76,93,776
<b>Total</b>	<b>4,20,80,309</b>	<b>3,76,93,776</b>



# Jindal Steel & Alloys Limited

## Notes forming part of the Financial Statements

### Note 9

#### Revenue from operations

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	Amount in Rupees	Amount in Rupees
<b>Sale of Products:</b>		
Domestic turnover	3,05,57,178	-
<b>Other Operating Revenues</b>		
Management consultancy fees	2,50,00,000	4,50,00,000
Interest income	4,67,55,898	4,26,38,871
<b>Total</b>	<b>10,23,13,076</b>	<b>8,76,38,871</b>

### Note 10

#### Other income

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	Amount in Rupees	Amount in Rupees
Interest on income tax refund	55,80,068	9,46,898
<b>Total</b>	<b>55,80,068</b>	<b>9,46,898</b>

### Note 11

#### Other expenses

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	Amount in Rupees	Amount in Rupees
CSR expenditure	16,50,000	12,92,497
Auditors' remuneration (including service tax, as applicable)		
- Audit fees	34,350	33,708
- Tax Audit fees	8,749	11,236
- Reimbursement of expenses	5,672	2,809
- Other services	79,515	44,944
Professional & Legal fees	5,33,036	1,58,936
Demat charges	3,39,010	1,910
Rates & taxes	5,000	-
Miscellaneous expenses	37,921	49,360
<b>Total</b>	<b>26,93,253</b>	<b>15,95,400</b>





# JINDAL STEEL & ALLOYS LIMITED

## Notes forming part of Financial Statements

### Note 12 - 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:

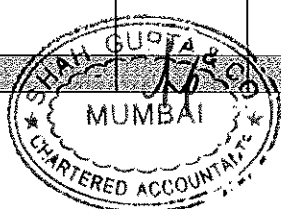
(in Rupees)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Disputed Tax Liabilities (Including interest as demanded)	10,65,96,341	10,98,14,215

3. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said Act have not been given.
4. The Company is engaged in the business of Providing Management consultancy services, Investing & Financing and Trading of steel. The Company has identified primary business segments, name Management Consultancy Services, Investment & Financing and Trading of Steel, which in the context of Accounting Standard (AS) 17 "Segment Reporting" constitute reportable segments.

(in Rupees)

Primary Segment	Management Consultancy Services		Investment & Financing		Trading of Steel		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
<b>Income</b>								
Segment Revenue	2,50,00,000	4,50,00,000	4,67,55,898	4,26,38,871	3,05,57,178	-	10,23,13,076	8,76,38,871
Less: Inter Segment Revenue	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>2,50,00,000</b>	<b>4,50,00,000</b>	<b>4,67,55,898</b>	<b>4,26,38,871</b>	<b>3,05,57,178</b>	<b>-</b>	<b>10,23,13,076</b>	<b>8,76,38,871</b>
<b>Segment Results</b>	<b>2,50,00,000</b>	<b>4,50,00,000</b>	<b>4,64,11,270</b>	<b>4,26,38,871</b>	<b>50,258</b>	<b>-</b>	<b>7,14,61,528</b>	<b>8,76,38,871</b>
<b>Unallocated Items:</b> (Expenses)/ Income								
Other Miscellaneous Income							55,80,068	9,46,898
Unallocated Expenses							(23,05,004)	(15,95,400)
Provision for taxation							(2,56,75,074)	(2,87,50,000)
<b>Net Profit</b>							<b>4,90,61,518</b>	<b>5,82,40,369</b>
<b>Other Information</b>								
Segment Assets	-	-	82,71,80,309	78,35,93,776	1,00,000	-	82,72,80,309	78,35,93,776
Unallocated Assets							1,61,59,355	1,04,13,520
<b>Total Assets</b>	<b>-</b>	<b>-</b>	<b>82,71,80,309</b>	<b>78,35,93,776</b>	<b>1,00,000</b>	<b>-</b>	<b>84,34,39,664</b>	<b>79,40,07,296</b>
<b>Segment Liabilities</b>	<b>-</b>	<b>-</b>	<b>3,08,840</b>	<b>-</b>	<b>25,477</b>	<b>-</b>	<b>3,34,317</b>	<b>-</b>
<b>Unallocated Liabilities &amp; Provisions</b>							<b>78,668</b>	<b>42,135</b>
<b>Total Liabilities</b>			<b>3,08,840</b>	<b>-</b>	<b>25,477</b>	<b>-</b>	<b>4,12,985</b>	<b>42,135</b>



5. **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.

Massillon Stainless Inc.

Jindal Stainless (Mauritius) Ltd.

(iii) Key Management Personnel:

Mr. Sanjay Goel, Managing Director (Upto 29<sup>th</sup> September, 2015)

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

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

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Profit after tax (In Rupees) (A)	4,90,61,518	5,82,40,369
Weighted average number of equity shares Outstanding during the year for Basic & Diluted EPS (In Nos.) (B)	70,20,000	70,20,000
Basic & Diluted-Earning per share (In Rupees) (A/B)	6.99	8.30
Nominal Value of share (In Rupees)	10.00	10.00

7. **Additional Information:**

a) Opening stock, sales and closing stock:

Class of goods	Opening stock		Sales		Closing stock	
	Metric Tonnes	Amount in Rupees	Metric Tonnes	Amount in Rupees	Metric Tonnes	Amount in Rupees
Long rolled products	-	-	938.76	3,05,57,173	-	-

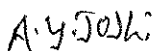
b) The other information pursuant to Schedule III to the Companies Act, 2013, are either Nil or Not Applicable.

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

For and on behalf of the Board of Directors



Alok Mehrotra  
Director



Ajay Joshi  
Director



Place : Mumbai

Date : 25.05.2016