

**INDEPENDENT AUDITORS' REPORT**

To  
**The Members of IUP JINDAL METALS & ALLOYS LIMITED**

**Report on the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **IUP JINDAL METALS & ALLOYS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended and a summary of 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 [Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis of Opinion**

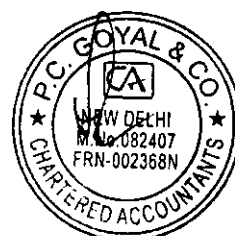
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rule thereunder, and we have fulfilled our 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 of our opinion.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.



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

The Company's Board of Directors is responsible for the matters stated in section 134(5) 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

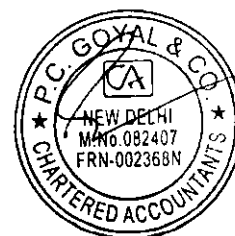
The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditors' Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 the 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements

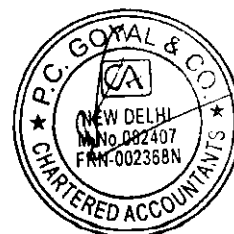
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure 'A'** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.



2. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Change in Equity 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 Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015;

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to **Annexure 'B'**.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

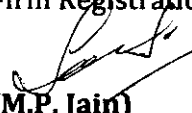
i. The Company does not have any pending litigations as on March 31, 2019;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(h) The managerial remuneration for the year ended March 31, 2019 has been paid/ provided for by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

**For P.C. Goyal & Co.**  
Chartered Accountants  
Firm Registration No. 002368N

  
**(M.P. Jain)**  
Partner  
M. No. 082407

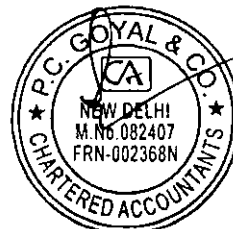


Date: May 14, 2019  
Place: New Delhi

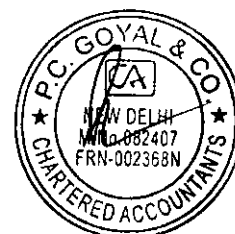
**ANNEXURE-A TO INDEPENDENT AUDITORS' REPORT**

(Annexure referred to in our report of even date to the members of **IUP JINDAL METALS & ALLOYS LIMITED** on the accounts for the year ended March 31, 2019)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) A major portion of fixed assets has been physically verified by the management in accordance with a phased programme of verification adopted by company. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.  
  
(c) The title deeds of the immovable properties are held in the name of the Company.
2. As explained to us, the management during the year has physically verified inventories. In respect of stores and spares there is a perpetual inventory system and a substantial part of stocks has been verified during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed during physical verification of inventories as compared to book records were not material and the same have been properly dealt with in the books of account.
3. According to the information and the explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the order are not applicable to the company and hence not commented upon.
4. The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iv) of the order are not applicable to the company and hence not commented upon.
5. According to the information given to us, the Company has not accepted any deposits under the provisions of section 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the companies Act and the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time. No order has been passed with respect to Section 73 to 76, by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal.
6. We have broadly reviewed the accounts and records maintained by the company in respect of manufacture of steel and steel products to which the said rule are made applicable pursuant to the order made by the central government for maintenance of cost records prescribed under sub-section (I) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of such records with a view to determine whether these are accurate and complete.



7. (a) According to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues wherever applicable i.e. provident fund, employee' state insurance, income tax, duty of customs, goods & services tax, cess and other statutory dues with the appropriate authorities There are no arrears as at March 31, 2019 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no material dues in respect of wealth tax, duty of customs and goods & services tax which have not been deposited with the appropriate authorities on account of any dispute.
8. In our opinion, on the basis of books and records examined by us and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks. The company does not have any dues to financial institution, government or debenture holders.
9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
10. According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, we have been informed that no case of frauds has been committed on or by the Company or by its officers or employees during the year.
11. The Company has paid/provided for managerial remuneration to whole-time director in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
12. The company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
13. According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Act, and where applicable the details have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any non-cash transactions with the directors or persons connected with him as covered under Section 192 of the Companies Act, 2013. Accordingly, provisions of clause 3 (xv) of the Order are not applicable to the Company.

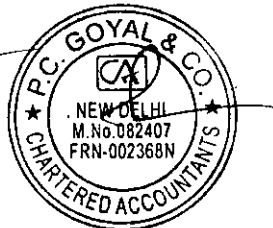


16. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934. Accordingly, provisions of clause 3 (xvi) of the Order are not applicable to the Company.

**For P.C. Goyal & Co.**  
Chartered Accountants  
Firm Registration No. 002368N



**(M.P. Jain)**  
Partner  
M. No. 082407



Date: May 14, 2019  
Place: New Delhi

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

Annexure referred to in our report of even date to the members of **IUP JINDAL METALS & ALLOYS LIMITED** on the accounts for the year ended 31<sup>st</sup> March, 2019

**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 **IUP JINDAL METALS & ALLOYS LIMITED** ("the Company") as of 31<sup>st</sup> March, 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**

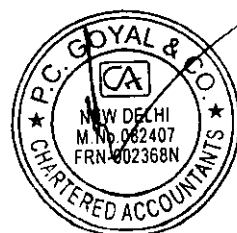
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



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

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and

procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the 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 31<sup>st</sup> March, 2019, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

**For P.C. Goyal & Co.**

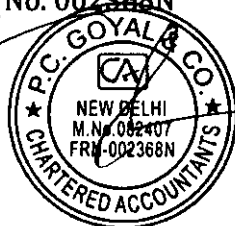
Chartered Accountants

Firm Registration No. 002368N

  
**(M.P. Jain)**

Partner

M. No. 082407



Date: May 14, 2019

Place: New Delhi

# IUP JINDAL METALS & ALLOYS LIMITED

Balance Sheet as at March 31, 2019

CIN: U74999DL2004PLC128194

(Amount in ₹)

	Particulars	Note No.	As At March 31, 2019	As At March 31, 2018
	<b>ASSETS</b>			
(1)	<b>Non-current Assets</b>			
	(a) Property, Plant and Equipment	5	703,431,822	722,290,256
	(b) Capital Work-in-Progress	5	52,403,201	40,361
	(c) Other Intangible Assets	6	485,888	646,956
	(d) Financial Assets			
	Others	7	408,740	290,600
	(e) Other Non-Current Assets	8	18,354,193	1,019,173
(2)	<b>Current Assets</b>			
	(a) Inventories	9	281,694,248	128,082,846
	(b) Financial Assets			
	(i) Trade Receivables	10	351,202,118	364,039,082
	(ii) Cash and Cash Equivalents	11	695,064	110,235,307
	(iii) Bank Balances other than (ii) above	12	38,024,728	94,783,744
	(iv) Loans	13	2,733,718	2,378,899
	(v) Others	14	204,823	271,287
	(c) Current Tax Assets (Net)	15	761,466	4,184,428
	(d) Other Current Assets	16	80,813,936	59,749,153
	<b>Total Assets</b>		<b>1,531,213,945</b>	<b>1,488,012,092</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	(a) Equity Share Capital	17	140,000,000	140,000,000
	(b) Other Equity	18	1,155,545,191	952,995,110
	<b>Liabilities</b>			
(1)	<b>Non-current Liabilities</b>			
	(a) Provisions	19	6,886,974	6,164,244
	(b) Deferred Tax Liabilities (Net)	20	86,743,265	63,691,543
(2)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	21	-	203,880,576
	(ii) Trade Payables			
	- Due to Micro and small enterprises	22	7,385,362	-
	- Due to other than Micro and small enterprises	22	96,203,669	77,419,533
	(iii) Other Financial Liabilities	23	29,327,297	22,565,229
	(b) Other Current Liabilities	24	6,876,726	20,701,642
	(c) Provisions	25	2,245,461	594,215
	<b>Total Equity and Liabilities</b>		<b>1,531,213,945</b>	<b>1,488,012,092</b>

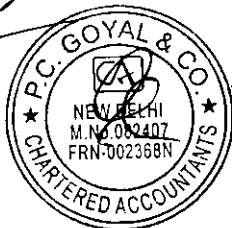
See accompanying notes to the financial statements

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As per our report of even date attached.

**P.C. GOYAL & CO.**  
Chartered Accountants  
Firm Registration No. 002368N

**M.P. Jain**  
Partner  
M.No. 082407



Place: New Delhi  
Date: 14th May, 2019

**Indresh Batra**  
Managing Director  
DIN: 00093471

**Srinu Jindal**  
Director  
DIN: 00005317

**Jagnohan Syal**  
CEO

**Arun Bhalla**  
Company Secretary  
M. No. A27585

**Sayed Mohammed Wasim**  
CFO

**IUP JINDAL METALS & ALLOYS LIMITED**  
**Statement of Profit and Loss for the year ended on March 31, 2019**

(Amount in ₹)

	Particulars	Note No.	Year Ended March 31, 2019	Year Ended March 31, 2018
I	Gross Revenue from Operations	26	2,265,198,740	2,070,457,440
II	Other Income	27	5,279,756	6,898,027
<b>III</b>	<b>Total Income (I+II)</b>		<b>2,270,478,496</b>	<b>2,077,355,467</b>
<b>IV</b>	<b>EXPENSES</b>			
	Cost of Materials Consumed	28	1,630,702,301	1,452,612,425
	Changes in Inventories of Finished Goods, Stock-in-Trade and Work- in-Progress	29	(33,159,541)	11,098,466
	Employee Benefits Expense	30	134,959,011	119,380,105
	Finance Costs	31	2,930,049	14,379,133
	Depreciation and Amortisation Expense	32	43,544,112	42,938,635
	Excise Duty		-	52,764,913
	<b>Other Expenses</b>	33		
	Manufacturing Expenses		172,111,012	140,598,652
	Administrative, Selling and Other Expenses		30,537,069	23,936,438
	<b>Total Expenses (IV)</b>		<b>1,981,624,013</b>	<b>1,857,708,767</b>
<b>V</b>	<b>Profit before tax (III-IV)</b>		<b>288,854,483</b>	<b>219,646,700</b>
<b>VI</b>	<b>Tax Expense:</b>			
	(1) Current Tax		61,179,280	46,141,720
	(2) Deferred Tax		(5,161,314)	874,581
	(3) MAT Credit Utilisation/(Entitlement)		28,816,810	7,951,580
	<b>Total Tax Expense</b>		<b>84,834,776</b>	<b>54,967,881</b>
<b>VII</b>	<b>Profit for the year (V-VI)</b>		<b>204,019,707</b>	<b>164,678,819</b>
<b>VIII</b>	<b>Other Comprehensive Income</b>			
	A. Items that will not be reclassified to profit or loss			
	(i) Re-measurement gains (losses) on defined benefit plans		(2,073,400)	(1,497,663)
	Income tax effect on above		603,774	436,119
	<b>Total Other Comprehensive Income</b>		<b>(1,469,626)</b>	<b>(1,061,544)</b>
<b>IX</b>	<b>Total Comprehensive Income for the year (VII+VIII)</b>		<b>202,550,081</b>	<b>163,617,275</b>
<b>X</b>	<b>Earnings per equity share:</b>			
	Basic		14.57	11.76
	Diluted		14.57	11.76

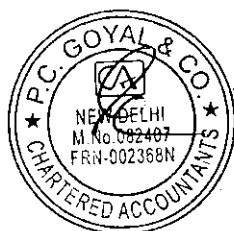
See accompanying notes to the financial statements

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As per our report of even date attached.

**P.C. GOYAL & CO.**  
Chartered Accountants  
Firm Registration No. 002368N

*[Signature]*  
**M.P. Jain**  
Partner  
M.No. 082407



Place: New Delhi  
Date: 14th May, 2019

*[Signature]*  
**Indresh Batra**  
Managing Director  
DIN: 00093471

*[Signature]*  
**Srinu Jindal**  
Director  
DIN: 00005317

*[Signature]*  
**Jagmohan Syal**  
CEO

*[Signature]*  
**Arun Bhalla**  
Company Secretary  
M. No. A27585

*[Signature]*  
**Sayed Mohammed Wasim**  
CFO

**IUP JINDAL METALS & ALLOYS LIMITED**  
**Cash Flow Statement for the year ended March 31, 2019**

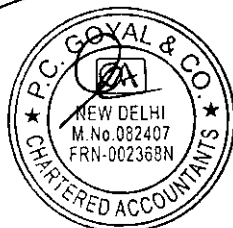
(Amount in ₹)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary item	288,854,483	219,646,700
<b>Adjustment for</b>		
Depreciation	43,544,112	42,938,635
Interest Expense	1,727,932	12,837,679
Provision for Doubtful Debts created during the year	627,519	410,735
Provision for Doubtful Debts written Back	(741,840)	(2,354,246)
Loss/(Profit) on sale of assets	2,724,814	-
Gain on sale of Current Investment	(696,440)	-
Interest Income	(2,385,676)	(1,643,728)
Unrealised Exchange Fluctuation	(124,558)	(124,558)
<b>Operating Profit before working capital changes:</b>	<b>333,530,346</b>	<b>271,711,217</b>
(Increase) / Decrease in Sundry Debtors	12,929,593	(115,155,804)
(Increase) / Decrease in Inventories	(153,611,402)	42,476,596
(Increase) / Decrease in Loans and Advances	17,886,254	(103,147,633)
Increase / (Decrease) in Current/ Non-Current Liabilities	19,553,476	14,682,517
<b>Cash generated from Operating Activities</b>	<b>230,288,267</b>	<b>110,566,893</b>
Tax Paid	(57,756,318)	(43,744,026)
<b>Net cash from Operating Activities</b>	<b>172,531,949</b>	<b>66,822,867</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale/ (Purchase) of fixed assets / capital work-in-progress	(79,612,264)	(8,287,112)
Sale/ (Purchase) of Current Investments	696,440	-
Interest received	2,452,140	1,736,366
<b>Net cash used in Investing Activities</b>	<b>(76,463,684)</b>	<b>(6,550,746)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Working capital borrowings from bank	(203,880,576)	116,237,842
Loan taken from/ (repaid) to Holding Company	-	(81,013,923)
Interest paid	(1,727,932)	(12,837,679)
<b>Net cash used in Financing Activities</b>	<b>(205,608,508)</b>	<b>22,386,240</b>
<b>(Decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(109,540,243)</b>	<b>82,658,361</b>
Cash and cash equivalents at beginning of the year	110,235,307	27,576,946
Cash and cash equivalents at end of the year	695,064	110,235,307

As per our report of even date attached.

**P.C. GOYAL & CO.**  
Chartered Accountants  
Firm Registration No. 002368N

  
**M.P. Jain**  
Partner  
M.No. 082407

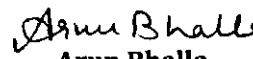


Place: New Delhi  
Date: 14th May, 2019

  
**Indresh Batra**  
Managing Director  
DIN: 00093471

  
**Sminu Jindal**  
Director  
DIN: 00005317

  
**Jagrohan Syal**  
CEO

  
**Arun Bhalla**  
Company Secretary  
M. No. A27585

  
**Sayed Mohammed Wasim**  
CFO

**IUP JINDAL METALS & ALLOYS LIMITED**  
**Statement of Changes in Equity for the year ended March 31, 2019**

**A. Equity Share Capital**

(Amount in ₹)				
Balance as at April 1, 2017	Changes in equity share capital during 2017-18	Balance as at March 31, 2018	Changes in equity share capital during 2018-19	Balance as at March 31, 2019
140,000,000	-	140,000,000	-	140,000,000

**B. Other Equity**

(Amount in ₹)				
Particulars	Reserves and Surplus		Items of Other Comprehensive Income	Total
	Securities Premium Reserve	Retained Earnings	Re-measurement gains (losses) on defined benefit plans	
Balance as at April 1, 2017	466,000,000	323,436,209	(58,374)	789,377,835
Total Comprehensive Income for the year 2017-18	-	164,678,819	(1,061,544)	163,617,275
Balance as at March 31, 2018	466,000,000	488,115,028	(1,119,918)	952,995,110
Total Comprehensive Income for the year 2018-19	-	204,019,707	(1,469,626)	202,550,081
Balance as at March 31, 2019	466,000,000	692,134,735	(2,589,544)	1,155,545,191

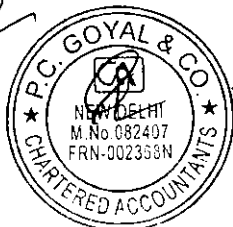
See accompanying notes to the financial statements

1 - 46

As per our report of even date attached.

**P.C. GOYAL & CO.**  
 Chartered Accountants  
 Firm Registration No. 002368N

**M.P. Jain**  
 Partner  
 M.No. 082407



*Indresh Batra*  
**Indresh Batra**  
 Managing Director  
 DIN: 00093471

*Sminu Jindal*  
**Sminu Jindal**  
 Director  
 DIN: 00005317

*Jagmohan Syal*  
**Jagmohan Syal**  
 CEO

*Arun Bhalla*  
**Arun Bhalla**  
 Company Secretary  
 M. No. A27585

*Sayed Mohammed Wasim*  
**Sayed Mohammed Wasim**  
 CFO

Place: New Delhi  
 Date: 14th May, 2019

# IUP Jindal Metals and Alloys Limited

## Notes to Financial Statements

### 1. Corporate and General Information

IUP Jindal Metals and Alloys Limited ("IUPJ" or "the Company") is domiciled and incorporated in India. The company is a Joint Venture between M/s. Jindal Saw Limited and M/s. Arcelor Mittal Stainless Precision Europe. This JV is in the ratio of 80.71:19.29 as on March 31, 2019 between M/s. Jindal Saw Limited and M/s. Arcelor Mittal Stainless Precision Europe respectively. The Registered Office of the company is 28, Najafgarh Road, New Delhi- 110015 and Works at Dehkhora Road, Village Rohad, District Jhajjar (Haryana)-124501

The Company is a leading manufacturer of High Quality Precision Stainless Steel strips. It offers a wide choice of thin and ultra-thin cold rolled strips. The Precision Stainless Steel & Nickel Alloys manufactured are useful in manufacturing of various products like auto components, clocks, watches & electrical equipment.

### 2. Basis of preparation

The financial statements have been prepared complying in all material respects with the Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2015, as amended. The financial statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented. The financial statement has been prepared considering all IND AS as notified by MCA till reporting date i.e. March 31, 2019.

The significant accounting policies used in preparing the financial statements are set out in Note no. 3 of the Notes to the Financial Statements.

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 4 on critical accounting estimates, assumptions and judgements).

### 3.0 Significant Accounting Policies

#### 3.1 Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- financial assets and liabilities except certain Investments and borrowings carried at amortised cost,
- defined benefit plans – plan assets measured at fair value,

The financial statements are presented in Indian Rupees (₹), which is the Company's functional and presentation currency and all amounts are rounded to the nearest two decimals thereof, except as stated otherwise.

#### 3.2 Property, Plant and Equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.



# IUP Jindal Metals and Alloys Limited

Assets are depreciated to the residual values on a straight line basis over the estimated useful lives based on technical estimates which are considered 24 hours working of Major Plant & Machinery. Assets residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets and benchmarking analysis or whenever there are indicators for review of residual value and useful life. Freehold land is not depreciated. Major overhauling of Plant and equipment is charged to Statement of Profit & Loss account over the period of five years. Estimated useful lives of the assets are as follows:

Category of Assets	Years
<b>Buildings</b>	5-60
<b>Equipment and Machinery</b>	
-Plant and Machinery	2-40
-Electrical Equipment and Installations	15-25
<b>Other Office Equipment</b>	
-Computer Equipment	3-8
-Office Furniture and Equipment	3-10
-Vehicles	8-10

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

### 3.3 Intangible Assets

Identifiable intangible assets are recognised a) when the Company controls the asset, b) it is probable that future economic benefits attributed to the asset will flow to the Company and c) the cost of the asset can be reliably measured.

Computer software's are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of license, generally not exceeding six years on straight line basis. The assets' useful lives are reviewed at each financial year end.

### 3.4 Impairment of non-current assets

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

### 3.5 Cash and cash equivalents

Cash and cash equivalents includes Cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the Company's cash management.

### 3.6 Inventories

Inventories are valued at the lower of cost and net realizable value except scrap, which is valued at net realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition. Cost is computed on the weighted average basis.



# IUP Jindal Metals and Alloys Limited

## 3.7 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease.

### a) Finance lease

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Assets given by lessor under finance lease are recorded as receivable at the lower of the fair value of the leased property and the present value of the minimum lease payments. Lease receipts are apportioned between the reduction of lease receivable and finance income so as to achieve a constant rate of interest on the remaining balance of the receivable for each period. The corresponding rent receivables, net of finance charges, are included in current and non-current other financial asset. The interest element of lease is accounted in the Statement of Profit and Loss over the lease period.

Assets taken on leases are capitalised at the commencement of the lease at the inception date at lower of fair value of the leased property or present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit or Loss. A leased asset is depreciated over the useful life of the asset.

Assets held under finance leases are recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

### b) Operating lease

An operating lease is a lease other than a finance lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Payments/receipts under operating lease are recorded in the Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

## 3.8 Employee benefits

a) Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered.

b) Leave encashment being a short term benefit is accounted for using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.

c) Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

d) Contribution to Superannuation fund, a defined contribution plan, is made in accordance with the Company policy, and is recognised as an expense in the year in which employees have rendered services.



# IUP Jindal Metals and Alloys Limited

e) The cost of providing gratuity, a defined benefit plans, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Other Comprehensive Income in the period in which they arise. Other costs are accounted in statement of profit and loss.

The Company operates a defined benefit plan for gratuity, which requires contributions to be made to a separately administered fund. The fund is managed by a trust. The trust has taken policies from an insurance company. These benefits are fully funded.

## 3.9 Foreign currency reinstatement and translation

### (a) Functional and presentation currency

The financial statements have been presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

### (b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at rates prevailing at the date of the transaction. Subsequently monetary items are translated at closing exchange rates of balance sheet date and the resulting exchange difference recognised in profit or loss. Differences arising on settlement of monetary items are also recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. Exchange component of the gain or loss arising on fair valuation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to such exchange difference.

## 3.10 Financial instruments – Initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### a. Financial Assets

Financial Assets are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and the assets contractual cash flow characteristics.

Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

### Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of financial assets. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Subsequent changes in assessment of impairment are recognised in provision for impairment and the change in impairment losses are recognised in the Statement of Profit and Loss within other expenses.



# IUP Jindal Metals and Alloys Limited

For foreign currency trade receivable, impairment is assessed after reinstatement at closing rates.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

Subsequent recoveries of amounts previously written off are credited to Other Income.

## **b. Financial Liabilities**

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in profit or loss.

Financial liabilities are classified in two categories; subsequent measurement of financial liabilities is depended on initial categorisation. These categories and their classification are as below:

### **i. Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are reported at fair value at each reporting date with all the changes recognized in the Statement of Profit and Loss.

### **ii. Financial liabilities measured at amortised cost**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method ("EIR") except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss.

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

## **Trade and other payables**

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

## **De-recognition of financial liability**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.



# IUP Jindal Metals and Alloys Limited

## 3.11 Borrowing costs

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

All other borrowing costs are expensed in the period in which they occur.

## 3.12 Taxation

Income tax expense represents the sum of current and deferred tax (including MAT). Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income, such change could be for change in tax rate.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Minimum Alternative Tax (MAT) is applicable to the Company. Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

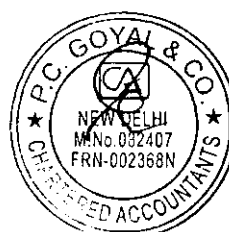
## 3.13 Revenue recognition and Other income

### *Sale of Goods*

Revenue is recognized at the fair value of consideration received or receivable and represents the net invoice value of goods supplied to third parties after deducting discounts, volume rebates and outgoing sales tax and are recognized either on delivery or on transfer of significant risk and rewards of ownership of the goods. Revenue is inclusive of excise duty. Material returned/rejected is accounted for in the year of return/rejection.

### *Sale of Services-Job work*

Revenue from job work charges is accounted for on the basis of work performed and rendering of service as per the terms of the specific contract.



# IUP Jindal Metals and Alloys Limited

## **Other Operating Income**

Incentives on exports and other Government incentives related to operations are recognised in books after due consideration of certainty of utilization/receipt of such incentives.

## **Other Income**

### **Interest**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

### **3.14 Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any.

### **3.15 Provisions and contingencies**

#### **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

#### **Gratuity and leave encashment provision**

Refer Note no 3.8 for provision relating to gratuity and leave encashment.

#### **Contingencies**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

### **3.16 Current versus non-current classification**

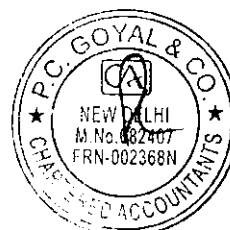
The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.



# IUP Jindal Metals and Alloys Limited

A liability is classified as current when:

- a) It is expected to be settled in normal operating cycle,
- b) It is held primarily for the purpose of trading,
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## 3.17 Recent accounting development

### Standards issued but not yet effective

#### Ind AS 116 – Leases

Ind AS 116 was notified by Ministry of Corporate Affairs on March 30, 2019 and it is applicable for annual reporting periods beginning on or after April 1, 2019.

Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased term) and a financial liability to pay rentals for virtually all leases contracts. An optional exemption exists for short-term and low-value assets.

The statement of profit and loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change.

Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under Ind AS 116, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Presently, the Company is not able to reasonably estimate the impact that application of Ind AS 116 is expected to have on its financial statements.

## 4. Critical accounting estimates, assumptions and judgements

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the financial statement:

### (a) Property, plant and equipment

External adviser or internal technical team assess the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable. The estimates and assumptions made to determine depreciation are critical to the Company's financial position and performance.

### (b) Intangibles

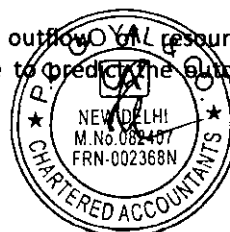
Internal technical or user team assess the remaining useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

### (c) Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

### (d) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.



# IUP Jindal Metals and Alloys Limited

*(e) Allowance for uncollected accounts receivable and advances*

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

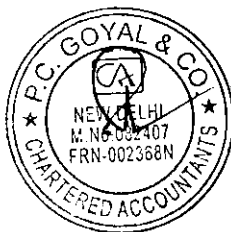
*(f) Insurance claims*

Insurance claims are recognised when the Company have reasonable certainty of recovery. Subsequently any change in recoverability is provided for.

*(g) Liquidated damages*

Liquidated damages payable are estimated and recorded as per contractual terms; estimate may vary from actuals as levy by customer.

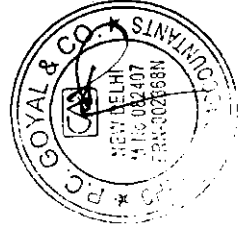
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**IUP JINDAL METALS & ALLOYS LIMITED**  
Notes to Financial Statements

**5. Property, Plant and Equipment**

Particulars	(Amount in ₹)									
	Freehold land	Factory Building	Office Building	Plant and Equipment	Office Equipments	Vehicles	Furniture and Fixtures	Computers	Total	Capital Work in Progress
<b>Gross Block</b>										
As at April 1, 2017	133,166,000	151,689,649	38,092,740	547,550,149	2,226,288	5,205,847	666,538	952,497	879,549,708	40,361
Additions	-	-	-	7,430,131	121,212	-	396,251	328,744	8,276,338	-
Add/(Less): Transfer	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2018</b>	<b>133,166,000</b>	<b>151,689,649</b>	<b>38,092,740</b>	<b>554,980,280</b>	<b>2,347,500</b>	<b>5,205,847</b>	<b>1,062,789</b>	<b>1,281,241</b>	<b>887,826,046</b>	<b>40,361</b>
Additions	-	-	-	11,690,502	547,670	3,277,052	58,800	425,663	15,999,687	64,702,017
Add/(Less): Transfer	-	-	-	12,339,177	-	-	-	-	12,339,177	(12,339,177)
Disposal	-	-	-	3,290,000	-	1,795,464	-	-	5,085,464	-
Adjustments	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2019</b>	<b>133,166,000</b>	<b>151,689,649</b>	<b>38,092,740</b>	<b>575,719,959</b>	<b>2,895,170</b>	<b>6,687,435</b>	<b>1,121,589</b>	<b>1,706,904</b>	<b>911,079,446</b>	<b>52,403,201</b>
<b>Accumulated Depreciation</b>										
As at April 1, 2017	-	18,169,502	3,322,875	98,156,980	870,237	1,643,028	97,988	666,777	122,927,387	-
Charge for the year	-	4,463,680	1,107,625	36,067,762	305,296	450,285	72,653	141,102	42,608,403	-
Disposal	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2018</b>	<b>-</b>	<b>22,633,182</b>	<b>4,430,500</b>	<b>134,224,742</b>	<b>1,175,533</b>	<b>2,093,313</b>	<b>170,641</b>	<b>807,879</b>	<b>165,535,790</b>	<b>-</b>
Charge for the year	-	4,463,680	1,107,625	36,543,816	334,011	493,838	109,596	193,038	43,245,604	-
Disposal	-	-	-	388,461	-	745,309	-	-	1,133,770	-
Adjustments	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2019</b>	<b>-</b>	<b>27,096,862</b>	<b>5,538,125</b>	<b>170,380,097</b>	<b>1,509,544</b>	<b>1,841,842</b>	<b>280,237</b>	<b>1,000,917</b>	<b>207,647,624</b>	<b>-</b>
<b>Net Carrying Amount</b>										
As at April 1, 2017	133,166,000	133,520,147	34,769,865	449,393,169	1,356,051	3,562,819	568,550	285,720	756,622,321	40,361
As at March 31, 2018	133,166,000	129,056,467	33,662,240	420,755,538	1,171,967	3,112,534	892,148	473,362	722,290,256	40,361
As at March 31, 2019	133,166,000	124,592,787	32,554,615	405,339,862	1,385,626	4,845,593	841,352	705,987	703,431,822	52,403,201

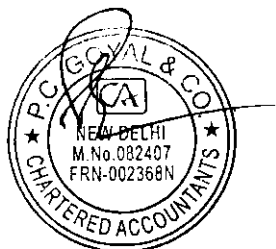


**IUP JINDAL METALS & ALLOYS LIMITED**  
**Notes to Financial Statements**

**6. Intangible Assets**

(Amount in ₹)

Particulars	Software
<b>Cost</b>	
As at April 1, 2017	1,895,584
Additions	10,774
Disposal	-
Adjustments	-
<b>As at March 31, 2018</b>	<b>1,906,358</b>
Additions	137,440
Disposal	-
Adjustments	-
<b>As at March 31, 2019</b>	<b>2,043,798</b>
<b>Accumulated Depreciation</b>	
As at April 1, 2017	929,170
Charge for the year	330,232
Disposal	-
Adjustments	-
<b>As at March 31, 2018</b>	<b>1,259,402</b>
Charge for the year	298,508
Disposal	-
Adjustments	-
<b>As at March 31, 2019</b>	<b>1,557,910</b>
<b>Net carrying amount</b>	
As at April 1, 2017	966,414
As at March 31, 2018	646,956
As at March 31, 2019	485,888



# IUP JINDAL METALS & ALLOYS LIMITED

## Notes to Financial Statements

(Amount in ₹)

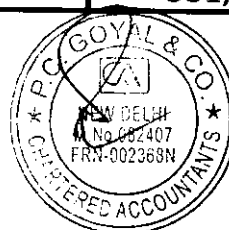
Note	Particulars	As At March 31, 2019	As At March 31, 2018
7	<b><u>OTHER NON-CURRENT FINANCIAL ASSETS</u></b>		
	<b>Unsecured, Considered good</b>		
	Security Deposits	245,962	127,822
	Bank Deposits with remaining maturity more than 12 months*	162,778	162,778
	<b>Total Financial Assets - Others</b>	<b>408,740</b>	<b>290,600</b>

\*Pledged with bank against Bank Guarantees and Securities with Govt. Authorities

8	<b><u>OTHER NON-CURRENT ASSETS</u></b>		
	<b>Unsecured, Considered good</b>		
	Capital advances	18,354,193	1,019,173
	<b>Total Other Non-Current Assets</b>	<b>18,354,193</b>	<b>1,019,173</b>

9	<b><u>INVENTORIES</u></b>		
	Raw Materials	124,701,422	6,573,697
	Raw Materials in Transit	2,848,727	6,948,976
	Work-in-Progress	107,014,695	80,734,785
	Finished Goods	24,027,107	16,306,528
	Scrap	1,777,192	2,618,140
	Stores and Spares	21,325,105	14,900,720
	<b>Total Inventories</b>	<b>281,694,248</b>	<b>128,082,846</b>

10	<b><u>TRADE RECEIVABLES</u></b>		
	<b>Related Parties</b>		
	Unsecured, considered good	23,252,264	17,353,235
	<b>Others</b>		
	Secured, considered good	-	-
	Unsecured, considered good	327,949,854	346,685,847
	Trade Receivables which have significant increase in credit Risk	20,092,490	20,206,811
	Trade Receivables- credit impaired	(20,092,490)	(20,206,811)
	<b>Total Trade Receivables</b>	<b>351,202,118</b>	<b>364,039,082</b>



**IUP JINDAL METALS & ALLOYS LIMITED**  
**Notes to Financial Statements**

(Amount in ₹)

Note	Particulars	As At March 31, 2019	As At March 31, 2018
<b>11</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Balance with Banks		
	- In Current Accounts	650,024	110,058,794
	Cash on Hand	45,040	176,513
	<b>Total Cash and Cash Equivalents</b>	<b>695,064</b>	<b>110,235,307</b>

<b>12</b>	<b>OTHER BANK BALANCES</b>		
	Fixed Deposits with Banks - with remaining maturity of less than 12 months and other than considered in cash and cash equivalents*	38,024,728	94,783,744
	<b>Total Other Bank Balances</b>	<b>38,024,728</b>	<b>94,783,744</b>

\*Pledged with bank against Bank Guarantees and Securities with Govt. Authorities of ₹ 80,11,968 (Previous Year Rs. 47,83,744)

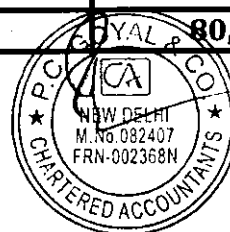
<b>13</b>	<b>LOANS</b>		
	Secured, considered good	-	-
	Unsecured, considered good		
	- Loan to employees	2,733,718	2,378,899
	Trade Receivables which have significant increase in credit Risk	-	-
	Trade Receivables- credit impaired	-	-
	<b>Total Other Bank Balances</b>	<b>2,733,718</b>	<b>2,378,899</b>

<b>14</b>	<b>OTHER FINANCIAL ASSETS</b>		
	Interest Accrued on Fixed Deposits	204,823	271,287
	<b>Total Other Financial Assets</b>	<b>204,823</b>	<b>271,287</b>

<b>15</b>	<b>CURRENT TAX ASSETS (NET)</b>		
	Advance Taxation (net of provisions)	761,466	4,184,428
	<b>Total Current Tax Assets (Net)</b>	<b>761,466</b>	<b>4,184,428</b>

<b>16</b>	<b>OTHER CURRENT ASSETS</b>		
	Value Added Tax (Including Refund Receivable)	35,408,282	35,408,282
	Advance to Suppliers	5,045,510	1,427,848
	Others*	40,360,144	22,913,023
	<b>Total Other Current Assets</b>	<b>80,813,936</b>	<b>59,749,153</b>

\* includes Cenvat credit, Govt. incentives etc.



**IUP JINDAL METALS & ALLOYS LIMITED**  
**Notes to Financial Statements**

(Amount in ₹)

Note	Particulars	As At March 31, 2019	As At March 31, 2018
17	<b>SHARE CAPITAL</b>		
	<b>Authorised</b> 15,000,000 Equity Shares of ₹ 10/- each	150,000,000	150,000,000
	<b>Issued, Subscribed and Paid up</b> 14,000,000 Equity Shares of ₹ 10/- each	140,000,000	140,000,000

**17 (a) Reconciliation of the number of shares at the beginning and end of the Reporting year:**

Particulars	As At March 31, 2019	As At March 31, 2018
Shares outstanding at the beginning of the year	14,000,000	14,000,000
Shares issued during the year	-	-
<b>Shares outstanding at the end of the year</b>	<b>14,000,000</b>	<b>14,000,000</b>

<b>17 (b)</b> Shares held by the Holding Company	11,300,000	11,300,000
Percentage of Holding	80.71	80.71

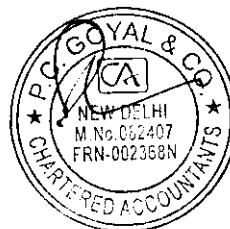
**17 (c) Shares held by each shareholder holding more than 5% shares**

Particulars	As At March 31, 2019		As At March 31, 2018	
	No of Shares held	% of holding	No of Shares held	% of holding
Jindal Saw Limited	11,300,000	80.71	11,300,000	80.71
Arcelor Mittal Stainless Precision, Europe	2,700,000	19.29	2,700,000	19.29

<b>17 (d)</b> Aggregate number of bonus shares issued, shares issued for consideration other than cash and bought back shares during the period of five years immediately preceding the reporting date:	As At March 31, 2019	As At March 31, 2018
	NIL	NIL

**17 (e) Terms/Rights attached to Equity Shares**

The Company has only one class of equity shares having a par value of ₹ 10/- per equity share. Each equity shareholder is entitled to one vote per share.



**IUP JINDAL METALS & ALLOYS LIMITED**  
**Notes to Financial Statements**

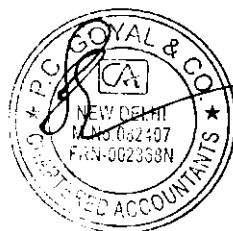
Particulars	(Amount in ₹)	
	As At March 31, 2019	As At March 31, 2018
<b>18 Other Equity</b>		
<b>(i) Securities Premium Reserve</b>		
Opening Balance	466,000,000	466,000,000
Add: Addition for the year	-	-
<b>Closing Balance (i)</b>	<b>466,000,000</b>	<b>466,000,000</b>
<b>(ii) Retained Earnings</b>		
Opening Balance	488,115,028	323,436,209
Add: Net profit for the year	204,019,707	164,678,819
<b>Closing Balance (ii)</b>	<b>692,134,735</b>	<b>488,115,028</b>
<b>(iii) Items of Other Comprehensive Income</b>		
<b>Re-measurement gains (losses) on defined benefit plans</b>		
Opening Balance	(1,119,918)	(58,374)
Add: Addition for the year	(1,469,626)	(1,061,544)
<b>Closing Balance (iii)</b>	<b>(2,589,544)</b>	<b>(1,119,918)</b>
<b>Total Other Equity (i+ii+iii)</b>	<b>1,155,545,191</b>	<b>952,995,110</b>

**Nature of Reserves**

Retained Earnings represent the undistributed profits of the Company.

Other Comprehensive Income Reserve represent the balance in equity for items to be accounted in Other Comprehensive Income. OCI is classified into i). Items that will not be reclassified to profit and loss ii). Items

Securities Premium Reserve represents the amount received in excess of par value of equity shares. Section 52 of Companies Act, 2013 specify restriction and utilisation of security premium.



# IUP JINDAL METALS & ALLOYS LIMITED

## Notes to Financial Statements

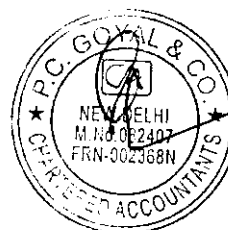
(Amount in ₹)

Note	Particulars	As At March 31, 2019	As At March 31, 2018
19	<b>PROVISIONS</b>		
	<b>Provision for Employee Benefit</b>		
	Provision for Gratuity	355,091	-
	Provision for Leave Encashment	6,531,883	6,164,244
	<b>Total Provisions</b>	<b>6,886,974</b>	<b>6,164,244</b>

20	<b>DEFERRED TAX LIABILITIES (NET)</b>		
	<b>Deferred Tax Liability</b>		
	Difference between Book and Tax Base Related to Fixed Assets	115,199,901	120,306,977
	<b>Total Deferred Tax Liability - A</b>	<b>115,199,901</b>	<b>120,306,977</b>
	<b>Deferred Tax Assets</b>		
	Disallowance under Income Tax Act, 1961	8,510,298	7,852,286
	<b>Total Deferred Tax Assets - B</b>	<b>8,510,298</b>	<b>7,852,286</b>
	<b>Net Deferred Tax Liabilities (A-B)</b>	<b>106,689,603</b>	<b>112,454,691</b>
	<b>Less: MAT Credit Entitlement</b>	<b>19,946,338</b>	<b>48,763,148</b>
	<b>Deferred Tax Liabilities (Net)</b>	<b>86,743,265</b>	<b>63,691,543</b>

### Deferred Tax Liability/(Assets) Recognised in Profit and Loss and OCI

Deferred Tax Liability/(Assets) Recognised in Profit and Loss	(5,161,314)	874,581
Deferred Tax Liability/(Assets) Recognised in OCI	(603,774)	(436,119)
	<b>(5,765,088)</b>	<b>438,462</b>



**IUP JINDAL METALS & ALLOYS LIMITED**  
**Notes to Financial Statements**

(Amount in ₹)

Note	Particulars	As At March 31, 2019	As At March 31, 2018
21	<b>BORROWINGS</b>		
	Secured Loan		
	Working Capital Borrowings from Banks*	-	203,880,576
	<b>Total Borrowings</b>	-	<b>203,880,576</b>

\*Secured by way of first charge on the hypothecation of the current assets extended by second charge on the fixed assets of the Company.

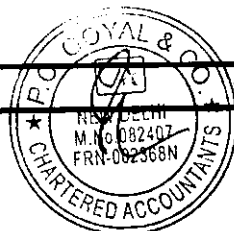
22	<b>TRADE PAYABLES</b>		
	Sundry Creditors		
	- Due to Micro and Small Enterprise*	7,385,362	-
	- Due to Others	96,203,669	77,419,533
	<b>Total Trade Payables</b>	<b>103,589,031</b>	<b>77,419,533</b>

\*Principal amount outstanding as at the year end March 31, 2019, there is no overdue amount of principal and interest due to Micro and small enterprises. There are no Micro and Small Enterprises, to whom the Company owes dues as at March 31, 2018. During the year, no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

23	<b>OTHER FINANCIAL LIABILITIES</b>		
	Dues to Employees	11,178,601	9,435,987
	Capital Creditors	3,881,287	-
	Retention Money	3,594,013	3,594,013
	Other Liabilities	10,673,396	9,535,229
	<b>Total Other Financial Liabilities</b>	<b>29,327,297</b>	<b>22,565,229</b>

24	<b>OTHER CURRENT LIABILITIES</b>		
	Advance from Customers	4,264,620	7,809,338
	Statutory Dues Payable	2,612,106	12,892,304
	<b>Total Other Current Liabilities</b>	<b>6,876,726</b>	<b>20,701,642</b>

25	<b>PROVISIONS</b>		
	Provision for Employee Benefit		
	Provision for Gratuity	83,240	-
	Provision for Leave Encashment	2,162,221	594,215
	<b>Total Provisions</b>	<b>2,245,461</b>	<b>594,215</b>



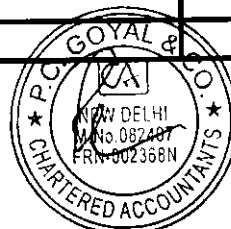
# IUP JINDAL METALS & ALLOYS LIMITED

## Notes to Financial Statements

(Amount in ₹)

Note	Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
26	<b>GROSS REVENUE FROM OPERATIONS</b>		
	<b>a) Sale of Products</b>		
	Cold Rolled S.S. Coils	2,145,636,363	1,959,928,060
	<b>b) Sale of Services</b>		
	Job Work Charges - CR S.S. Coils	116,749,479	104,170,906
	<b>c) Other Operating Revenues</b>		
	Export Benefit	2,812,898	828,792
	Liabilities no Longer Required Written Back	-	5,529,682
	<b>Gross Revenue from Operations</b>	<b>2,265,198,740</b>	<b>2,070,457,440</b>
27	<b>OTHER INCOME</b>		
	<b>Interest Income</b>		
	On Fixed Deposit with Banks	511,063	645,010
	Others	1,874,613	998,718
	Provision for Doubtful Debts Written Back	741,840	2,354,246
	Gain on Sale of Current Investment	696,440	-
	Net Gain on Foreign Currency Transactions	-	132,542
	Other Non-Operating Income	1,455,800	2,767,511
	<b>Total Other Income</b>	<b>5,279,756</b>	<b>6,898,027</b>
28	<b>COST OF MATERIALS CONSUMED</b>		
	Raw Material Consumed - Cold Rolled S.S. Coils	1,630,702,301	1,452,612,425
	<b>Total Cost of Materials Consumed</b>	<b>1,630,702,301</b>	<b>1,452,612,425</b>
29	<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND SCRAP</b>		
	<b>(a) Opening Stock</b>		
	(i) Work-In-Progress	80,734,785	80,319,809
	(ii) Finished Goods*	16,306,528	30,930,363
	(iii) Scrap	2,618,140	3,732,210
	<b>Total Opening Stock</b>	<b>99,659,453</b>	<b>114,982,382</b>
	<b>(b) Closing Stock</b>		
	(i) Work-In-Progress	107,014,695	80,734,785
	(ii) Finished Goods*	24,027,107	16,306,528
	(iii) Scrap	1,777,192	2,618,140
	<b>Total Closing Stock</b>	<b>132,818,994</b>	<b>99,659,453</b>
	<b>Net (Increase)/Decrease In Stock</b>	<b>(33,159,541)</b>	<b>15,322,929</b>
	Excise Duty on Increase/(Decrease) in Closing Stock	-	(4,224,463)
	<b>Total (Increase)/Decrease In Stock</b>	<b>(33,159,541)</b>	<b>11,098,466</b>

\* Cold Rolled S.S. Coils

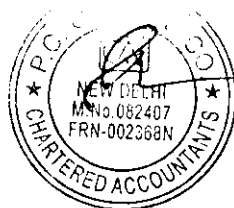


# IUP JINDAL METALS & ALLOYS LIMITED

## Notes to Financial Statements

(Amount in ₹)

Note	Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>30</b>	<b>EMPLOYEE BENEFITS EXPENSE</b>		
	Salaries and Wages	120,925,868	106,651,682
	Contribution to Provident Fund and Other Funds	8,591,910	7,447,852
	Workmen and Staff Welfare Expenses	5,441,233	5,280,571
	<b>Total Employee Benefits Expense</b>	<b>134,959,011</b>	<b>119,380,105</b>
<b>31</b>	<b>FINANCE COSTS</b>		
	Interest on Working Capital Loan	1,687,118	10,581,412
	Interest on Other Loans and Advances	40,814	2,256,267
	Bank and Finance Charges	1,202,117	1,541,454
	<b>Total Finance Costs</b>	<b>2,930,049</b>	<b>14,379,133</b>
<b>32</b>	<b>Depreciation and Amortisation Expense</b>		
	Depreciation on Property, Plant and Equipment	43,245,604	42,608,403
	Amortisation of Other Intangible Assets	298,508	330,232
	<b>Total Depreciation and Amortisation Expense</b>	<b>43,544,112</b>	<b>42,938,635</b>
<b>33</b>	<b>OTHER EXPENSES</b>		
	<b>Manufacturing Expenses</b>		
	Store and Spares Consumed	52,947,838	51,020,685
	Power and Fuel	104,713,232	74,219,285
	Job Charges	38,692	-
	Water	1,080,000	1,080,000
	Freight and Cartage	1,407,475	855,831
	Other Manufacturing Expenses	77,342	234,422
	<b>Repair and Maintenance</b>		
	- Buildings	1,085,454	442,555
	- Plant and Machinery	10,760,979	12,745,874
	<b>Total Manufacturing Expenses</b>	<b>172,111,012</b>	<b>140,598,652</b>



**IUP JINDAL METALS & ALLOYS LIMITED**  
**Notes to Financial Statements**

(Amount in ₹)

Note	Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
33	<b>OTHER EXPENSES</b>		
	<b>Administrative, Selling and Other Expenses</b>		
	Rent, Rates and Taxes	9,905	40,234
	Insurance	1,857,325	1,527,655
	Travelling and Conveyance	9,868,535	8,603,478
	Vehicle Running and Maintenance	707,125	827,405
	Postage and Telephone	880,036	883,711
	Legal and Professional Expenses	1,869,882	1,133,056
	Repair and Maintenance - Others	961,598	1,399,968
	Recruitment Expenses	28,010	6,100
	Office Expenses	1,185,879	651,653
	Printing and Stationary	277,155	262,062
	Director Sitting Fees	-	60,000
	Auditors' Remuneration {Refer note 38(a)}	244,986	300,000
	Corporate Social Responsibility {Refer note 38(b)}	3,024,421	-
	Cost Auditor Remuneration	125,100	3,700
	Freight and Cartage (Outward)	1,830,189	2,407,406
	Other Selling Expenses	1,392,771	3,410,435
	Provision for Doubtful Debts	627,519	410,735
	Loss on Sale of Fixed Assets	2,724,814	-
	Net Loss on Foreign Currency Transactions	678,422	-
	Miscellaneous Expenses	2,243,397	2,008,840
	<b>Total Other Expenses</b>	<b>30,537,069</b>	<b>23,936,438</b>



# IUP Jindal Metals and Alloys Limited

## 34. Financial risk management

### 34.1 Financial risk factors

The Company's principal financial liabilities, comprise borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Company's activities expose it to a variety of financial risks:

#### i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as of March 31, 2019 and March 31, 2018.

#### ii) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

#### iii) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out by the treasury department under policies approved by the board of directors. The treasury team identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

### Market Risk

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. However, such effect is not material.

#### (a) Foreign exchange risk and sensitivity

The Company transacts business primarily in Indian Rupee, USD and Euro. The Company has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies.

The following table demonstrates the sensitivity in the USD, Euro to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities is given below:

#### Exposure to foreign currency risk expressed in Indian rupees:-

Particulars	(Amount in ₹)	
	As at March 31, 2019	
	USD	EURO
<b>Financial Assets</b>		
Trade Receivables	2,774,339	-
<b>Financial Liabilities</b>		
Trade Payables	31,117,500	-
Capital Creditors	-	309,712
<b>Net exposure to foreign currency risk</b>	<b>(28,343,161)</b>	<b>(309,712)</b>



# IUP Jindal Metals and Alloys Limited

The following table demonstrates the sensitivity in the USD and EURO to the Indian Rupee with all other variables held constant. The impact on the Company's profit/(loss) before tax in the fair value of monetary assets and liabilities is given below:

(Amount in ₹)		
Particulars	Change in currency exchange rate	Effect on profit/(loss) before tax
<b>For the year ended March 31, 2019</b>		
USD	+5%	(1,417,158)
	-5%	1,417,158
Euro	+5%	(15,486)
	-5%	15,486
<b>For the year ended March 31, 2018</b>		
USD	+5%	(1,466,325)
	-5%	1,466,325
Euro	+5%	15,701
	-5%	(15,701)

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

Summary of exchange difference accounted in Statement of Profit and Loss:

(Amount in ₹)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net foreign exchange gain/(losses) as operating expense	-	-
Net foreign exchange gain/(losses) as finance cost	-	-
Net foreign exchange gain/(losses) as other income	(6,78,422)	1,32,542
<b>Total</b>	<b>(6,78,422)</b>	<b>1,32,542</b>

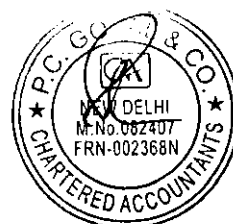
## (b) Interest rate risk and sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates, any changes in the interest rates environment may impact future cost of borrowing.

With all other variables held constant, the following table demonstrates the impact of borrowing cost on floating rate portion of loans and borrowings.

(Amount in ₹)		
Interest rate sensitivity	Increase/Decrease in basis points	Effect on profit/(loss) before tax
<b>For the year ended March 31, 2019</b>		
INR borrowings	+50	-
	-50	-
<b>For the year ended March 31, 2018</b>		
INR borrowings	+50	(11,389,976)
	-50	11,389,976

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.



# IUP Jindal Metals and Alloys Limited

## Unused line of credit

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured	19,72,29,758	7,49,24,570
Unsecured	-	-
<b>Total</b>	<b>19,72,29,758</b>	<b>7,49,24,570</b>

## Interest rate & currency of borrowings

The below table demonstrates the borrowing of fixed and floating rate of interest:

(Amount in ₹)

Particulars	Total borrowings	Floating rate borrowings	Fixed rate borrowings
INR	-	-	-
<b>Total as at March 31, 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>
INR	20,38,80,576	20,38,80,576	-
<b>Total as at March 31, 2018</b>	<b>20,38,80,576</b>	<b>20,38,80,576</b>	<b>-</b>

## (c) Commodity price risk and sensitivity

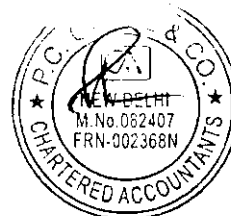
The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company enter into contracts for procurement of material, most of the transactions are short term fixed price contract and a few transactions are long term fixed price contracts.

## Credit risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds and financial institutions and other financial instruments.

## Trade Receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The Company has also taken advances and security deposits from its customers & distributors, which mitigate the credit risk to an extent.



# IUP Jindal Metals and Alloys Limited

The ageing of trade receivable is as below:

Particulars	Not due not impaired	Past Due			Total
		upto 6 months	6 to 12 months	Above 12 months	
(Amount in ₹)					
<b>Trade Receivables</b>					
<b>As at March 31, 2019</b>					
Secured, considered good					
Others	-	-	-	-	-
Unsecured, considered good					
Related Parties	23,124,311	3,168	-	124,785	23,252,264
Others	190,536,030	135,532,553	9,231	1,872,040	327,949,854
Significant increase in credit Risk	-	-	-	20,092,490	20,092,490
<b>Gross Trade Receivable</b>	<b>213,660,341</b>	<b>135,535,721</b>	<b>9,231</b>	<b>22,089,315</b>	<b>371,294,608</b>
Trade Receivables- credit impaired	-	-	-	20,092,490	20,092,490
<b>Net Trade Receivable</b>	<b>213,660,341</b>	<b>135,535,721</b>	<b>9,231</b>	<b>1,996,825</b>	<b>351,202,118</b>
<b>As at March 31, 2018</b>					
Secured, considered good					
Others	-	-	-	-	-
Unsecured, considered good					
Related Parties	17,310,700	9,460	33,075	-	17,353,235
Others	205,486,615	140,233,488	132,819	832,925	346,685,847
Significant increase in credit Risk	-	-	-	20,206,811	20,206,811
<b>Gross Trade Receivable</b>	<b>222,797,315</b>	<b>140,242,948</b>	<b>165,894</b>	<b>21,039,736</b>	<b>384,245,893</b>
Trade Receivables- credit impaired	-	-	-	20,206,811	20,206,811
<b>Net Trade Receivable</b>	<b>222,797,315</b>	<b>140,242,948</b>	<b>165,894</b>	<b>832,925</b>	<b>364,039,082</b>

## Financial instruments and cash deposits

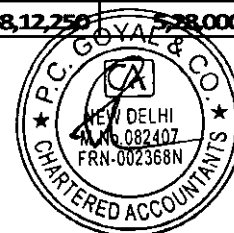
The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations.

## Liquidity risk

The Company's objective is to; at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below provides undiscounted cash flows towards non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

Particulars	Carrying Amount	On demand	Maturity			Total
			Less than 6 months	6 to 12 months	More than 1 years	
(Amount in ₹)						
Interest bearing borrowings	-	-	-	-	-	-
Trade Payable	10,35,89,031	4,47,97,888	5,87,91,143	-	-	10,35,89,031
Other financial liabilities	2,93,27,297	1,07,78,190	1,80,21,107	5,28,000	-	2,93,27,297
<b>Total</b>	<b>13,29,16,328</b>	<b>5,55,76,078</b>	<b>7,68,12,250</b>	<b>5,28,000</b>	<b>-</b>	<b>13,29,16,328</b>



# IUP Jindal Metals and Alloys Limited

As at March 31, 2018

(Amount in ₹)

Particulars	Carrying Amount	On demand	Less than 6 months	6 to 12 months	More than 1 years	Total
Interest bearing borrowings	20,38,80,576	-	20,38,80,576	-	-	20,38,80,576
Trade Payable	7,74,19,533	3,46,96,041	4,27,23,492	-	-	7,74,19,533
Other financial liabilities	2,25,65,229	98,08,997	1,24,31,232	3,25,000	-	2,25,65,229
<b>Total</b>	<b>30,38,65,338</b>	<b>4,45,05,038</b>	<b>25,90,35,300</b>	<b>3,25,000</b>	<b>-</b>	<b>30,38,65,338</b>

The Company is required to maintain ratios (including total debt to EBITDA / net worth, EBITDA to gross interest, debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels. In the event of failure to meet any of these ratios these loans become callable at the option of lenders, except where exemption is provided by lender.

### 34.1 Competition and price risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

### 34.2 Capital risk management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2019 and March 31, 2018.

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short term deposits, excluding discontinued operations.

The Company monitors capital using gearing ratio, which is net debt divided by total capital.

During 2018-19, the company's strategy was to have lower borrowings and therefore, the gearing ratio of the company is nil in financial year 2018-19 as compared to 8% in financial year 2017-18.

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Loans and Borrowings	-	203,880,576
Less: Cash & Cash Equivalents	695,064	110,235,307
Net debt	(695,064)	93,645,269
Total Capital	1,295,545,191	1,092,995,110
Capital and Net Debt	1,294,850,127	1,186,640,379
Gearing Ratio	0%	8%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest bearing loans and borrowing for reported periods.



# IUP Jindal Metals and Alloys Limited

## 35. Fair value of financial assets and liabilities

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements.

Particulars	(Amount in ₹)			
	As at March 31, 2019		As at March 31, 2018	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>Financial assets designated at amortised cost</b>				
Fixed deposits with banks	38,187,506	38,187,506	94,946,522	94,946,522
Cash and cash equivalents	695,064	695,064	110,235,307	110,235,307
Trade receivables	351,202,118	351,202,118	364,039,082	364,039,082
Other financial assets	3,184,503	3,184,503	2,778,008	2,778,008
	<b>393,269,191</b>	<b>393,269,191</b>	<b>571,998,919</b>	<b>571,998,919</b>
<b>Financial liabilities designated at amortised cost</b>				
Borrowings- fixed rate	-	-	-	-
Borrowings- floating rate	-	-	203,880,576	203,880,576
Trade payables	103,589,031	103,589,031	77,419,533	77,419,533
Other financial liabilities	29,327,297	29,327,297	22,565,229	22,565,229
	<b>132,916,328</b>	<b>132,916,328</b>	<b>303,865,338</b>	<b>303,865,338</b>

### Fair valuation techniques

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

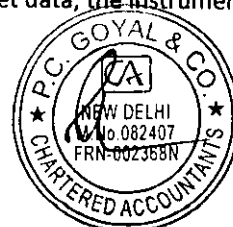
The following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- 2) Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings is not materially different from carrying values. For fixed interest rate borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.
- 3) IND AS 101 allow Company to fair value property, plant and machinery on transition to IND AS, the Company has fair valued property, plant and equipment, and the fair valuation is based on replacement cost approach.

### Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

- Quoted prices / published NVA (unadjusted) in active markets for identical assets or liabilities (level 1). It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value( NAV) is published mutual fund operators at the balance sheet date.
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2). It includes fair value of the financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.



# IUP Jindal Metals and Alloys Limited

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 2 as described below:

Assets / Liabilities measured at fair value (Accounted) - NIL

Assets / Liabilities for which fair value is disclosed:

Particulars	(Amount in ₹)		
	As at March 31, 2019		
	Level 1	Level 2	Level 3
<b>Financial liabilities</b>			
Borrowings - fixed rate	-	-	-
Other financial liabilities	-	2,93,27,297	-

Particulars	As at March 31, 2018		
	Level 1	Level 2	Level 3
	<b>Financial liabilities</b>		
Borrowings - fixed rate	-	-	-
Other financial liabilities	-	2,25,65,229	-

During the year ended March 31, 2019 and March 31, 2018, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements. There is no transaction/balance under level 3.

Following table describes the valuation techniques used and key inputs for valuation under fair value hierarchy as of March 31, 2019 and March 31, 2018, respectively:

Assets / Liabilities for which fair value is disclosed

Particulars	Fair value hierarchy	Valuation technique	Inputs used
<b>Financial assets</b>			
Other financial assets	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows
<b>Financial liabilities</b>			
Other borrowings- fixed rate	Level 2	Discounted Cash Flow	Prevailing interest rates in market, Future payouts
Other financial liabilities	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows

## 36. Segment information

### Information about primary segment

The Company's primary segment as identified by management is cold rolled stainless steel coils and strips.

Segments have been identified taking into account nature of product and differential risk and returns of the segment.

### Information about Geographical Segment – Secondary

The Company's operations are located in India. The following table provides an analysis of the Company's sales by geography in which the customer is located, irrespective of the origin of the goods.



# IUP Jindal Metals and Alloys Limited

Particulars	2018-19			2017-18		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenue from Operations	2,19,92,37,288	6,59,61,452	2,26,51,98,740	2,04,25,00,726	2,79,56,714	2,07,04,57,440
Non current Assets	75,63,20,911	-	75,63,20,911	72,29,77,573	-	72,29,77,573

## 37. Income tax expense

Particulars	(Amount in ₹)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Current tax</b>	61,179,280	46,141,720
<b>Deferred tax</b>	61,179,280	46,141,720
- Relating to origination & reversal of temporary differences	(5,161,314)	22,081,933
- Relating to change in tax rate	-	(21,207,352)
	(5,161,314)	874,581
<b>Tax expense attributable to current year's profit</b>	56,017,966	47,016,301
<b>Adjustments in respect of income tax of previous year</b>		
-Current income tax	-	-
-Deferred tax	-	-
<b>MAT</b>		
MAT credit entitlement	-	-
MAT credit utilisation	28,816,810	7,951,580
	28,816,810	7,951,580
<b>Total Tax expense</b>	<b>84,834,776</b>	<b>54,967,881</b>

## Effective Tax Rate (ETR) reconciliation

A reconciliation of the theoretical income tax expense/ (benefit) applicable to profit/ (loss) before income tax at the statutory tax rate in India to the income expense/ (benefit) at the Company's effective tax rate is as follows:

S.No	Description	(Amount in ₹)	
		2018-19	2017-18
	Net Income/(Loss) before taxes	288,854,483	219,646,700
	Enacted tax rate	29.120%	34.608%
	Computed tax (Income)/Expense	84,114,426	76,015,330
	<b>Increase/(reduction) in taxes on account of:</b>		
1	Previous year tax adjustments	-	25,761
2	Other non-deductible expenses	720,350	216,335
3	Income not taxable/ exempt from tax	-	-
4	Taxes of which no deduction is admissible	-	-
5	Change in rate of tax	-	(21,289,545)
	<b>Income tax Expense/(Income) reported</b>	<b>84,834,776</b>	<b>54,967,881</b>



# IUP Jindal Metals and Alloys Limited

## 38. Deferred income tax

The analysis of deferred tax expenses/ (income) is as follows:

Particulars	(Amount in ₹)	
	Year ended March 31, 2019	Year ended March 31, 2018
Book base and tax base of Fixed Assets	(5,107,076)	(27,555,181)
(Disallowance)/ Allowance (net) under Income Tax	(54,238)	2,241,019
Brought forward losses set off	-	26,188,743
<b>Total</b>	<b>(5,161,314)</b>	<b>874,581</b>

## Component of tax accounted in OCI and equity

Particulars	(Amount in ₹)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Component of OCI</b>		
Deferred tax Gain/ (Loss) on defined benefit plan	603,774	436,119
<b>Total</b>	<b>603,774</b>	<b>436,119</b>

## 39. Retirement benefit obligations

### 1. Expense recognised for Defined Contribution plan

Particulars	(Amount in ₹)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Company's contribution to provident fund	59,81,398	53,46,264
Company's contribution to ESI	6,91,595	10,10,508
<b>Total</b>	<b>66,72,993</b>	<b>63,56,772</b>

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in Balance Sheet as of March 31, 2019 and March 31, 2018, being the respective measurement dates:

### 2. Movement in obligation

The components of the gratuity & leave encashment cost are as follows:

#### a) Gratuity

Particulars	(Amount in ₹)	
	Gratuity (funded) as on 31.03.2019	Gratuity (funded) as on 31.03.2018
Present value of the obligation at the beginning of the year	1,99,00,272	1,80,49,319
Interest cost	14,92,520	13,98,822
Current service cost	20,46,771	17,38,005
Past Service Cost	-	2,23,030
Benefits paid	(6,53,199)	(29,46,703)
Remeasurements - actuarial loss/ (gain)	21,00,861	14,37,799
<b>Present value of the obligation at the end of the year</b>	<b>2,48,87,225</b>	<b>1,99,00,272</b>



# IUP Jindal Metals and Alloys Limited

## b.) Leave Encashment (Compensated Absence)

Particulars	(Amount in ₹)	
	Leave Encashment (unfunded) as on 31.03.2019	Leave Encashment (unfunded) as on 31.03.2018
Present value of the obligation at the beginning of the year	67,58,459	57,54,171
Interest cost	5,06,884	4,45,948
Current service cost	9,25,059	7,84,477
Benefits paid	(17,93,769)	(17,17,252)
Remeasurements - actuarial loss/(gain)	22,97,471	14,91,115
Present value of the obligation at the end of the year	86,94,104	67,58,459

## 3. Movement in Plan Assets – Gratuity

Particulars	(Amount in ₹)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Fair value of plan assets at beginning of year	2,30,52,036	1,90,89,052
Expected return on plan assets	17,28,903	14,79,402
Employer contributions	2,93,693	54,90,149
Benefits paid	(6,53,199)	(29,46,703)
Actuarial gain/(loss)	27,461	(59,864)
Fair value of plan assets at end of year	2,44,48,894	2,30,52,036
Present value of obligation	2,48,87,225	1,99,00,272
Net funded status of plan Assets / (Liab)	(4,38,331)	31,51,764
Actual return on plan assets	17,56,364	14,19,538

## 4. Recognised in profit and loss

### a.) Gratuity

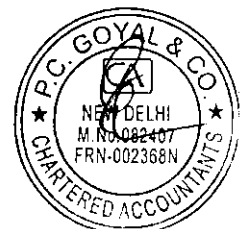
Particulars	(Amount in ₹)	
	For the year ended on 31st March 2019	For the year ended on 31st March 2018
Current Service cost	20,46,771	17,38,005
Interest cost	14,92,520	13,98,822
Expected return on plan assets	(17,28,903)	(14,79,402)
Remeasurement - Acturial loss/(gain)	-	-
Past service cost	-	2,23,030
Expenses recognised in P&L A/c	18,10,388	18,80,455
Actual return on plan assets	17,56,364	14,19,538

### b.) Leave Encashment (Compensated Absence)

Particulars	(Amount in ₹)	
	For the year ended on 31st March 2019	For the year ended on 31st March 2018
Current Service cost	9,25,059	7,84,477
Interest cost	5,06,884	4,45,948
Expected return on plan assets	-	-
Remeasurement - Acturial loss/(gain)	22,97,471	14,91,115
Past service cost	-	-
Expenses recognised in P&L A/c	37,29,414	27,21,540

## 5. Recognised in other comprehensive income

Gratuity	(Amount in ₹)	
	For the year ended on 31st March 2019	For the year ended on 31st March 2018
Remeasurement - Acturial loss/(gain)	20,73,400	14,97,663



# IUP Jindal Metals and Alloys Limited

6. The principal actuarial assumptions used for estimating the Company's defined benefit obligations are set out below:

Weighted average actuarial assumptions	As of 31st March, 2019	As of 31st March, 2018
Attrition rate	5%p.a. (18 to 30 Years)	5%p.a. (18 to 30 Years)
Attrition rate	3%p.a. (30 to 44 Years)	3%p.a. (30 to 44 Years)
Attrition rate	2%p.a. (44 to 60 Years)	2%p.a. (44 to 60 Years)
Discount Rate	7.50%	7.75%
Expected Rate of increase in Compensation level:	6.00%	6.00%
Expected Rate of Return on Plan Assets	7.50%	7.75%
Mortality rate	IAM2006-08 Ultimate Mortality Table	IAM2006-08 Ultimate Mortality Table
Expected Average remaining working lives of employees (years)	17.1	17.2

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

7. Sensitivity analysis:

a) Gratuity

Particulars	Change in Assumption	(Amount in ₹)	
		Effect for the year 31st March, 2019	Effect for the year 31st March, 2018
Discount rate	+1%	2,29,40,273	1,82,96,662
	-1%	2,71,46,349	2,17,61,015
Salary Growth rate	+1%	2,71,57,915	2,17,74,580
	-1%	2,28,96,991	1,82,57,950
Withdrawal Rate	+1%	2,51,15,032	2,01,24,693
	-1%	2,46,31,739	1,96,47,678

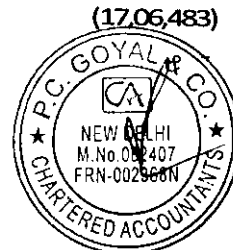
b) Leave Encashment (Compensated Absence)

Particulars	Change in Assumption	(Amount in ₹)	
		Effect for the year 31st March, 2019	Effect for the year 31st March, 2018
Discount rate	+1%	80,00,325	62,01,933
	-1%	95,05,561	74,08,127
Salary Growth rate	+1%	95,09,705	74,12,893
	-1%	79,84,900	61,88,561
Withdrawal Rate	+1%	87,83,262	68,42,463
	-1%	85,93,854	66,63,685

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

8. History of experience adjustments is as follows:

Particulars	(Amount in ₹)	
	Gratuity	Leave Encashment
<b>For the year ended March 31, 2019</b>		
Plan Liabilities - (loss)/gain	(15,85,122)	(20,49,170)
Plan Assets - (loss)/gain	27,461	-
<b>For the year ended March 31, 2018</b>		
Plan Liabilities - (loss)/gain	(22,94,779)	(17,06,483)
Plan Assets - (loss)/gain	(59,864)	-



# IUP Jindal Metals and Alloys Limited

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Particulars	(Amount in ₹)
	Gratuity
01 Apr 2019 to 31 Mar 2020	47,26,120
01 Apr 2020 to 31 Mar 2021	8,30,637
01 Apr 2021 to 31 Mar 2022	11,41,818
01 Apr 2022 to 31 Mar 2023	21,15,731
01 Apr 2023 to 31 Mar 2024	7,60,107
01 Apr 2024 Onwards	1,88,68,411

## 9. Expected contribution during the next annual reporting period

Particulars	(Amount in ₹)	
	For the year ended on 31st March 2019	For the year ended on 31st March 2018
Expected contributions to be paid for next year	2,332,534	2,001,395

## 10. Maturity profile of defined benefit obligation

Particulars	(Amount in ₹)	
	For the year ended on 31st March 2019	For the year ended on 31st March 2018
Weighted average duration (based on discounted cash flows) in years	12	12

## 11. Statement of Employee benefit provision

Particulars	(Amount in ₹)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Gratuity*	4,38,331	-
Compensated absences	86,94,104	67,58,459
Other employee benefits	-	-
<b>Total</b>	<b>91,32,435</b>	<b>67,58,459</b>

\* Due to overfunding

The following table sets out the funded status of the plan and the amounts recognised in the Company's balance sheet.

## 12. Current and non-current provision for Gratuity and leave encashment

Particulars	(Amount in ₹)	
	Gratuity	Leave Encashment
Current provision	83,240	21,62,221
Non current provision	3,55,091	65,31,883
<b>Total Provision</b>	<b>4,38,331</b>	<b>86,94,104</b>

### For the year ended March 31, 2018

Particulars	(Amount in ₹)	
	Gratuity*	Leave Encashment
Current provision	-	5,94,215
Non current provision	-	61,64,244
<b>Total Provision</b>	<b>-</b>	<b>67,58,459</b>

\* Due to overfunding



# IUP Jindal Metals and Alloys Limited

## 13. Employee benefit expenses

Employee benefit expenses	(Amount in ₹)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and Wages	11,71,95,774	10,27,53,403
Costs-defined benefit plan	19,19,597	19,97,780
Costs-defined contribution plan	1,04,02,407	90,78,312
Welfare expenses	54,41,233	55,50,610
<b>Total</b>	<b>13,49,59,011</b>	<b>11,93,80,105</b>

Particulars	(Figures in no.)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Average no of people employed	197	189

### OCI presentation of defined benefit plan

-Gratuity is in the nature of defined benefit plan, Re-measurement gains/(losses) on defined benefit plans is shown under OCI as Items that will not be reclassified to profit or loss and also the income tax effect on the same.

-Leave encashment cost is in the nature of short term employee benefits.

### Presentation in Statement of Profit and Loss and Balance Sheet

Expense for service cost, net interest on net defined benefit liability (asset) is charged to Statement of Profit & Loss.

IND AS 19 do not require segregation of provision in current and non-current, however net defined liability ( Assets) is shown as current and non-current provision in balance sheet as per IND AS 1.

Actuarial liability for short term benefits (leave encashment cost) is shown as current and non-current provision in balance sheet.

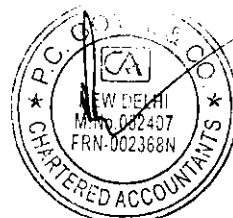
When there is surplus in defined benefit plan, company is required to measure the net defined benefit asset at the lower of; the surplus in the defined benefit plan and the assets ceiling, determined using the discount rate specified, i.e. market yield at the end of the reporting period on government bonds, this is applicable for domestic companies, foreign company can use corporate bonds rate.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The mortality rates used are as published by one of the leading life insurance companies in India.

## 40. Other disclosures

### a) Auditors Remuneration

Particulars	(Amount in ₹)	
	For year ended March 31, 2019	For year ended March 31, 2018
<b>Statutory Auditors</b>		
a) Audit Fees	2,40,000	2,40,000
b) Tax Audit Fees	-	30,000
c) Certification / Others	-	30,000
d) Out of Pocket Expenses	4,986	-
<b>Total</b>	<b>2,44,986</b>	<b>3,00,000</b>
<b>Cost Auditors</b>		
a) Audit Fees	1,20,000	-
b) Out of Pocket Expenses	5,100	3,700
<b>Total</b>	<b>1,25,100</b>	<b>3,700</b>



# IUP Jindal Metals and Alloys Limited

## b) Corporate Social Responsibility

Particulars	(Amount in ₹)	
	Year ended March 31, 2019	Year ended March 31, 2018
Amount required to be spent	21,67,400	7,16,046

Particulars	(Amount in ₹)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Details of amount spent:</b>		
Health	7,76,011	-
Disaster Response	99,147	-
Expenses for differently abled*	8,49,263	-
For purposes other than above#	13,00,000	-
<b>Total</b>	<b>30,24,421</b>	<b>-</b>

\*Above amount includes ₹ 8.40 Lakhs which was required to be spent in previous year.

#Above mentioned amount contributed to Svayam (An initiative of Sminu Jindal Charitable Trust), a related party, with the main objective of working for creating, developing and promoting an inclusive society by facilitating accessibility of public transport and infrastructure to people of reduced mobility, providing and promoting healthcare and enable the less privileged segments of the society to improve their livelihood by enhancing their means and capabilities to meet the emerging opportunities.

## c) Earning in foreign Exchange

Particulars	(Amount in ₹)	
	For year ended March 31, 2019	For year ended March 31, 2018
F.O.B Value of Export	6,60,94,420	2,79,16,977

- d) The company has not proposed any dividend to its shareholders during the year.
- e) The company has not given any loans, made investments or given any guarantee with respect the parties covered u/s 186(4) of the Companies Act, 2013
- f) The company was not able to lift the contracted quantity of gas from GAIL (India) Ltd as per the contract agreement and therefore, was liable to make up good the shortfall of Gas during the contract period that is within 2025 (with a Grace period of one more year). The actual lift of Gas of the Company is however, below the contracted quantity. As Gas being scarce resource, management has surrendered the shortfall lift to GAIL so as to pay Gas Supply charges on actual lift by the Company. Hence, the Company has provided Gas Supply Charges on actual lift from financial year ended 2013 onwards.

41. Based on the intimation received from supplier regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the required disclosure is given below \* :

Sr. No.	Particulars	(Amount in ₹)	
		As at 31.03.2019	As at 31.03.2018
1.	Principal amount due outstanding	-	-
2.	Interest due on (1) above and unpaid	-	-
3.	Interest paid to the supplier	-	-
4.	Payments made to the supplier beyond the appointed day during the year.	-	-
5.	Interest due and payable for the period of delay	-	-
6.	Interest accrued and remaining unpaid	-	-
7.	Amount of further interest remaining due and payable in succeeding year	-	-

\* To the extent information available with the company.



# IUP Jindal Metals and Alloys Limited

## 42. Contingent liabilities

Particulars	(Amount in ₹)	
	As at March 31, 2019	As at March 31, 2018
Letter of Credit Outstanding	2,27,70,242	2,04,93,998
Liability in respect of Bills negotiated from Bank	-	27,50,256
<b>Total</b>	<b>2,27,70,242</b>	<b>2,32,44,254</b>

It is not possible to predict the outcome of the pending litigations with accuracy, the Company believes, based on legal opinions received, that it has meritorious defences to the claims. The management believe the pending actions will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the Company.

## 43. Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances) – ₹ 7,00,11,424 (Previous year Nil)

## 44. Related party transactions

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are:

### Related party name and relationship

#### 1. Key Management personnel:

S. No.	Name	Designation
1	Mr. Jagmohan Syal	CEO
2	Mr. Manish Sarin	Whole Time Director
3	Mr. Sumit Kumar	Chief Financial Officer (Upto 13th May, 2017)
4	Mr. Sayed Mohammed Wasim	Chief Financial Officer (from 19th May, 2017)
5	Mr. Arun Bhalla	Company Secretary

#### 2. Relatives of key management personnel where transactions have taken place:

S. No.	Name	Relationship
1	Ms. Sameena Dang	Wife of Mr. Manish Sarin

#### 3. Enterprises over which KMP or KMP of parent company & their relatives have significant influence:

S. No.	Name
1	Srinu Jindal Charitable Trust
2	Jindal Stainless (Hisar) Limited
3	Jindal Stainless Limited

#### 4. Related parties:

##### i. Parent Company: Jindal Saw Limited



# IUP Jindal Metals and Alloys Limited

## ii. Fellow Subsidiaries :

S. No.	Name of the Entity	Relationship
1	Jindal ITF Limited	Fellow Subsidiary
2	S.V. Trading Limited	Fellow Subsidiary
3	Quality Iron and Steel Limited	Fellow Subsidiary
4	Ralael Holdings Limited	Fellow Subsidiary
5	Jindal Saw Holdings FZE	Fellow Subsidiary
6	Greenray Holdings Limited	Fellow Subsidiary
7	Jindal Tubular (India) Ltd.	Fellow Subsidiary
8	JTF Shipyards Limited	Fellow Subsidiary
9	Jindal Quality Tubular Limited	Fellow Subsidiary
10	Jindal Saw USA, LLC	Fellow Subsidiary
11	Jindal Saw Italia S.P.A.	Fellow Subsidiary
12	Jindal Saw Middle East FZC	Fellow Subsidiary
13	Derwent Sand SARL	Fellow Subsidiary
14	Jindal Saw Gulf LLC	Fellow Subsidiary
15	Jindal International FZE	Fellow Subsidiary
16	Jindal Intellicom Limited	Fellow Subsidiary
17	Icomanalytics Limited	Fellow Step Down Subsidiary
18	Jindal Intellicom, LLC	Fellow Step Down Subsidiary
19	World Transload & Logistics LLC	Fellow Step Down Subsidiary
20	5101 Boone LLP	Fellow Step Down Subsidiary
21	Tube Technologies INC	Fellow Step Down Subsidiary
22	Helical Anchors INC	Fellow Step Down Subsidiary
23	Boone Real Property Holding LLC	Fellow Step Down Subsidiary
24	Drill Pipe International LLC	Fellow Step Down Subsidiary
25	Sulog Transshipment Services Limited (w.e.f. June 29, 2016)	Fellow Step Down Subsidiary

## iii) Associate:

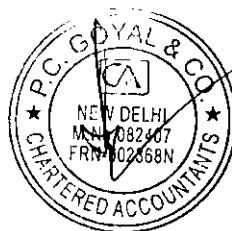
S. No.	Name of the Entity
1	Jindal Fittings Limited (from March 29, 2016)

## iv) Joint Venture:

S. No.	Name of the Entity
1	Jindal MMG LLC (from November 28, 2017)

## v) Trust under common control

S. No.	Name of the Entity
1	IUP Jindal Metals and Alloys Group Gratuity Scheme Trust



# IUP Jindal Metals and Alloys Limited

## a.) Related Party Transactions:

Particulars	(Amount in ₹)					
	Parent Company		Fellow Subsidiaries/ Joint ventures/ Associates/ Others		Relatives of KVP and enterprises over which KVP/ KVP of Parent company & their relatives have significant influence	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>Repayment of Loan</b>						
Jindal Saw Limited	-	82,715,670	-	-	-	-
<b>Interest expenses</b>						
Jindal Saw Limited	-	1,890,830	-	-	-	-
Jindal Stainless (Hisar) Limited	-	-	-	-	-	363,104
<b>Interest Income</b>						
Jindal Stainless (Hisar) Limited	-	-	-	-	1,874,613	908,025
<b>Purchase of Material</b>						
Jindal Stainless (Hisar) Limited	-	-	-	-	1,729,427,316	1,424,766,560
Jindal Stainless Limited	-	-	-	-	16,068,225	4,180,671
<b>Sale of Material</b>						
Jindal Stainless (Hisar) Limited	-	-	-	-	52,570,291	51,189,946
Jindal Quality Tubular Limited	-	-	6,432,604	-	-	-
<b>Job Work Income</b>						
Jindal Stainless (Hisar) Limited	-	-	-	-	116,127,459	102,568,783
<b>Rental Income</b>						
Jindal Intellicom Limited	-	-	10,000	60,000	-	-
<b>Expenses incurred &amp; recovered by company</b>						
Jindal Intellicom Limited	-	-	5,330	76,360	-	-
<b>Expenses incurred by others and reimbursed by company</b>						
Jindal Saw Limited	5,020,000	-	-	-	-	-
<b>Contribution</b>						
Sri Inu Jindal Charitable Trust	-	-	-	-	1,300,000	-
IUP Jindal Employees Group Gratuity Scheme Trust	-	-	293,693	5,607,474	-	-
<b>Vehicle Hiring Expenses</b>						
Ms. Sarreena Dang	-	-	-	-	125,500	153,423



# IUP Jindal Metals and Alloys Limited

## b.) Outstanding Balances:

(Amount in ₹)

Particulars	Parent Company		Fellow Subsidiaries/ Joint ventures/ Associates/ Others		Relatives of KMP and enterprises over which KMP/ KMP of Parent company & their relatives have significant influence	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>Loan Payable</b>						
Jindal Saw Limited	-	-	-	-	-	-
<b>Advance to Vendors</b>						
Jindal Stainless Limited	-	-	-	-	57,643	-
<b>Receivables</b>						
Jindal Intellicom Limited	-	-	-	9,460	-	-
Jindal Stainless (Hisar) Limited	-	-	-	-	23,252,264	17,343,775
<b>Payables</b>						
Jindal Stainless (Hisar) Limited	-	-	-	-	50,778,153	26,476,618

## Key Management Personnel (KMP):

(Amount in ₹)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Short-Term employee benefits*	1,42,17,426	1,26,60,424
Post-Employment benefits - Defined contribution plan\$	10,34,908	9,86,934
<b>Total</b>	<b>1,52,52,334</b>	<b>1,36,47,358</b>

\* Including bonus, sitting fee, commission on accrual basis and value of perquisites.

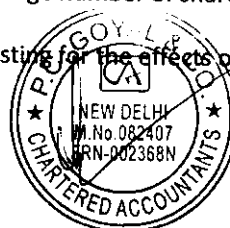
\$ including PF, leave encashment paid and any other benefit.

## 45. Earnings per share

Particulars	(Amount in ₹)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Basic and Diluted</b>		
a) Profit after tax	204,019,707	164,678,819
b) Calculation of weighted average no of equity shares		
Number of Shares at the beginning of the year	14,000,000	14,000,000
Number of Shares at the end of the year	14,000,000	14,000,000
c) Date of Allotment of Shares		
d) Number of basic/weighted average equity shares outstanding during the year for calculation of basic and diluted earning per share	14,000,000	14,000,000
e) Nominal value of Equity Share	10	10
f) Basic and Diluted earning per equity share	14.57	11.76

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

The diluted EPS is calculated on the same basis as Basic EPS, after adjusting for the effects of potential dilutive equity.



# IUP Jindal Metals and Alloys Limited

46. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

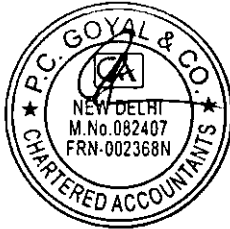
These Notes to Financial statements forms an integral part to the financial statements annexed hereto.

As per our report of even date attached.

P.C. GOYAL & CO.  
Chartered Accountants  
Firm Registration No. 002368N



M.P. Jain  
Partner  
M.No. 082407



Place: New Delhi  
Date: 14th May, 2019



Indresh Batra  
Managing Director  
DIN: 00093471



Srinu Jindal  
Director  
DIN: 00005317



Jagmohan Syal  
CEO



Arun Bhalla  
Company Secretary  
M. No. A27585



Sayed Mohammed Wasim  
CFO