

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** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and 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 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.

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 and the Order under sub-section 11 of Section 143 of the Act.

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, 2017, 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 and to the best of our information and according to the explanations given to us, 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 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, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (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 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 12 (2) of the financial statements;
 - ii. The Company did not have any outstanding long-term contracts including derivative contracts as at March 31, 2017 for which there were any material foreseeable losses; and
 - iii. As at March 31, 2017 there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company did not have any holdings or dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016 – Refer Note 12 (8) to the financial statements.

For **SHAH GUPTA & CO.,**

Chartered Accountants

Firm Registration No.: 109574W

Heneel K Patel

Partner

M. No.114103

Place: Mumbai

Date : May 20, 2017



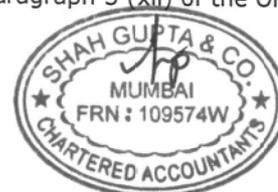
Annexure Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

- (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 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.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantee or security to the parties covered under section 185 of the act. 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 by the management, the Company has complied with the provisions of section 186 of the Act in respect of the loans and investments made and guarantees and securities provided 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 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 information and explanations given to us, 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)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	3.76	A.Y. 2005-06	Income Tax Appellate Tribunal (ITAT)
		934.84	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 by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans, hence, reporting under paragraph 3 (ix) of the Order is 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 officers or employees has been noticed or reported during the year.
- (xi) The Company being a private limited company, the provisions of Section 197 read with Schedule V to the Act is not applicable, hence, reporting under paragraph 3 (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) 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 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 and according to the information and explanations given by the management, 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.
- (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
FRN - 109574W



Heneel K Patel
Partner
M. No.114103



Place: Mumbai
Date : May 20, 2017

Annexure to the independent auditor's report of even date on the 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, 2017 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'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, 2017, 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 20, 2017



Jindal Steel & Alloys Limited
Balance Sheet as at 31st March, 2017

(Amount in Rupees)

Particulars		Note No.	As at 31st March, 2017	As at 31st March, 2016
I. EQUITY AND LIABILITIES :				
1 Shareholders' funds				
	(a) Share capital	2	7,02,00,000	7,02,00,000
	(b) Reserves and surplus	3	84,60,56,198	77,28,26,679
2 Current liabilities				
	Other current liabilities	4	87,114	4,12,985
TOTAL			91,63,43,312	84,34,39,664
II. ASSETS :				
1 Non-current assets				
	(a) Non-current investments	5	18,79,00,000	36,79,00,000
	(b) Long-term loans and advances	6	68,02,45,929	42,77,54,198
2 Current assets				
	(a) Cash and bank balances	7	13,54,471	57,05,157
	(b) Other current assets	8	4,68,42,912	4,20,80,309
TOTAL			91,63,43,312	84,34,39,664
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 : 20.05.2017



Alok Mehrotra

Alok Mehrotra

Director

Place : Mumbai

Date : 20.05.2017

A. Y. Joshi

Ajay Joshi

Director

Jindal Steel & Alloys Limited
Statement of Profit and Loss for the year ended 31st March, 2017

(Amount in Rupees)

S.No.	Particulars	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	Income:			
I.	Revenue from operations	9	18,54,01,274	10,23,13,076
II.	Other income	10	-	55,80,068
III.	Total Revenue (I+II)		18,54,01,274	10,78,93,144
	Expenses:			
IV.	Purchases of stock-in-trade		9,03,90,130	3,04,63,299
	Other expenses	11	21,86,351	26,93,253
	Total Expenses		9,25,76,481	3,31,56,552
V.	Profit before tax (III-IV)		9,28,24,793	7,47,36,592
VI.	Tax expense:			
	Current tax		1,95,55,000	2,55,71,000
	Earlier years		40,274	1,04,074
VII.	Profit for the year (V-VI)		7,32,29,519	4,90,61,518
VIII.	Earnings per equity share-[Nominal value per share: Rs.10 (Previous year: Rs.10)]	12 (6)		
	(1) Basic		10.43	6.99
	(2) Diluted		10.43	6.99
	Significant Accounting Policies & Other notes.	1 & 12		

Notes referred to herein form an integral part of the Financial

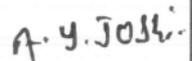
As per our attached report of even date
For SHAH GUPTA & CO.
Chartered Accountants
FRN - 109574W


Heneel K Patel
Partner
M.No. 114103



For and on behalf of the Board of Directors


Alok Mehrotra
Director


Ajay Joshi
Director

Place : Mumbai
Date : 20.05.2017

Place : Mumbai
Date : 20.05.2017

Jindal Steel & Alloys Limited
Cash Flow Statement for the year ended 31st March, 2017

(Amount in Rupees)

Particulars	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
Cash Flows from Operating Activities:		
Net Profit before Tax	9,28,24,793	7,47,36,592
Adjusted for :		
Interest Income	(5,39,20,048)	(4,67,55,898)
Premium on redemption of preference shares	(3,60,00,000)	-
Operating Profit Before Working Capital Changes	29,04,745	2,79,80,694
Adjustments For Changes in Working Capital:		
(Increase) / Decrease In long term loans & advances	(20,000)	(1,00,000)
(Increase) / Decrease In other current assets	(46,452)	-
Increase / (Decrease) in current liabilities & provisions	(3,25,871)	3,70,850
Cash flow before taxation	25,12,422	2,82,51,544
Direct Taxes paid (net of refund)	(1,95,67,005)	(2,59,94,990)
Net Cash generated from Operating Activities	(1,70,54,583)	22,56,554
Cash flow from Investing Activities:		
Interest received	4,92,03,897	4,23,69,365
Sale of investmens	21,60,00,000	-
Loans & Advances Given	(25,25,00,000)	(3,92,00,000)
Net Cash used in Investing Activities	1,27,03,897	31,69,365
Net increase/(Decrease) in cash and cash equivalents	(43,50,686)	54,25,919
Cash and Cash equivalents at the beginning of the year	57,05,157	2,79,238
Cash and Cash equivalents at the end of the year	13,54,471	57,05,157
	(43,50,686)	54,25,919

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

Heneel K Patel

Partner

M.No. 114103

Place : Mumbai

Date : 20.05.2017



For and on behalf of the Board of Directors

Alok Mehrotra

Alok Mehrotra

Director

Place : Mumbai

Date: 20.05.2017

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:

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 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.

Commodity futures

The initial margin and the additional margin paid on open positions of commodity futures are disclosed under the head Loans and advances in Balance Sheet. The daily mark-to-market margin paid to/ received from in respect of commodity futures trades is debited or credited to the daily mark-to-market account and the same is disclosed under the head other current assets or other current liabilities in the Balance sheet. "Mark to Market" represents the net profit or loss on settled/expired positions in commodity futures after adjusting brokerage and other transaction costs.

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, 2017		As at 31st March, 2016	
	Number	Amount in Rupees	Number	Amount in Rupees
Authorised Equity Shares of Rs.10 each	80,00,000	8,00,00,000	80,00,000	8,00,00,000
Issued, Subscribed & Paid up Equity Shares of Rs.10 each, fully paid up	70,20,000	7,02,00,000	70,20,000	7,02,00,000
Total	70,20,000	7,02,00,000	70,20,000	7,02,00,000

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, 2017		As at 31st March, 2016	
	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, 2017		As at 31st March, 2016	
	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, 2017	As at 31st March, 2016
	Amount in Rupees	Amount in Rupees
a. Securities Premium Account:		
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. Surplus in the Statement of Profit and Loss:		
Balance as at the beginning of the year	49,28,26,679	44,37,65,161
Add: Profit for the year	7,32,29,519	4,90,61,518
Balance as at the end of the year	56,60,56,198	49,28,26,679
Total	84,60,56,198	77,28,26,679

Note 4

Other current liabilities

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Amount in Rupees	Amount in Rupees
a. Statutory dues	4,750	39,480
b. Other payables	82,364	3,73,505
Total	87,114	4,12,985



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, 2017		As at 31st March, 2016	
		Nos.	Amount Rupees	Nos.	Amount Rupees
Non-Trade Investments:					
Unquoted Equity Shares :					
<u>In associates:</u>					
Jindal Overseas Pte. Ltd.	\$51	1,53,000	4,87,866	1,53,000	4,87,866
			<u>4,87,866</u>		<u>4,87,866</u>
Unquoted Preference Shares :					
<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
			<u>18,79,00,000</u>		<u>36,79,00,000</u>
Less: Aggregate Provision for Diminution in value of Investments			<u>4,87,866</u>		<u>4,87,866</u>
TOTAL			<u>18,79,00,000</u>		<u>36,79,00,000</u>
Aggregate Value of Unquoted Investments	- At Cost		18,83,87,866		36,83,87,866
Aggregate Provision for Diminution in value of Investments [Refer note 1(d)]			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, 2017		As at 31st March, 2016	
	Non-current	Current	Non-current	Current
	Amount in Rupees		Amount in Rupees	
Loans and advances to others				
Unsecured, considered good				
Security deposit	1,20,000	-	1,00,000	-
Loans to body corporate*	66,97,00,000	-	41,72,00,000	-
Advance tax and tax deducted at source (net)	1,04,25,929	-	1,04,54,198	-
	68,02,45,929	-	42,77,54,198	-
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)	-
	-	-	-	-
	-	-	-	-
Total	68,02,45,929	-	42,77,54,198	-

* The loans have been given for General Corporate Purpose.

Note 7

Cash and bank balances

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Amount in Rupees	
Cash and cash equivalents		
Balance with banks in current accounts	13,54,471	57,05,157
Total	13,54,471	57,05,157

Note 8

Other current assets

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Amount in Rupees	
Unsecured, considered good		
Interest accrued on loans	4,67,96,460	4,20,80,309
Value added tax receivable	46,452	-
Total	4,68,42,912	4,20,80,309



Jindal Steel & Alloys Limited

Notes forming part of the Financial Statements

Note 9

Revenue from operations

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	Amount in Rupees	Amount in Rupees
Sale of Products:		
Domestic turnover	8,83,58,273	3,05,57,178
Other Operating Revenues		
Management consultancy fees	47,50,000	2,50,00,000
Interest income	5,39,20,048	4,67,55,898
Premium on redemption of preference shares	3,60,00,000	-
Mark to Market - profit (net)	23,72,953	-
Total	18,54,01,274	10,23,13,076

Note 10

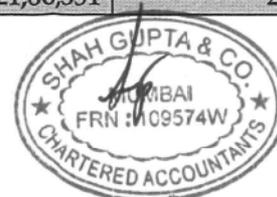
Other income

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	Amount in Rupees	Amount in Rupees
Interest on income tax refund	-	55,80,068
Total	-	55,80,068

Note 11

Other expenses

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	Amount in Rupees	Amount in Rupees
CSR expenditure	17,00,000	16,50,000
Appeal fees	10,000	-
Auditors' remuneration (including service tax, as applicable)		
- Audit fees	46,150	34,350
- Tax Audit fees	8,625	8,749
- Reimbursement of expenses	2,875	5,672
- Other services	1,43,251	79,515
Brokerage & Commission	1,00,867	-
Professional & Legal fees	60,563	5,33,036
Demat charges	1,267	3,39,010
Rates & taxes	5,000	5,000
Selling expenses	1,02,131	-
Miscellaneous expenses	5,622	37,921
Total	21,86,351	26,93,253



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:

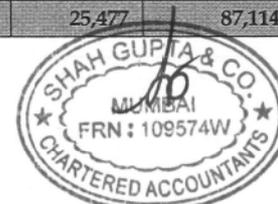
(in Rupees)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Disputed Tax Liabilities (Including interest as demanded)	10,65,96,431	10,65,96,431

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 Commodities, 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 Goods		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Income								
Segment Revenue	47,50,000	2,50,00,000	8,99,20,048	4,67,55,898	9,07,31,226	3,05,57,178	18,54,01,274	10,23,13,076
Less: Inter Segment Revenue	-	-	-	-	-	-	-	-
Total Income	47,50,000	2,50,00,000	8,99,20,048	4,67,55,898	9,07,31,226	3,05,57,178	18,54,01,274	10,23,13,076
Segment Results	47,50,000	2,50,00,000	8,99,13,056	4,64,11,270	83,360	50,258	9,47,46,416	7,14,61,528
Unallocated Items: (Expenses)/Income								
Other Miscellaneous Income							-	55,80,068
Unallocated Expenses							(19,21,623)	(23,05,004)
Provision for taxation							(1,95,95,274)	(2,56,75,074)
Net Profit							7,32,29,519	4,90,61,518
Other Information								
Segment Assets	-	-	90,43,96,460	82,71,80,309	1,66,452	1,00,000	90,45,62,912	82,72,80,309
Unallocated Assets							1,17,80,400	1,61,59,355
Total Assets	-	-	90,43,96,460	82,71,80,309	1,66,452	1,00,000	91,63,43,312	84,34,39,664
Segment Liabilities	-	-	-	3,08,840	32,488	25,477	87,114	3,34,317
Unallocated Liabilities & Provisions								78,668
Total Liabilities	-	-	-	3,08,840	32,488	25,477	87,114	4,12,985



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.

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, 2017	For the year ended 31st March, 2016
Profit after tax (in Rupees) (A)	7,32,29,519	4,90,61,518
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 Rupees) (A/B)	10.43	6.99
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 / Kg.	Amount in Rupees	Metric Tonnes	Amount in Rupees
Long rolled products	-	-	1,133.54 Metric Tonnes	4,64,33,562	-	-
Silver	-	-	1026.266 Kg.	4,19,24,711	-	-

8. During the year the Company had Specified Bank Notes (SBN) and other denomination note as defined in the MCA notification G.S.R.308 (E), dated March 31, 2017 and the details of SBN held and transacted during the period from 8th November, 2016 to 30th December, 2016 is given below:

Particulars	SBNs *	Other denomination notes	Total
Closing cash in hand as on 08-11-2016	Nil	Nil	Nil
(+) Permitted Receipts	Nil	Nil	Nil
(-) Permitted Payments	Nil	Nil	Nil
(-) Amount deposited in Banks	Nil	Nil	Nil
Closing cash in hand as on 30-12-2016	Nil	Nil	Nil

* The term SBN shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated 8th November, 2016.



9. 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

A.Y. Joshi

Ajay Joshi
Director



Place : Mumbai
Date : 20.05.2017