



**JINDAL FITTINGS LIMITED**

**COMPLETE FINANCIALS FOR THE F.Y. 2015-16**

**INDEPENDENT AUDITORS' REPORT**

**To**

**The Members of JINDAL FITTINGS LIMITED**

**Report on the Financial Statements**

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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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



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

**Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its losses and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-A** a statement on the matters specified in 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, 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of 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 which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;



**N.C. AGGARWAL & CO.**  
**CHARTERED - ACCOUNTANTS**

---

iii. There is no amount payable towards investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

**For N.C. Aggarwal & Co.**  
Chartered Accountants  
Firm Registration No. 003273N



**G. K. Aggarwal**  
Partner  
Membership No. 086622



Date: May 30, 2016  
Place: New Delhi

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

(Annexure referred to in our report of even date to the members of **JINDAL FITTINGS LIMITED** on the accounts for the year ended March 31, 2016)

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 Company does not have any immovable property wherein reporting requirement with respect to title deed is applicable.
2. As explained to us, the management during the year has physically verified inventories. 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. As informed to us, Company is not required to maintain the cost records under sub-section (I) of section 148 of the Companies Act, 2013. Accordingly, the provisions of clause 3(vi) of the order are not applicable to the company.



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, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities There are no arrears as at March 31, 2016 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 of income tax, sales tax, service tax, duty of customs, duty of excise and value added 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 any money by way of initial public offer or further public offer or debt instruments. In our opinion, and according to the information and explanation given to us, the term loans have been applied for the purposes for which they were raised, other than temporary deployment pending allocation.
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. According to the information and explanations given to us, the Company has not paid or provided any managerial remuneration. Accordingly, the provisions of Section 197 read with Schedule V of the Companies Act, 2013 and provisions of clause 3 (xi) of the Order are not applicable to the Company.
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 accounting standards.
14. The Company has made private placement of preference shares during the year under review, as detailed in note no 18 (e) (ii) of the financial statements, respectively in compliance with the requirements of section 42 of the Companies Act, 2013. The amounts raised have been used for the purpose for which funds were raised.



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 N.C. Aggarwal & Co.**  
Chartered Accountants  
Firm Registration No. 003273N

**G. K. Aggarwal**  
Partner  
M. No. 086622  
Date: May 30, 2016  
Place: New Delhi



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

**Annexure referred to in our report of even date to the members of JINDAL FITTINGS LIMITED on the accounts for the year ended March 31, 2016**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of JINDAL FITTINGS LIMITED ("the Company") as of March 31, 2016 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 March 31, 2016, 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 N.C. Aggarwal & Co.**

Chartered Accountants

Firm Registration No. 003273N



**G. K. Aggarwal**

Partner

M. No. 086622

Date: May 30, 2016

Place: New Delhi



# JINDAL FITTINGS LIMITED

## BALANCE SHEET AS AT MARCH 31, 2016

Particulars	Note No.	(Amount in ₹)		
		As At March 31, 2016	As At March 31, 2015	As At April 1, 2014
<b>ASSETS</b>				
<b>(1) Non-Current Assets</b>				
(a) Property, Plant and Equipment	5	88,68,49,763	87,71,83,032	41,71,04,820
(b) Capital Work-in-Progress		1,39,21,661	2,96,03,759	30,65,78,268
(c) Other Intangible Assets	6	33,43,870	13,43,272	3,20,304
(d) Financial Assets				
Other Financial Assets	7	1,57,27,656	1,57,27,656	1,59,67,656
(e) Deferred Tax Assets (Net)	8	16,39,04,449	7,45,80,932	31,19,203
(f) Other Non-Current Assets	9	-	2,18,62,047	5,08,045
<b>(2) Current assets</b>				
(a) Inventories	10	37,77,83,551	9,58,97,638	1,23,93,209
(b) Financial Assets				
(i) Trade Receivables	11	7,62,53,202	93,04,163	7,42,533
(ii) Cash and Cash Equivalents	12	5,34,360	1,25,92,433	5,59,76,366
(iii) Bank Balances	13	8,35,985	5,02,963	40,09,915
(iv) Loans	14	71,665	1,16,798	2,90,834
(v) Other Financial Assets	15	4,42,489	2,41,638	3,34,937
(c) Current Tax Assets (Net)	16	1,52,897	25,840	48,049
(d) Other Current Assets	17	12,62,26,393	7,52,92,614	5,30,73,874
<b>Total Assets</b>		<b>1,66,60,47,941</b>	<b>1,21,42,74,785</b>	<b>87,04,68,013</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	18	38,88,00,070	38,88,00,070	24,20,81,800
(b) Other Equity		8,36,76,900	(14,24,12,240)	1,12,11,841
<b>Liabilities</b>				
<b>(1) Non-Current Liabilities</b>				
(a) Financial Liabilities				
Borrowings	19	68,03,87,807	54,24,33,910	51,48,52,910
(b) Provisions	20	74,91,315	43,56,105	18,81,323
<b>(2) Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	21	10,31,84,594	4,28,44,147	-
(ii) Trade Payables	22	16,78,11,559	3,96,66,118	37,62,275
(iii) Other Financial Liabilities	23	15,19,65,573	15,97,59,123	9,34,84,789
(b) Other Current Liabilities	24	8,21,80,342	17,84,83,225	30,26,363
(c) Provisions	25	5,49,781	3,44,327	1,66,712
<b>Total Equity and Liabilities</b>		<b>1,66,60,47,941</b>	<b>1,21,42,74,785</b>	<b>87,04,68,013</b>

### Significant Accounting Policies and Notes to Financial Statements

1-50

As per our report of even date attached

For and on behalf of the Board of Directors of Jindal Fittings Limited

For N.C. Aggarwal & Co.  
Chartered Accountants  
Firm Registration No. 003273N

G.K. Aggarwal  
PARTNER  
M.No. 086622

Place : New Delhi  
Dated : May 30, 2016



Maneesh Kumar  
Director  
DIN : 03404987

Vivek Choudhary  
Company Secretary  
M. No. ACS A29335

Rajeev Bansal

Rajeev Bansal  
Director  
DIN : 00760404

Anil Kumar Dash  
Chief Financial Officer



# JINDAL FITTINGS LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	Note No.	(Amount in ₹)	
		Year Ended March 31, 2016	Year Ended March 31, 2015
<b>I. Revenue from Operations</b>	26	26,70,19,327	2,61,75,542
<b>II. Other Income</b>	27	31,25,714	33,07,577
<b>III. Total Revenue (I + II)</b>		<u>27,01,45,041</u>	<u>2,94,83,119</u>
<b>IV. Expenses:</b>			
Cost of Materials Consumed	28	21,40,79,627	6,98,03,646
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	29	(24,03,40,519)	(6,86,71,738)
Employee Benefit Expenses	30	15,15,24,414	7,15,09,773
Finance Costs	31	11,76,50,788	5,42,88,770
Depreciation and Amortisation	32	5,01,37,902	2,16,69,074
Excise Duty		86,77,767	18,75,907
Other Expenses	33	22,63,23,298	8,56,64,817
<b>Total Expenses</b>		<u>52,80,53,277</u>	<u>23,61,40,249</u>
<b>V. Profit before exceptional and extraordinary items and tax (III - IV)</b>		<u>(25,79,08,236)</u>	<u>(20,66,57,130)</u>
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit before Tax (V - VI)</b>		<u>(25,79,08,236)</u>	<u>(20,66,57,130)</u>
<b>VIII. Tax expense:</b>			
(1) Current Tax		-	-
(2) Deferred Tax		(8,93,49,078)	(7,14,96,957)
(3) MAT Credit Entitlement		-	-
		<u>(8,93,49,078)</u>	<u>(7,14,96,957)</u>
<b>IX. Profit for the year after taxation (VII-VIII)</b>		<u>(16,85,59,158)</u>	<u>(13,51,60,173)</u>
<b>X. Other comprehensive income:</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gains (losses) on defined benefit plans		73,859	1,01,789
Income tax effect		(25,561)	(35,227)
<b>Total Other comprehensive income (X)</b>		<u>48,298</u>	<u>66,562</u>
<b>XI. Total Comprehensive Income for the year (IX + X)</b>		<u>(16,85,10,860)</u>	<u>(13,50,93,611)</u>
<b>XII. Earning per equity share of face value of ₹ 10/- each.</b>			
(1) Basic		(4.30)	(4.61)
(2) Diluted		(4.30)	(4.61)

### Significant Accounting Policies and Notes to Financial Statements

As per our report of even date attached

1-50

For and on behalf of the Board of Directors of Jindal Fittings Limited

For **N.C. Aggarwal & Co.**  
Chartered Accountants  
Firm Registration No. 003273N

**G.K. Aggarwal**  
PARTNER  
M.No. 086622  
Place : New Delhi  
Dated : May 30, 2016



**Maneesh Kumar**  
Director  
DIN : 03404987

**Vivek Choudhary**  
Company Secretary  
M. No. ACS A29335

*Rajeev Bansal*

**Rajeev Bansal**  
Director  
DIN : 00760404

**Anil Kumar Dash**  
Chief Financial Officer



# JINDAL FITTINGS LIMITED

## Statement of Changes in Equity for the year ended March 31, 2016

### A. Equity Share Capital

Balance as at April 1, 2014	Changes in equity share capital during 2014-15	Balance as at March 31, 2015	Changes in equity share capital during 2015-16	Balance as at March 31, 2016
24,20,81,800	14,67,18,270	38,88,00,070	-	38,88,00,070

### B. Other Equity

(Amount in ₹)

	Share application money pending allotment	Mandatorily Convertible Preference Shares*	Reserves and Surplus	Items of Other Comprehensive Income	Total
			Retained Earnings	Re-measurement of the net defined benefit plans	
<b>Balance as at April 1, 2014</b>	<b>1,77,05,470</b>	-	<b>(64,93,629)</b>	-	<b>1,12,11,841</b>
Total Comprehensive Income for the year 2014-15	-	-	(13,51,60,173)	66,562	(13,50,93,611)
Shares Issue Expenses Issued during the year	(1,77,05,470)	-	(8,25,000)	-	(8,25,000)
<b>Balance as at March 31, 2015</b>	-	-	<b>(14,24,78,802)</b>	<b>66,562</b>	<b>(14,24,12,240)</b>
<b>Balance as at April 1, 2015</b>	-	-	<b>(14,24,78,802)</b>	<b>66,562</b>	<b>(14,24,12,240)</b>
Total Comprehensive Income for the year 2015-16	-	-	(16,85,59,158)	48,298	(16,85,10,860)
Shares Issue Expenses Issued during the year	-	40,00,00,000	(54,00,000)	-	(54,00,000)
<b>Balance as at March 31, 2016</b>	-	<b>40,00,00,000</b>	<b>(31,64,37,960)</b>	<b>1,14,860</b>	<b>8,36,76,900</b>

\*Refer note no 18(e)(ii)

As per our report of even date attached

For and on behalf of the Board of Directors of Jindal Fittings Limited

**For N.C. Aggarwal & Co.**  
Chartered Accountants  
Firm Registration No. 003273N

**G.K. Aggarwal**  
PARTNER  
M.No. 086622

Place : New Delhi  
Dated : May 30, 2016



**Maneesh Kumar**  
Director  
DIN : 03404987

**Vivek Choudhary**  
Company Secretary  
M. No. ACS A29335

**Rajeev Bansal**  
Director  
DIN : 00760404

**Anil Kumar Dash**  
Chief Financial Officer



**JINDAL FITTINGS LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED MARCH 31, 2016**

(Amount in ₹)

PARTICULARS	For the year Ended March 31, 2016		For the year Ended March 31, 2015	
<b>A. CASH INFLOW (OUTFLOW) FROM THE OPERATING ACTIVITIES</b>				
<b>NET PROFIT BEFORE TAX</b>		(25,79,08,236)		(20,66,57,130)
Adjustments for				
Add/(Less)				
Depreciation	5,01,37,902		2,16,69,074	
Interest Expense	11,57,54,588		5,33,00,199	
Profit on sale of fixed assets	(576)		(1,544)	
Profit on Sale of current investments	-		(2,76,668)	
Effect of Unrealised Foreign Exchange (Gain)/Loss	7,41,998		(41,050)	
Interest Income	(27,80,755)	16,38,53,157	(12,03,639)	7,34,46,372
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>				
Adjustments for:-				
Inventories	(28,18,85,913)		(8,35,04,429)	
Trade Receivables	(6,76,91,037)		(85,21,923)	
Loans and advances and other assets	(5,13,36,668)		(1,82,97,752)	
Trade and Other Payables	2,50,83,364	(37,58,30,254)	22,99,22,929	11,95,98,825
<b>CASH GENERATED FROM OPERATIONS BEFORE EXCEPTIONAL ITEMS</b>		(46,98,85,333)		(1,36,11,933)
Tax Paid		(1,27,057)		22,209
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>		(47,00,12,390)		(1,35,89,724)
<b>B. CASH INFLOW/(OUTFLOW) FROM INVESTMENT ACTIVITIES</b>				
(Increase)/Decrease in Current Investment	-		2,76,668	
Capital expenditure	(6,06,52,881)		(23,25,71,920)	
Sale proceeds of fixed assets	8,000		16,575	
Interest received	26,94,904		12,96,938	
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>		(5,79,49,977)		(23,09,81,739)
<b>C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>				
Interest paid	(11,69,13,973)		(4,60,74,130)	
Increase/(Decrease) in Current Borrowings	4,93,04,390		4,28,44,147	
Increase/(Decrease) in Non-Current Borrowings	(7,76,68,930)		7,62,29,713	
Share Issue Expenses	(54,00,000)		(8,25,000)	
Issue of Mandatorily Convertible Preference Shares	40,00,00,000		-	
Issue of Equity Share Capital	-		12,90,12,800	
Increase/(Decrease) in unsecured loan	26,65,82,808		-	
<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>		51,59,04,295		20,11,87,530
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>		(1,20,58,072)		(4,33,83,933)
Cash and cash equivalents at beginning of the year		1,25,92,433		5,59,76,366
<b>Cash and cash equivalents at end of the year</b>		5,34,361		1,25,92,433

NOTE:

- Increase/(decrease) in Non-current and current borrowings are shown net of repayments.
- Figures in bracket indicates cash outflow.
- The above cash flow statement has been prepared under the indirect method set out in IND AS-7 'Statement of Cash Flows'.

As per our report of even date attached

For and on behalf of the Board of Directors of Jindal Fittings Limited

For N.C. Aggarwal & Co.  
Chartered Accountants  
Firm Registration No. 003273N



G.K. Aggarwal  
PARTNER  
M.No. 086622  
Place : New Delhi  
Dated : May 30, 2016

Maneesh Kumar  
Director  
DIN : 03404987

Vivek Choudhary  
Company Secretary  
M. No. ACS A29335

Rajeev Bansal  
Rajeev Bansal  
Director  
DIN : 00760404

Anil Kumar Dash  
Chief Financial Officer



# Jindal Fittings Limited

## Notes to Financial Statements

### 1. Corporate and General Information

Jindal Fittings Limited ("JFL" or "the Company") is domiciled and incorporated in India and its shares are privately traded in India. The registered office of JFL is situated 28 Shivaji Marg, New Delhi 110015 India.

The Company is a leading global manufacturer and supplier of Ductile Iron Fittings with manufacturing facility at B-13, M.I.D.C. Industrial Area, Tembhorni, Taluka Madha, District Solapur, State Maharashtra in India. Its products have application for supply of fittings for water sector projects, drainage, oil & gas pipeline projects etc.

### 2. Basis of preparation

The Company has elected to voluntarily adopt IND AS for the financial year beginning on April 1, 2015 with April 1, 2014 as the date of transition. These are the Company's first annual financial statements prepared complying in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2014. 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 of its opening IND AS Balance Sheet at April 1, 2014 throughout all periods presented, as if these policies had always been in effect and are covered by IND AS 101 "First-time adoption of Indian Accounting Standards". The transition was carried out from accounting principles generally accepted in India ("Indian GAAP") which is considered as the previous GAAP, as defined in IND AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as of April 1, 2014 and March 31, 2015 and on the net profit and cash flows for the year ended March 31, 2015 is disclosed in Note no. 48 to these financial statements.

The financial statement has been prepared considering all IND AS as notified by MCA till reporting date i.e. March 31, 2016.

The financial statements provide comparative information in respect to the previous year. In addition, the company presents additional statement of Balance Sheet as at the beginning of the previous year, which is the transition date to IND AS.

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 affects 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 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 borrowings carried at amortised cost,
- defined benefit plans – plan assets measured at fair value,
- Property, plant and equipment on transition to IND AS, refer Note no. 48.

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



# Jindal Fittings Limited

## Notes to Financial Statements

### 3.2 Property, Plant and Equipment

On transition to IND AS, the Company has adopted optional exception under IND AS 101 to measure Property, Plant and Equipment at fair value (refer Note no 48). Consequently the fair value has been assumed to be deemed cost of Property, Plant and Equipment on the date of transition. Subsequently 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.

Assets are depreciated to the residual values on a straight line basis over the estimated useful lives based on technical estimates. 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. Estimated useful lives of the assets are as follows:

Category of Assets	Years
-Leasehold Land	Lease period
-Buildings	3 - 60
<b>Equipment &amp; Machinery</b>	
-Plant and Machinery	3 - 40
-Electrical Installations	10 - 25
<b>Other office equipment</b>	
-Computer equipment	3 - 10
-Office furniture and equipment	3 - 8
-Vehicles	5 - 15

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.



# Jindal Fittings Limited

## Notes to Financial Statements

### 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 include, outstanding bank overdrafts shown within the borrowings in current liabilities in the Balance Sheet and which 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.

### 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.

The company has only operating lease.

#### 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) 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.



# Jindal Fittings Limited

## Notes to Financial Statements

The Company does not have any funded plan for gratuity.

### 3.9 Foreign currency reinstatement and translation

#### (a) Functional and presentation currency

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 obtain security in the form of guarantee or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. 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.

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



# Jindal Fittings Limited

## Notes to Financial Statements

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.

#### **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 at each reporting date at fair value 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.



# Jindal Fittings Limited

## Notes to Financial Statements

### Derecognition 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.

### 3.11 Equity share capital

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

### 3.12 Compulsorily convertible preference share capital

Compulsorily convertible preference shares convertible into fixed number of equity shares are classified as other equity.

### 3.13 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.

### 3.14 Taxation

Income tax expense represents the sum of current and deferred tax. 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.

### 3.15 Revenue recognition and other operating income

#### Sale of goods



# Jindal Fittings Limited

## Notes to Financial Statements

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.

### 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.

### 3.16 Earnings per share

Basic earnings per share are computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue ) of such instruments.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

### 3.17 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.

#### i). 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.

### 3.18 Current versus non-current classification

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



# Jindal Fittings Limited

## Notes to Financial Statements

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.

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.

#### 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.

On transition to IND AS, the Company has adopted exception for fair valuation of property, plant and equipment, impact of fair valuation is provided in Note no 55, subsequent to fair valuation depreciation has been charged on fair valued amount less estimated salvage value. On transition to IND AS, the Company has revisited useful life of various categories of assets, impact of revision in estimate of useful life of various assets is provided in Note no 3.2. Property, plant and equipment also represent a significant proportion of the asset base of the Company. Therefore, the estimates and assumptions made to determine their carrying value and related 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.

Before transition to IND AS, the company has revisited the useful life of the assets and the impact of change in life on transition is considered in opening carrying values. Also all Intangibles are carried at net book value on transition.

##### (c) Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax



# Jindal Fittings Limited

## Notes to Financial Statements

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.

### (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.

### (g) Insurance claims

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

### (h) Liquidated damages

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



# JINDAL FITTINGS LIMITED

## Notes to Financial Statements

### 5. Property, Plant and Equipment

Particulars	Freehold land	Building	Plant and Equipments	Electrical Installations	Furniture and Fixtures	Office equipment	Vehicles	Computers	Total
<b>Gross Block</b>									
As at April 1, 2014	98,23,920	20,38,32,984	13,61,11,502	6,24,31,141	3,03,581	2,83,347	36,64,593	6,53,752	41,71,04,820
Additions	-	12,48,77,647	32,08,05,565	92,55,582	1,33,62,203	36,37,168	35,86,005	61,47,580	48,16,71,750
Disposal	-	-	-	-	-	15,031	-	-	15,031
Adjustments	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2015</b>	<b>98,23,920</b>	<b>32,87,10,631</b>	<b>45,69,17,067</b>	<b>7,16,86,723</b>	<b>1,36,65,784</b>	<b>39,05,484</b>	<b>72,50,598</b>	<b>68,01,332</b>	<b>89,87,61,539</b>
Additions	-	70,79,839	4,56,91,717	16,92,358	3,03,043	8,87,016	21,63,800	13,68,613	5,91,86,386
Disposal	-	-	-	-	-	7,424	-	-	7,424
Adjustments	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2016</b>	<b>98,23,920</b>	<b>33,57,90,470</b>	<b>50,26,08,784</b>	<b>7,33,79,081</b>	<b>1,39,68,827</b>	<b>47,85,076</b>	<b>94,14,398</b>	<b>81,69,945</b>	<b>95,79,40,501</b>
<b>Accumulated Depreciation</b>									
As at April 1, 2014	-	-	-	-	-	-	-	-	-
Charge for the period	1,06,015	67,07,721	99,63,882	32,52,050	4,74,629	1,34,633	4,42,233	4,97,344	2,15,78,507
Disposal	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2015</b>	<b>1,06,015</b>	<b>67,07,721</b>	<b>99,63,882</b>	<b>32,52,050</b>	<b>4,74,629</b>	<b>1,34,633</b>	<b>4,42,233</b>	<b>4,97,344</b>	<b>2,15,78,507</b>
Charge for the period	1,06,015	1,24,85,555	2,76,61,445	36,24,911	26,60,644	6,21,935	7,20,691	16,31,035	4,95,12,231
Disposal	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2016</b>	<b>2,12,030</b>	<b>1,91,93,276</b>	<b>3,76,25,327</b>	<b>68,76,961</b>	<b>31,35,273</b>	<b>7,56,568</b>	<b>11,62,924</b>	<b>21,28,379</b>	<b>7,10,90,738</b>
<b>Net Carrying Amount</b>									
As of April 1, 2014	98,23,920	20,38,32,984	13,61,11,502	6,24,31,141	3,03,581	2,83,347	36,64,593	6,53,752	41,71,04,820
As of March 31, 2015	97,17,905	32,20,02,910	44,69,53,184	6,84,34,673	1,31,91,155	37,70,851	68,08,365	63,03,988	87,71,83,032
As of March 31, 2016	96,11,890	31,65,97,194	46,49,83,456	6,65,02,120	1,08,33,554	40,28,508	82,51,474	60,41,566	88,68,49,763

#### Notes:

- The Company has elected to measure the items of Property, Plant and equipment at their fair value on date of transition. Refer note no. 48
- The impact of change in depreciation for 2014-15 due to change in life and salvage value is lower by ₹ 91,08,643.



# JINDAL FITTINGS LIMITED

## Notes to Financial Statements

### 6. Intangible Assets

(Amount in ₹)

Particulars	Software
<b>Cost</b>	
<b>As at April 1, 2014</b>	3,20,304
Additions	11,13,535
Disposal	-
Adjustments	-
<b>As at March 31, 2015</b>	<b>14,33,839</b>
Additions	26,26,269
Disposal	-
Adjustments	-
<b>As at March 31, 2016</b>	<b>40,60,108</b>
<b>Accumulated Depreciation</b>	
<b>As at April 1, 2014</b>	-
Charge for the period	90,567
Disposal	-
Adjustments	-
<b>As at March 31, 2015</b>	<b>90,567</b>
Charge for the period	6,25,671
Disposal	-
Adjustments	-
<b>As at March 31, 2016</b>	<b>7,16,238</b>
<b>Net carrying amount</b>	
As at April 1, 2014	3,20,304
As at March 31, 2015	13,43,272
As at March 31, 2016	33,43,870

**Note:**

On transition to IND AS, Intangibles are carried at net block, the accumulated depreciation on transition was ₹ 56,746.



# JINDAL FITTINGS LIMITED

## NOTES TO FINANCIAL STATEMENTS

Particulars	(Amount in ₹)		
	As At March 31, 2016	As At March 31, 2015	As At April 1, 2014
<b>7. NON CURRENT FINANCIAL ASSETS - OTHERS</b>			
Security Deposits	1,45,48,656	1,45,48,656	1,47,88,656
Bank Deposits with more than 12 months maturity*	11,79,000	11,79,000	11,79,000
<b>Total Non Current Financial Assets - Others</b>	<b>1,57,27,656</b>	<b>1,57,27,656</b>	<b>1,59,67,656</b>
*Pledged with bank of ₹ 11,79,000/- (March 31, 2015 ₹ 11,79,000/- and April 1, 2014 ₹ 11,79,000/-) against bank guarantee.			
<b>8. DEFERRED TAX ASSET (NET)</b>			
<b>A. ASSETS</b>			
(i) Disallowance under Income Tax Act	22,48,775	16,26,726	6,64,804
(ii) Carried Forward losses	22,80,40,444	11,68,52,336	1,04,74,895
<b>Total Deferred Tax Assets</b>	<b>23,02,89,219</b>	<b>11,84,79,062</b>	<b>1,11,39,699</b>
<b>B. LIABILITY</b>			
Difference between book and tax depreciation	6,63,84,770	4,38,98,130	80,20,496
<b>Total Deferred Tax Liabilities</b>	<b>6,63,84,770</b>	<b>4,38,98,130</b>	<b>80,20,496</b>
<b>Total Deferred Tax Assets (Net) (A-B)</b>	<b>16,39,04,449</b>	<b>7,45,80,932</b>	<b>31,19,203</b>
<b>9. OTHER NON-CURRENT ASSETS</b>			
Capital Advances	-	2,18,62,047	5,08,045
<b>Total Other Non-Current Assets</b>	<b>-</b>	<b>2,18,62,047</b>	<b>5,08,045</b>
<b>10. INVENTORIES</b>			
<b>a) Raw Materials</b>			
Inventories-Raw Materials	3,33,02,346	1,39,00,639	77,35,843
Materials In Transit	5,38,263	-	-
	<b>3,38,40,609</b>	<b>1,39,00,639</b>	<b>77,35,843</b>
<b>b) Work-in-progress</b>			
Closing Work-in-progress	15,61,18,881	4,89,45,102	11,34,300
<b>c) Finished Goods</b>			
Inventories-Finished Goods	14,94,83,327	2,29,15,703	-
<b>d) Inventories - Stores and Spares</b>			
Inventories-Stores and Spares	2,18,24,865	92,54,185	34,60,841
<b>e) Loose Tools</b>			
Loose Tools Inventory	10,59,043	8,82,009	62,225
<b>f) Others</b>			
Scrap	1,54,56,826	-	-
<b>Total Inventories</b>	<b>37,77,83,551</b>	<b>9,58,97,638</b>	<b>1,23,93,209</b>
<b>11. TRADE RECEIVABLES</b>			
<b>Secured</b>			
Considered Good	3,75,31,339	-	-
<b>Unsecured</b>			
Considered Good	3,87,21,863	93,04,163	7,42,533
<b>Total Trade Receivables</b>	<b>7,62,53,202</b>	<b>93,04,163</b>	<b>7,42,533</b>



# JINDAL FITTINGS LIMITED

## NOTES TO FINANCIAL STATEMENTS

Particulars	(Amount in ₹)		
	As At March 31, 2016	As At March 31, 2015	As At April 1, 2014
<b>12. CASH AND CASH EQUIVALENTS</b>			
Cash on hand	1,86,819	81,650	28,073
<b>Balances with Banks</b>			
On current accounts	3,47,541	1,25,10,783	5,59,48,293
<b>Total Cash and Cash equivalents</b>	<b>5,34,360</b>	<b>1,25,92,433</b>	<b>5,59,76,366</b>
<b>13. OTHER BANK BALANCES</b>			
Fixed Deposits (with original maturity of more than three months but less than twelve months)*	8,35,985	5,02,963	40,09,915
<b>Total Cash and Bank balances</b>	<b>8,35,985</b>	<b>5,02,963</b>	<b>40,09,915</b>
*Pledged with bank of ₹ 8,35,985/- (March 31, 2015 ₹ 5,02,963/- and April 1, 2014 ₹ Nil) against bank guarantee.			
<b>14. FINANCIAL ASSETS - LOANS</b>			
Loans to Employees	71,665	1,16,798	2,90,834
<b>Total Short Term Loans</b>	<b>71,665</b>	<b>1,16,798</b>	<b>2,90,834</b>
<b>15. OTHER FINANCIAL ASSETS</b>			
Earnest Money Deposit	1,15,000	-	-
Interest Accrued but not due on FDR's	3,27,489	2,41,638	3,34,937
	<b>4,42,489</b>	<b>2,41,638</b>	<b>3,34,937</b>
<b>16. CURRENT TAX ASSETS (NET)</b>			
Advance taxation (net of provision)	1,52,897	25,840	48,049
	<b>1,52,897</b>	<b>25,840</b>	<b>48,049</b>
<b>17. OTHER CURRENT ASSETS</b>			
Advances to vendors	13,28,585	17,71,708	60,23,029
Advances recoverable in cash or kind*	12,48,97,808	7,35,20,906	4,70,50,845
<b>Total Other Current Assets</b>	<b>12,62,26,393</b>	<b>7,52,92,614</b>	<b>5,30,73,874</b>
* Includes sales tax receivable, cenvat credit receivable and duty drawback receivable etc.			



# JINDAL FITTINGS LIMITED

## NOTES TO FINANCIAL STATEMENTS

Particulars	(Amount in ₹)		
	As At March 31, 2016	As At March 31, 2015	As At April 1, 2014
<b>18. SHARE CAPITAL</b>			
<b>(a) Authorised</b>			
(i) 4,00,00,000 (March 31, 2015 4,00,00,000 and April 1, 2014 2,50,00,000) Equity Shares of ₹ 10/- each	40,00,00,000	40,00,00,000	25,00,00,000
(ii) 60,00,000 ((March 31, 2015 Nil and April 1, 2014 Nil) Preference Shares of ₹ 100/- each	60,00,00,000	-	-
	<b>1,00,00,00,000</b>	<b>40,00,00,000</b>	<b>25,00,00,000</b>
<b>(b) Issued, Subscribed and Fully Paid-Up</b>			
(i) 3,88,80,007 (March 31, 2015 3,88,80,007 and April 1, 2014 2,42,08,180) Equity Shares of ₹ 10/- each	38,88,00,070	38,88,00,070	24,20,81,800
(ii) 40,00,000 (March 31, 2015 ₹ Nil and April 1, ₹ 2014 Nil) Preference Shares of ₹ 100/- each	40,00,00,000	-	-
	<b>78,88,00,070</b>	<b>38,88,00,070</b>	<b>24,20,81,800</b>
<b>(c) Reconciliation of the number of shares:</b>			
<b>Equity Shares</b>			
Shares outstanding as at the beginning of the year	3,88,80,007	2,42,08,180	90,32,000
Add: Shares issued	-	1,46,71,827	1,51,76,180
Add: Issue of Bonus Shares	-	-	-
<b>Shares outstanding as at the end of the year</b>	<b>3,88,80,007</b>	<b>3,88,80,007</b>	<b>2,42,08,180</b>
<b>Preference Shares</b>			
Shares outstanding as at the beginning of the year	-	-	-
Add: Issued during the year	40,00,000	-	-
Add: Redeemed during the Year	-	-	-
<b>Shares outstanding as at the end of the year</b>	<b>40,00,000</b>	<b>-</b>	<b>-</b>

**(d) (i) Details of equity shareholders holding more than 5% shares in the company:**

Name of Shareholders	As at March 31, 2016		As at March 31, 2015		As at April 1, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jindal Saw Limited	1,39,96,803	36.00	1,98,28,804	51.00	1,23,46,172	51.00
Aion Industries Pvt. Ltd.	1,26,19,202	32.46	1,26,19,202	32.46	76,30,781	31.52
Sigma Commercial Products Limited	58,32,001	15.00	58,32,001	15.00	36,31,227	15.00
Glebe Trading Private Limited	58,32,001	15.00	-	-	-	-
<b>Total</b>	<b>3,82,80,007</b>	<b>98.46</b>	<b>3,82,80,007</b>	<b>98.46</b>	<b>2,36,08,180</b>	<b>97.52</b>

**(d) (ii) Details of preference shareholders holding more than 5% shares in the company:**

Name of Shareholders	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Glebe Trading Private Limited	40,00,000	100.00	-	-
<b>Total</b>	<b>40,00,000</b>	<b>100.00</b>	<b>-</b>	<b>-</b>

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

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

**(e) (ii) Terms/Rights attached to Preference Shares**

The Company has one class of preference shares i.e. 11% Non Cumulative Compulsorily Convertible Preference Share (CCPS) having a face value of ₹ 100/- per preference share. The CCPS holder shall carry a preferential right vis-a-vis Equity shares with respect to payment of dividend or repayment of capital. The CCPS holder shall be non-participating in the surplus funds/ surplus assets and profits on winding up which may remain after the entire capital is repaid. The CCPS holder shall be paid dividend on non-cumulative basis. The CCPS will be convertible into equal numbers of equity shares of the company at any time on and after 12 years of date of issue of CCPS i.e. March 29, 2016. The CCPS shall not carry voting rights.

**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 that will be reclassified to profit and loss.



# JINDAL FITTINGS LIMITED

## NOTES TO FINANCIAL STATEMENTS

Particulars	(Amount in ₹)		
	As At March 31, 2016	As At March 31, 2015	As At April 1, 2014
<b>19. BORROWINGS</b>			
<b>a) Secured</b>			
<b>Term Loans</b>			
Term Loans from Banks	42,48,41,056	54,24,33,910	51,47,86,044
Vehicle loans from Banks	-	-	66,866
<b>b) Unsecured</b>			
<b>From Related Party</b>			
- Danta Enterprises Private Limited	25,55,46,751	-	-
<b>Secured Non-Current borrowings</b>	<b>68,03,87,807</b>	<b>54,24,33,910</b>	<b>51,48,52,910</b>

### Term Loans from Banks include :

i) Term Loan of ₹ 54,28,41,056/- (carries rate of interest 12.75%) (including ₹ 11,80,00,000/- shown in current maturity) (March 31, 2015 ₹ 62,04,33,910/- and April 1, 2014 ₹ 54,37,86,043/-) is secured by equitable mortgage on land and building and first charge by way of hypothecation of movable fixed assets both present and future and second charge on current assets both present and future and also secured by Corporate Guarantee of Jindal Saw Limited. The loan is repayable on quarterly installment as follows:

Year of Repayment	(Amount in ₹)
2017-18	11,80,00,000
2018-19	13,80,00,000
2019-20	16,88,41,056
<b>Total outstanding balance</b>	<b>42,48,41,056</b>

ii) Vehicle loans is secured by way of hypothecation of vehicles, which carries rate of interest @ 11.45% p.a. The same were repayable in the year 2015-16.

iii) unsecured loan is repayable in one bullet installment on August 12, 2018. The loan carry interest rate 12% p.a.

iv) There is no default in repayment of interest and principal thereon

## 20. PROVISIONS

### Provision for Employee benefits

Provision for Gratuity	31,05,824	15,93,601	6,07,722
Provision for Leave Encashment	43,85,491	27,62,504	12,73,601
<b>Total Provisions</b>	<b>74,91,315</b>	<b>43,56,105</b>	<b>18,81,323</b>

## 21. BORROWINGS

### a) Secured

#### From banks

Working Capital borrowings	9,21,48,537	4,28,44,147	-
----------------------------	-------------	-------------	---

### b) Unsecured

#### From Related Parties

- Glebe Trading Private Limited	75,82,987	-	-
- JITF Coal Logistics Limited	34,53,070	-	-
<b>Total Borrowings</b>	<b>10,31,84,594</b>	<b>4,28,44,147</b>	<b>-</b>

Working Capital borrowing is secured by equitable mortgage on land and building and first charge by way of hypothecation of movable fixed assets both present and future and second charge on current assets both present and future and also secured by Corporate Guarantee of Jindal Saw Limited.

## 22. TRADE PAYABLES

Dues to Micro and Small Enterprises\*

Others (including acceptances)	16,78,11,559	3,96,66,118	37,62,275
<b>Total Trade Payables</b>	<b>16,78,11,559</b>	<b>3,96,66,118</b>	<b>37,62,275</b>

\*There are no Micro and Small Enterprises, to whom the Company owes dues which are outstanding as at 31st March, 2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006 has been Determined to the extent such Parties have been Identified on the basis of information available with the Company.



# JINDAL FITTINGS LIMITED

## NOTES TO FINANCIAL STATEMENTS

Particulars	(Amount in ₹)		
	As At March 31, 2016	As At March 31, 2015	As At April 1, 2014
<b>23. OTHER FINANCIAL LIABILITIES</b>			
Current Maturities of Long Term debts	11,80,00,000	7,80,76,076	2,94,27,363
Interest Accrued but not due	60,69,086	72,28,471	2,402
<b>Others:</b>			
Capital Creditors	1,82,89,753	5,46,74,124	6,00,81,266
Dues to Employees	90,96,821	91,59,888	39,73,758
Other Liabilities	5,09,913	1,06,20,564	-
<b>Total Other Financial Liabilities</b>	<b>15,19,65,573</b>	<b>15,97,59,123</b>	<b>9,34,84,789</b>
<b>24. OTHER CURRENT LIABILITIES</b>			
Advance From Customer*	6,61,57,708	17,55,98,613	-
<b>Other Payables</b>			
Statutory Dues	51,10,157	8,29,845	8,81,716
Other liabilities**	1,09,12,477	20,54,767	21,44,647
<b>Total Other Current Liabilities</b>	<b>8,21,80,342</b>	<b>17,84,83,225</b>	<b>30,26,363</b>
* Includes ₹ 4,83,76,000/- (March 31, 2015 ₹ 17,47,26,000/- and April 1, 2014 ₹ Nil) from related party Jindal Saw Limited			
** Other liabilities comprise of provision for excise duty on closing stock.			
<b>25. PROVISIONS</b>			
<b>Provision for Employee benefits</b>			
Provision for Gratuity	6,272	3,393	1,467
Provision for Leave Encashment	5,43,509	3,40,934	1,65,245
<b>Total Provisions</b>	<b>5,49,781</b>	<b>3,44,327</b>	<b>1,66,712</b>



# JINDAL FITTINGS LIMITED

## NOTES TO FINANCIAL STATEMENTS

Particulars	(Amount in ₹)	
	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>26. GROSS REVENUE FROM OPERATIONS</b>		
<b>a) Sale of products</b>		
Finished goods	26,25,10,640	2,61,59,675
<b>b) Other Operating revenues</b>		
Export/ Other government Incentives	39,80,017	15,867
Other Income	5,28,670	-
<b>Other Operating revenues</b>	<b>45,08,687</b>	<b>15,867</b>
<b>Total Gross Revenue from operations</b>	<b>26,70,19,327</b>	<b>2,61,75,542</b>
<b>27. OTHER INCOME</b>		
a) Interest Income	27,80,755	12,03,639
b) Net Gain/(Loss) on Sale of Current Investments	-	2,76,668
c) Other Non Operating Income	3,44,383	18,25,726
d) Profit on Sale of Fixed Assets	576	1,544
<b>Total Other Income</b>	<b>31,25,714</b>	<b>33,07,577</b>
<b>28. COST OF MATERIALS CONSUMED</b>		
Raw Material Consumed	21,40,79,627	6,98,03,646
<b>Total Cost of Material Consumed</b>	<b>21,40,79,627</b>	<b>6,98,03,646</b>
<b>29. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Opening Stock</b>		
- Finished Goods	2,29,15,703	-
- Scrap	-	-
- Work in Progress	4,89,45,102	11,34,300
	<b>7,18,60,805</b>	<b>11,34,300</b>
<b>Closing Stock</b>		
- Finished Goods	14,94,83,327	2,29,15,703
- Scrap	1,54,56,826	-
- Work in Progress	15,61,18,881	4,89,45,102
	<b>32,10,59,034</b>	<b>7,18,60,805</b>
<b>NET (INCREASE)/DECREASE IN STOCK</b>	<b>(24,91,98,229)</b>	<b>(7,07,26,505)</b>
Excise duty on account of increase/(decrease) on stock of finished goods	88,57,710	20,54,767
<b>Total (Increase)/Decrease in Stock</b>	<b>(24,03,40,519)</b>	<b>(6,86,71,738)</b>



# JINDAL FITTINGS LIMITED

## NOTES TO FINANCIAL STATEMENTS

Particulars	(Amount in ₹)	
	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>30. EMPLOYEE BENEFIT EXPENSES</b>		
a) Salary and Wages	14,37,44,380	6,73,63,922
b) Contribution to Provident and other funds	41,55,011	21,52,294
c) Workmen and Staff Welfare	36,25,023	19,93,557
<b>Total Employee Benefit Expenses</b>	<b>15,15,24,414</b>	<b>7,15,09,773</b>
<b>31. FINANCE COSTS</b>		
<b>Interest Expense</b>		
Interest on Term loans	7,68,72,425	5,25,79,782
Interest on Bank Borrowings	1,08,49,511	6,77,956
Other Interest	2,80,32,652	42,461
Bank and Finance charges	18,96,200	9,88,571
<b>Total Finance Costs</b>	<b>11,76,50,788</b>	<b>5,42,88,770</b>
<b>32. DEPRECIATION AND AMORTISATION</b>		
Depreciation	4,95,12,231	2,15,78,507
Amortisation	6,25,671	90,567
	<b>5,01,37,902</b>	<b>2,16,69,074</b>
<b>33. OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Stores and Spares Consumed	9,55,98,931	2,98,00,747
Power and Fuel	7,93,93,156	2,99,57,695
Other Manufacturing Expenses	91,28,987	35,56,155
Repairs to Buildings	49,000	5,281
Repairs to Plant and Machinery	1,65,015	12,281
<b>Administrative, Selling and Other Expenses</b>		
Rent	32,08,981	21,32,894
Rates & Taxes	-	13,701
Insurance	10,32,669	12,33,620
Other repair and maintenance	3,81,238	1,37,838
Travelling and Conveyance	75,67,885	70,94,251
Vehicle upkeep and maintenance expenses	10,36,504	7,52,609
Postage, Telegrams and Telephones	9,12,146	10,55,678
Legal and professional	43,75,458	24,14,892
Auditors' Remuneration	79,750	80,470
Forwarding charges (net)	1,48,94,457	4,13,108
Other Selling Expenses	7,11,562	7,63,891
Foreign Exchange Fluctuation Loss/(Gain)	(6,11,279)	(73,162)
Miscellaneous Expenses	83,98,838	63,12,868
<b>Total Other Expenses</b>	<b>22,63,23,298</b>	<b>8,56,64,817</b>



# Jindal Fittings Limited

## Notes to Financial Statements

### 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, and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, and investments. 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, 2016 and March 31, 2015.

##### 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, 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.

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

The Company transacts business in Indian Rupee and in foreign currency. The Company 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 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:



# Jindal Fittings Limited

## Notes to Financial Statements

Particulars	(Amount in ₹)	
	Change in currency exchange rate	Effect on profit before tax
<b>For the year ended March 31, 2016</b>		
USD	+ 5%	12,85,750
	- 5%	-12,85,750
<b>For the year ended March 31, 2015</b>		
USD	+ 5%	2,83,417
	- 5%	-2,83,417

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:

Particulars	(Amount in ₹)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Currency Fluctuations</b>		
Net foreign exchange (gain)/losses on operating expenses	(6,11,279)	(73,162)

### (b) Interest rate risk and sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. The management also maintains a portfolio mix of floating and fixed rate debt.

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

Interest rate sensitivity	(Amount in ₹)		
	Net Monetary Items outstanding on reporting date	Increase/ Decrease in basis points	Effect on profit before tax
<b>For the year ended March 31, 2016</b>			
INR borrowings	63,49,89,593	+50	(29,54,304)
		-50	29,54,304
<b>For the year ended March 31, 2015</b>			
INR borrowings	66,32,78,057	+50	(31,70,140)
		-50	31,70,140

### (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.



# Jindal Fittings Limited

## Notes to Financial Statements

### 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 and any shipments to major customers are covered by letters of credit after considering the creditability of the customer. 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.

The ageing of trade receivable is as below:

Particulars	Neither due nor impaired (including unbilled)	(Amount in ₹)			Total
		upto 6 months	6 to 12 months	Above 12 months	
<b>As at March 31, 2016</b>					
Secured	2,67,79,156	1,07,52,183	-	-	3,75,31,339
Unsecured	3,00,96,985	55,75,888	30,48,990	-	3,87,21,863
<b>Gross Total</b>	<b>5,68,76,141</b>	<b>1,63,28,071</b>	<b>30,48,990</b>	-	<b>7,62,53,202</b>
Provision for doubtful receivables	-	-	-	-	-
<b>Net Total</b>	<b>5,68,76,141</b>	<b>1,63,28,071</b>	<b>30,48,990</b>	-	<b>7,62,53,202</b>
<b>As at March 31, 2015</b>					
Secured	-	-	-	-	-
Unsecured	92,03,163	-	1,01,000	-	93,04,163
<b>Total</b>	<b>92,03,163</b>	-	<b>1,01,000</b>	-	<b>93,04,163</b>
Provision for doubtful receivables	-	-	-	-	-
<b>Net Total</b>	<b>92,03,163</b>	-	<b>1,01,000</b>	-	<b>93,04,163</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.



# Jindal Fittings Limited

## Notes to Financial Statements

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.

(Amount in ₹)

Particulars	As of March 31, 2016					Total
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 years	
Interest bearing borrowings (Including Current Maturities)	90,15,72,401	-	7,00,36,057	15,11,48,537	68,03,87,807	90,15,72,401
Financial derivatives	-	-	-	-	-	-
Other liabilities	3,39,65,574	1,02,148	1,12,37,578	2,26,25,847	-	3,39,65,574
Trade and other payables	16,78,11,559	12,65,56,897	4,12,54,663	-	-	16,78,11,559
<b>Total</b>	<b>1,10,33,49,534</b>	<b>12,66,59,045</b>	<b>12,25,28,298</b>	<b>17,37,74,384</b>	<b>68,03,87,807</b>	<b>1,10,33,49,534</b>

Particulars	As of March 31, 2015					Total
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 years	
Interest bearing borrowings (Including Current Maturities)	66,33,54,133	-	3,90,76,076	8,18,44,147	54,24,33,910	66,33,54,133
Financial derivatives	-	-	-	-	-	-
Other liabilities	8,16,83,047	-	2,25,79,112	5,91,03,935	-	8,16,83,047
Trade and other payables	3,96,66,118	1,29,74,029	2,66,92,089	-	-	3,96,66,118
<b>Total</b>	<b>78,47,03,298</b>	<b>1,29,74,029</b>	<b>8,83,47,277</b>	<b>14,09,48,082</b>	<b>54,24,33,910</b>	<b>78,47,03,298</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.

### Unused line of credit

(Amount in ₹)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Secured	78,51,463	5,71,55,853
Unsecured	-	-
<b>Total</b>	<b>78,51,463</b>	<b>5,71,55,853</b>

### Interest rate & currency of borrowings

The below details do not necessarily represents foreign currency or interest rate exposure to the income statement.

(Amount in ₹)

Particulars	Total borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted average interest rate (%)
INR	90,15,72,401	63,49,89,593	26,65,82,808	12.99
Total as at March 31, 2016	90,15,72,401	63,49,89,593	26,65,82,808	
INR	66,33,54,133	66,32,78,057	76,076	13.47
Total as at March 31, 2015	66,33,54,133	66,32,78,057	76,076	

### 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.



# Jindal Fittings Limited

## Notes to Financial Statements

### 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, 2016 and March 31, 2015.

For the purpose of the Company's capital management, capital includes issued capital, compulsorily convertible debentures, 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. The Company monitors capital using gearing ratio, which is net debt divided by total capital.

During 2015-16, the company's strategy was to bring down the gearing ratio from 60% of 2014-15 to within 50% in 2015-16, the gearing ratios at March 31, 2016 and March 31, 2015 were as follows:

(Amount in ₹)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Loans and Borrowings	90,15,72,401	66,33,54,133
Less: Cash and Cash Equivalents	5,34,360	1,25,92,433
Net Debt	90,10,38,041	65,07,61,700
Total Capital	47,24,76,970	24,63,87,830
<b>Capital and Net Debt</b>	<b>1,37,35,15,011</b>	<b>89,71,49,530</b>
<b>Gearing Ratio</b>	<b>66%</b>	<b>73%</b>

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.

### 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.

(Amount in ₹)

Particulars	As at March 31, 2016		As at March 31, 2015		As at April 1, 2014	
	Carrying amount	Fair Value	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>Financial assets designated at amortised cost</b>						
Fixed deposits with banks	20,14,985	20,14,985	16,81,963	16,81,963	51,88,915	51,88,915
Cash and bank balances	5,34,360	5,34,360	1,25,92,433	1,25,92,433	5,59,76,366	5,59,76,366
Trade and other receivables	7,62,53,202	7,62,53,202	93,04,163	93,04,163	7,42,533	7,42,533
Other financial assets	1,50,62,810	1,50,62,810	1,49,07,092	1,49,07,092	1,54,14,427	1,54,14,427
	<b>9,38,65,357</b>	<b>9,38,65,357</b>	<b>3,84,85,651</b>	<b>3,84,85,651</b>	<b>7,73,22,241</b>	<b>7,73,22,241</b>
<b>Financial Liabilities designated at amortised cost</b>						
Borrowings- fixed rate	26,65,82,808	26,65,82,808	76,076	76,076	4,94,229	4,94,229
Other borrowings- floating rate	63,49,89,593	63,49,89,593	66,32,78,057	66,32,78,057	51,76,86,044	51,76,86,044
Trade and other payables	16,78,11,559	16,78,11,559	3,96,66,118	3,96,66,118	37,62,275	37,62,275
Other financial liabilities	3,39,65,573	3,39,65,573	8,16,83,047	8,16,83,047	6,40,57,425	6,40,57,425
	<b>1,10,33,49,533</b>	<b>1,10,33,49,533</b>	<b>78,47,03,298</b>	<b>78,47,03,298</b>	<b>58,59,99,973</b>	<b>58,59,99,973</b>



# Jindal Fittings Limited

## Notes to Financial Statements

### 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.

### Fair value hierarchy

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:



# Jindal Fittings Limited

## Notes to Financial Statements

### Assets / Liabilities for which fair value is disclosed

(Amount in ₹)

Particulars	As at March 31, 2016		
	Level 1	Level 2	Level 3
<b>Financial liabilities</b>			
Other borrowings- fixed rate		26,65,82,808	
Other financial liabilities		3,39,65,573	

Particulars	As at March 31, 2015		
	Level 1	Level 2	Level 3
<b>Financial liabilities</b>			
Other borrowings- fixed rate		76,076	
Other financial liabilities		8,16,83,047	

Particulars	As at April 1, 2014		
	Level 1	Level 2	Level 3
<b>Financial liabilities</b>			
Borrowings - fixed rate		4,94,229	
Other financial liabilities		6,40,57,425	

During the year ended March 31, 2016 and March 31, 2015, 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 to valuation for level 2 of the fair value hierarchy as of March 31, 2016, March 31, 2015 and April 1, 2014 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 is engaged primarily into manufacturing of Ductile Iron Casted Fittings. The Company's primary segment as identified by management is Iron and steel products. The company operates into one primary segment.

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.



# Jindal Fittings Limited

## Notes to Financial Statements

(Amount in ₹)

Particulars	2015-16			2014-15			April 1, 2014		
	Within India	Outside India	Total	Within India	Outside India	Total	Within India	Outside India	Total
Gross Revenue from Operations	14,55,76,259	12,14,43,068	26,70,19,327	1,92,81,255	68,94,287	2,61,75,542	-	-	-
Non Current Assets	90,41,15,294	-	90,41,15,294	92,99,92,110	-	92,99,92,110	72,45,11,437	-	72,45,11,437

### 37. Income tax expense

(Amount in ₹)

Particulars	For the year ended	
	March 31, 2016	March 31, 2015
Current tax	-	-
Deferred tax		
- Relating to origination & reversal of temporary differences	(8,93,49,078)	(7,14,96,957)
- Relating to change in tax rate	-	-
<b>Tax expense attributable to current year's profit</b>	<b>(8,93,49,078)</b>	<b>(7,14,96,957)</b>
<b>Total Tax expense</b>	<b>(8,93,49,078)</b>	<b>(7,14,96,957)</b>

### Effective tax Reconciliation

Numerical reconciliation of tax expense applicable to profit before tax at the latest statutory enacted tax rate in India to income tax expense reported is as follows:

Description	For the Year Ended	
	March 31, 2016	March 31, 2015
Net Income/(Loss) before taxes	(25,79,08,236)	(20,66,57,129)
Enacted tax rate	34.608%	34.608%
Computed tax (Income)/expense	(8,92,56,882)	(7,15,19,899)
<b>Increase/(reduction) in taxes on account of:</b>		
Deferred tax of earlier years	(92,196)	22,942
<b>Income tax expense/(Income) reported</b>	<b>(8,93,49,078)</b>	<b>(7,14,96,957)</b>

### 38. Deferred income tax

The analysis of deferred tax expenses are as under.

Particulars	For the Year Ended	
	March 31, 2016	March 31, 2015
Book base and tax base of Fixed Assets	2,24,86,641	3,58,77,633
(Disallowance)/Allowance (net) under Income Tax	(6,47,611)	(9,97,149)
Carried forward losses	(11,11,88,109)	(10,63,77,441)
<b>Total</b>	<b>(8,93,49,078)</b>	<b>(7,14,96,957)</b>

### Component of tax accounted in OCI and equity

(Amount in ₹)

Particulars	For the Year Ended	
	March 31, 2016	March 31, 2015
Deferred Tax (Gain)/Loss on defined benefit	(25,561)	(35,227)

### Component of OCI

Deferred Tax (Gain)/Loss on defined benefit



# Jindal Fittings Limited

## Notes to Financial Statements

### 39. Retirement benefit obligations

#### 1. Expense recognised for Defined Contribution plan

Particulars	(Amount in ₹)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Company's contribution to provident fund	40,27,578	20,96,713
<b>Total</b>	<b>40,27,578</b>	<b>20,96,713</b>

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in the Balance Sheet as of March 31, 2016 and March 31, 2015, being the respective measurement dates:

#### 2. Movement in obligation

Particulars	(Amount in ₹)	
	Gratuity (unfunded)	leave encashment (unfunded)
Present value of obligation - April 1, 2014	6,09,189	14,38,846
Current service cost	10,40,859	20,87,786
Interest cost	48,735	1,15,107
Benefits paid	-	-
Remeasurements - actuarial loss/ (gain)	(1,01,789)	(5,38,301)
<b>Present value of obligation - March 31, 2015</b>	<b>15,96,994</b>	<b>31,03,438</b>
Present value of obligation - April 1, 2015	15,96,994	31,03,438
Current service cost	14,60,851	24,09,411
Interest cost	1,28,110	2,48,346
Benefits paid	-	(3,71,163)
Remeasurements - actuarial loss/ (gain)	(73,859)	(4,61,032)
<b>Present value of obligation - March 31, 2016</b>	<b>31,12,096</b>	<b>49,29,000</b>

#### 3. Movement in Plan Assets – Gratuity

Particulars	(Amount in ₹)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Fair value of plan assets at beginning of year	-	-
Expected return on plan assets	-	-
Employer contributions	-	-
Benefits paid	-	-
Actuarial gain / (loss)	-	-
<b>Fair value of plan assets at end of year</b>	<b>-</b>	<b>-</b>
Present value of obligation	31,12,096	15,96,994
<b>Net funded status of plan</b>	<b>(31,12,096)</b>	<b>(15,96,994)</b>
Actual return on plan assets	-	-



# Jindal Fittings Limited

## Notes to Financial Statements

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

### 4. Recognised in profit and loss

Particulars	(Amount in ₹)	
	Gratuity	Leave Encashment
Current Service cost	14,60,851	24,09,411
Interest cost	1,28,110	2,48,346
Expected return on plan assets	-	-
Remeasurement - Acturial loss/(gain)	-	-
<b>For the year ended March 31, 2016</b>	<b>15,88,961</b>	<b>26,57,757</b>
Actual return on plan assets		
Current Service cost	10,40,859	20,87,786
Interest cost	48,735	1,15,107
Expected return on plan assets	-	-
Remeasurement - Acturial loss/(gain)	-	-
<b>For the year ended March 31, 2015</b>	<b>10,89,594</b>	<b>22,02,893</b>
Actual return on plan assets	-	-

### 5. Recognised in other comprehensive income

Particulars	(Amount in ₹)
	Gratuity
Remeasurement - Acturial loss/(gain)	(73,859)
For the year ended March 31, 2016	(73,859)
Remeasurement - Acturial loss/(gain)	(1,01,789)
For the year ended March 31, 2015	(1,01,789)

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

Weighted average actuarial assumptions	As at	As at
	March 31, 2016	March 31, 2015
Discount Rate	8% per annum	8% per annum
Expected Rate of increase in Compensation levels	11.00 % per annum	11.00 % per annum
Expected Rate of Return on Plan Assets	N.A.	N.A.
Mortality rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected Average remaining working lives of employees (years)	26.4 years	27.4 years

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. Same assumptions were considered for comparative period i.e. 2014-15 as considered in previous GAAP on transition to IND AS.



# Jindal Fittings Limited

## Notes to Financial Statements

### 7. Sensitivity analysis:

For the year ended March 31, 2016		(Amount in ₹)
Particulars	change in Assumption	Effect on Gratuity obligation
Discount rate	+1	28,52,722
	-1	34,17,618
Salary Growth rate	+1	34,05,800
	-1	28,57,026
Withdrawal rate	+1	29,76,586
	-1	32,61,650

For the year ended March 31, 2015		(Amount in ₹)
Particulars	change in Assumption	Effect on Gratuity obligation
Discount rate	+1	14,56,610
	-1	17,57,006
Salary Growth rate	+1	17,50,714
	-1	14,58,923
Withdrawal rate	+1	15,13,130
	-1	16,84,372

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:

(Amount in ₹)	
Particulars	Gratuity
For the year ended March 31, 2016	
Plan Liabilities - (loss)/gain	(1,05,650)
Plan Assets - (loss)/gain	-
For the year ended March 31, 2015	
Plan Liabilities - (loss)/gain	1,56,486
Plan Assets - (loss)/gain	-

### 9. Statement of Employee benefit provision

Particulars	(Amount in ₹)	
	Year ended March 31, 2016	Year ended March 31, 2015
Gratuity	31,12,096	15,96,994
leave encashment	49,29,000	31,03,438
<b>Total</b>	<b>80,41,096</b>	<b>47,00,432</b>



# Jindal Fittings Limited

## Notes to Financial Statements

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

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

For The Year Ended March 31, 2016		(Amount in ₹)
Particulars	Gratuity	Leave Encashment
Current provision	6,272	5,43,509
Non current provision	31,05,824	43,85,491
<b>Total Provision</b>	<b>31,12,096</b>	<b>49,29,000</b>

For The Year Ended March 31, 2015		(Amount in ₹)
Particulars	Gratuity	Leave Encashment
Current provision	3,393	3,40,934
Non current provision	15,93,601	27,62,504
<b>Total Provision</b>	<b>15,96,994</b>	<b>31,03,438</b>

### 11. Employee benefit expenses

Employee benefit expenses	(Amount in ₹)	
	Year ended March 31, 2016	Year ended March 31, 2015
Salaries and Wages	14,22,82,852	6,63,29,909
Costs-defined benefit plan	15,88,961	10,89,594
Costs-defined contribution plan	40,27,578	20,96,713
Welfare expenses	36,25,023	19,93,557
<b>Total</b>	<b>15,15,24,414</b>	<b>7,15,09,773</b>

( Figures in no.)

Particulars	( Figures in no.)	
	Year ended March 31, 2016	Year ended March 31, 2015
Average no of people employed	151	152

### 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 & 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.



# Jindal Fittings Limited

## Notes to Financial Statements

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

##### Auditors Remuneration

Particulars	(Amount in ₹)	
	Year ended March 31, 2016	Year ended March 31, 2015
<b>Statutory Auditors</b>		
a) Audit Fees	75,000	75,000
b) Out of Pocket Expenses	4,750	5,470
<b>Total</b>	<b>79,750</b>	<b>80,470</b>

#### 41. Borrowing cost and currency fluctuations capitalised

##### Borrowing cost

Particulars	(Amount in ₹)	
	Year ended March 31, 2016	Year ended March 31, 2015
Borrowing cost capitalised	-	2,81,14,232

No general purpose borrowing has been capitalised.

#### 42. Contingent liabilities

##### Guarantees

Particulars	(Amount in ₹)		
	As at March 31, 2016	As at March 31, 2015	As at April 1, 2014
Guarantees issued by the Company's bankers on behalf of the Company	16,79,000	16,79,000	11,79,000
Liabilities in respect of Corporate Guarantees/duty saved for availing various export based incentives schemes*	54,29,000	72,76,194	75,34,947
<b>Total</b>	<b>71,08,000</b>	<b>89,55,194</b>	<b>87,13,947</b>

\* Redemption with DGFT is pending

#### 43. Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)

Particulars	(Amount in ₹)		
	As at March 31, 2016	As at March 31, 2015	As at April 1, 2014
Property, plant and equipment	10,32,78,440	10,58,48,829	14,18,33,073



# Jindal Fittings Limited

## Notes to Financial Statements

### 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. Rahul Bansal	Chief Executive Officer
2	Mr. Anil Kumar Das	Chief Financial Officer
3	Mr. Vivek Choudhary	Company Secretary

#### 2. Related parties

##### i. Entities having control exist – Holding Company

##### Holding Company

S.No.	Name of Entity in the Group	Principle place of Operation / Country of Operation	Principle Activity	% Share Holding / Voting Power	
				As at March 31, 2016	As at March 31, 2015
1	Jindal Saw Limited	India	Iron & Steel Pipes	-	51%



# Jindal Fittings Limited

## Notes to Financial Statements

### Fellow Subsidiary Companies

S.No.	Name of the entity in the group	Principal place of operation / Country of Incorporation	Principal Activities	% Shareholding / Voting Power	
				As at March 31, 2016	As at March 31, 2015
1	Jindal Rail Infrastructure Limited	India	Rail Wagon Manufacturing	100%	100%
2	Jindal Intellicom Limited	India	BPO and Call centre	99%	99%
3	JITF Waterways Limited	India	Inland and ocean going shipping	100%	100%
4	JITF Coal Logistics Limited	India	Coal Logistics	100%	100%
5	IUP Jindal Metals & Alloys Limited	India	Precision Stainless steel strips	80.71%	80.71%
6	S.V. Trading Limited	Nevis	Investment holding	100%	100%
7	Quality Iron and Steel Limited	India	Investment	51%	51%
8	Ralael Holdings Limited	Cyprus	Investment holding	100%	100%
9	Jindal Saw Holdings FZE	UAE	Investment holding	100%	100%
10	Greenray Holdings Limited	UK	Investment holding	100%	100%
11	Universal Tube Accessories Private Limited	India	Tool manufacturing	51%	51%
12	Jindal Saw Espana,S.L.	Spain	Trading of pipes	90%	90%
13	Jindal Tubular (India) Ltd.	India	Steel Pipe manufacturing	99.88%	99.88%
14	Jindal ITF Limited	India	Coal Logistics	100%	100%
15	JITF Infralogistics Limited	India	Urban Infrastructure development	100%	100%
16	Jindal Fittings Limited	India	Ductile Iron pipe fittings	-	51%
17	Jindal Quality Tubular Limited	India	Steel Pipe manufacturing	67%	67%
18	JITF Water Infrastructure Limited	India	Water Infrastructure development	100%	100%
19	JITF Urban Infrastructure Limited	India	Urban Infrastructure development	100%	100%
20	iCom Analytics Limited	India	Call Centre and advisory	98.78%	98.78%
21	JITF Water Infra (Naya Raipur) Limited	India	Water Infrastructure development	100%	100%
22	JITF ESIPL CETP (Sitarganj) Limited	India	Urban Infrastructure development	51%	51%
23	JITF Industrial Infrastructure Development Company Limited	India	Urban Infrastructure development	100%	100%
24	JITF Urban Waste Management (Ferozepur) Limited	India	Urban Infrastructure development	90%	90%
25	JITF Urban Waste Management (Jalandhar) Limited	India	Urban Infrastructure development	90%	90%
26	JITF Urban Waste Management (Bathinda) Limited	India	Urban Infrastructure development	90%	90%
27	Jindal Urban Waste Management (Visakhapatnam) Limited	India	Urban Infrastructure development	100%	-
28	Jindal Urban Waste Management (Guntur) Limited	India	Urban Infrastructure development	100%	-
29	Jindal Urban Waste Management (Tirupati) Limited	India	Urban Infrastructure development	100%	-
30	Timarpur-Okhla Waste Management Company Private Limited	India	Waste to power	100%	100%
31	Jindal Saw Gulf L.L.C.	UAE	Ductile Iron Pipe and Fittings	36.75%	36.75%
32	JITF Shipping & Logistics (Singapore) Pte. Limited	Singapore	Ocean going shipping	100%	100%
33	Jindal Tubular U.S.A. LLC	USA	Steel Pipe manufacturing	100%	100%
34	World Transload & Logistics LLC	USA	Investment holding	100%	100%
35	5101 Boone LLP	USA	Property holding	100%	100%
36	Tube Technologies INC	USA	Pipes for oil and gas	100%	100%
37	Jindal Saw USA, LLC	USA	Pipes for oil and gas	100%	100%
38	Jindal Saw Italia S.P.A.	Italy	Ductile Iron Pipe manufacturing	100%	100%
39	Jindal Saw Middle East FZC	UAE	Ductile Iron Pipe and Fittings manu	75%	75%
40	Derwent Sand SARL	Algeria	Trading of pipes	99.62%	99.62%
41	Helical Anchors INC	USA	Helical anchor manufacturing	100%	100%
42	Boone Real Property Holding LLC	USA	Property holding	100%	100%
43	Drill Pipe International LLC	USA	Tools and fittings	100%	100%
44	Jindal Urban Infrastructure Services Limited	India	Urban Infrastructure development	100%	100%
45	Jindal International FZE	UAE	Investment holding	100%	-



# Jindal Fittings Limited

## Notes to Financial Statements

### Joint Ventures

S.No.	Name of the entity in the group	Principal place of operation / Country of Incorporation	Principal Activities	% Shareholding / Voting Power	
				As at March 31, 2016	As at March 31, 2015
1	JWIL-SSIL (JV)	India	EPC contracting	60%	60%
2	SMC-JWIL(JV)	India	EPC contracting	49%	49%
3	JWIL-RANHILL (JV)	India	EPC contracting	75%	75%

### Joint Operations

S.No.	Name of the entity in the group	Principal place of operation / Country of Incorporation	Principal Activities	% Shareholding / Voting Power	
				As at March 31, 2016	As at March 31, 2015
1	TAPI-JWIL (JV)	India	EPC contracting	49%	49%

### Associate

S.No.	Name of Entity in the Group	Principle place of Operation / Country of Operation	Principle Activity	% Share Holding / Voting Power	
				As at March 31, 2016	As at March 31, 2015
1	Jindal Saw Limited	India	Iron & Steel Pipes	36%	-

Prior to disposal of 15% shareholding by Jindal Saw Limited, entity was Holding Company of JFL.

The Holding Company Jindal Saw Limited has disposed 15% shareholding in Jindal Fittings Limited on March 20, 2016 to Glebe Trading Pvt. Ltd. With this disposal the holding company has lost control on Jindal Fittings Limited as its subsidiary.

### Entities where key management personnel and their relatives exercise significant influence

S. No.	Entities
1	Glebe Trading Private Limited
2	Danta Enterprises Private Limited
3	JSW Steel Limited
4	Jindal Systems Private Limited
5	Jindal Steel and Power Limited
6	Jindal Stainless Limited



# Jindal Fittings Limited

## Notes to Financial Statements

### Related Party Transactions

(Amount in ₹)

Particulars	Holding / Fellow Subsidiaries	KMP and their relatives having significant influence	Holding / Fellow Subsidiaries	KMP and their relatives having significant influence
	2015-16	2014-15	2015-16	2014-15
<b>Loan Taken</b>				
JITF Coal Logistics Limited	13,11,00,000	-	-	-
Glebe Trading Private Limited	-	18,36,00,000	-	-
Danta Enterprises Private Limited	-	30,00,00,000	-	-
<b>Repayment of Loan</b>				
JITF Coal Logistics Limited	13,11,00,000	-	-	-
Glebe Trading Private Limited	-	18,36,00,000	-	-
Danta Enterprises Private Limited	-	5,83,00,000	-	-
<b>Interest Expenses</b>				
JITF Coal Logistics Limited	35,23,541	-	-	-
Glebe Trading Private Limited	-	75,82,987	-	-
Danta Enterprises Private Limited	-	1,38,46,751	-	-
<b>Purchase of Material</b>				
Jindal Saw Limited	2,51,38,176	-	20,99,482	-
JSW Steel Limited	-	2,34,658	-	39,56,819
Jindal Systems Private Limited	-	75,735	-	-
Jindal Steel and Power Limited	-	-	-	27,89,267
<b>Sale of Material</b>				
JITF Water Infrastructure Limited	2,11,12,523	-	-	-
JWIL-SCPL JV	89,20,489	-	-	-
Jindal Saw Gulf LLC	15,42,406	-	-	-
Jindal Saw Limited	1,20,69,554	-	1,43,786	-
Jindal Stainless Limited	-	-	-	1,30,000
<b>Advance Received</b>				
Jindal Saw Limited	34,98,37,335	-	17,47,26,000	-
<b>Advance Paid</b>				
Jindal Saw Limited	46,50,00,000	-	-	-
<b>Expenses Reimbursed</b>				
Jindal Saw Limited	74,93,646	-	-	-



# Jindal Fittings Limited

## Notes to Financial Statements

### Outstanding Balance

(Amount in ₹)

Particulars	Holding / Fellow Subsidiaries			KMP and their relatives having significant influence		
	2015-16	2014-15	April 1, 2014	2015-16	2014-15	April 1, 2014
<b>Amount Payable (Creditor)</b> Jindal Saw Limited*	-	57,60,058	-	2,49,55,797	-	-
<b>Advance from Customer</b> Jindal Saw Limited	-	17,47,26,000	-	4,83,76,000	-	-
<b>Amount Receivable (Debtor)</b> Jindal Saw Limited	-	-	-	8,82,219	-	-

\*Jindal Fittings Limited is associate of Jindal Saw Limited from March 29, 2016.

### Key Management Personnel (KMP)

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Short-Term employee benefits*	48,07,332	39,68,130
Post-Employment benefits	-	-
- Defined contribution plan\$ #	4,35,720	2,68,427
- Defined benefit plan#	-	-
Other long-term benefits	-	-
Share-based payment@	-	-
Dividend paid	-	-
<b>Total</b>	<b>52,43,052</b>	<b>42,36,557</b>

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

# As the liability for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above.

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

@ Any shares allotted for other than cash i.e. ESOP or consideration for services in shares.

### 45. Earnings per share

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	(Number of shares)	
	Year ended March 31, 2016	Year ended March 31, 2015
Issued equity shares	3,88,80,007	3,88,80,007
Equity Shares Compulsorily issuable on conversion of CCPS	3,27,869	-
<b>Weighted average shares outstanding - Basic and Diluted - A</b>	<b>3,92,07,876</b>	<b>2,92,88,257</b>

Net profit available to equity holders of the Company used in the basic and diluted earnings per share was determined as follows:



# Jindal Fittings Limited

## Notes to Financial Statements

(Amount in ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>Profit and Loss after tax - B</b>	<b>(16,85,59,158)</b>	<b>(13,51,60,172)</b>
Basic Earnings per share (B/A) (₹)	(4.30)	(4.61)
Diluted Earnings per share (B/A) (₹)	(4.30)	(4.61)

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.

### 46. Impairment review

Assets are tested for impairment whenever there are any internal or external indicators of impairment.

Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the goodwill or other assets are monitored for internal management purposes, within an operating segment.

The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of goodwill and other assets.

The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- midterm market conditions.

Key assumptions used in value-in-use calculations:

- Operating margins (Earnings before interest and taxes)
- Discount rate
- Growth rates
- Capital expenditures

**Operating margins:** Operating margins have been estimated based on past experience after considering incremental revenue arising out of adoption of valued added and data services from the existing and new customers, though these benefits are partially offset by decline in tariffs in a hyper competitive scenario. Margins will be positively impacted from the efficiencies and initiatives driven by the Company; at the same time, factors like higher churn, increased cost of operations may impact the margins negatively.

**Discount rate:** Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs.

**Growth rates:** The growth rates used are in line with the long term average growth rates of the respective industry and country in which the Company operates and are consistent with the forecasts included in the industry reports.

**Capital expenditures:** The cash flow forecasts of capital expenditure are based on past experience coupled with additional capital expenditure required



# Jindal Fittings Limited

## Notes to Financial Statements

### 47. Provisions

Movement in each class of provision during the financial year are provided below:

Particulars	(Amount in ₹)
	Employee benefit
<b>As at April 01, 2014</b>	20,48,035
Provision During the Year	31,28,645
Remeasurement Losses accounted for in OCI	(6,40,090)
Payment During the year	-
Interest Change	1,63,842
<b>As at March 31, 2015</b>	47,00,432
Provision During the Year	38,70,262
Remeasurement Losses accounted for in OCI	(5,34,891)
Payment During the year	(3,71,163)
Interest Change	3,76,456
<b>As at March 31, 2016</b>	80,41,096
<b>As at March 31, 2015</b>	
Current	3,44,327
Non Current	43,56,105
<b>As at March 31, 2016</b>	
Current	5,49,781
Non Current	74,91,315

### 48. Transition to IND AS

#### Basis of preparation

For all period up to and including the year ended March 31, 2015, the Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements for the year ended March 31, 2016, are the Company's first annual IND AS financial statements and have been prepared in accordance with IND AS.

Accordingly, the Company has prepared financial statements which comply with IND AS applicable for periods beginning on or after April 1, 2014, as described in the accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as of April 1, 2014, the Company's date of transition to IND AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP Balance Sheet as of April 1, 2014.

#### Exemptions Applied

IND AS 101 First-time adoption of Indian Accounting Standards allows first time adopters certain exemptions from the retrospective application of certain IND AS, effective for April 1, 2014 opening balance sheet.

#### 1. Following exemption availed from other IND AS as per Appendix D of IND AS 101.

Deemed cost for Property, Plant and Equipment (PPE) – The Company has elected to measure items of PPE at the date of transition to IND AS at their fair value. Company has used the fair value of assets, which is considered as deemed cost on transition. Aggregate fair value of PPE after measuring at fair value is ₹ 41,71,04,820 and the aggregate adjustment to the carrying amount reported under previous GAAP is ₹ (2,89,956).

Life and salvage value of assets has been revisited on transition date and revised estimated life less life expired on date of transition has been considered as revised life for all assets.



# Jindal Fittings Limited

## Notes to Financial Statements

### 2. Other GAAP Differences.

Deferred tax in IND AS is provided for as Balance Sheet approach as compared to Profit and loss approach in IGAAP.

#### Impact of transition to IND AS

The following is a summary of the effects of the differences between IND AS and Indian GAAP on the Company's total equity shareholders' funds and profit and loss for the financial period for the periods previously reported under Indian GAAP following the date of transition to IND AS.



# Jindal Fittings Limited

## Notes to Financial Statements

### Reconciliation of Balance sheet as at April 1, 2014

(Amount in ₹)

Particulars	Ref No.	As per IGAAP	Adjustments	As per IND AS
		As at March 31, 2014		As at April 1, 2014
<b>ASSETS</b>				
<b>(1) Non Current Assets</b>				
(a) Property, Plant and Equipment	1	41,73,94,776	(2,89,956)	41,71,04,820
(b) Capital Work-In-Progress		30,65,78,268	-	30,65,78,268
(c) Intangible Assets		3,20,304	-	3,20,304
(d) Financial Assets				
Other Financial Assets		1,47,88,656	-	1,47,88,656
(e) Deferred Tax Assets (Net)	2	30,25,125	94,078	31,19,203
(f) Other Non-Current Assets		5,08,045	-	5,08,045
<b>(2) Current Assets</b>				
(a) Inventories		1,23,93,209	-	1,23,93,209
(b) Financial assets				
(i) Trade Receivables		7,42,533	-	7,42,533
(ii) Cash and Cash Equivalents		5,59,76,366	-	5,59,76,366
(iii) Bank Balances		40,09,915	-	40,09,915
(iv) Loans		2,90,834	-	2,90,834
(v) Other Financial Assets		3,34,937	-	3,34,937
(c) Current Tax Assets (Net)		48,049	-	48,049
(d) Other Current Assets		5,30,73,874	-	5,30,73,874
<b>Total</b>		<b>86,94,84,891</b>	<b>(1,95,878)</b>	<b>86,92,89,013</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital		24,20,81,800	-	24,20,81,800
(b) Other equity	1,2	1,14,07,719	(1,95,878)	1,12,11,841
<b>Liabilities</b>				
<b>(1) Non-Current Liabilities</b>				
(a) Financial Liabilities				
Borrowings		51,48,52,910	-	51,48,52,910
(b) Provisions		18,81,323	-	18,81,323
<b>(2) Current Liabilities</b>				
(a) Financial Liabilities				
(i) Trade Payables		37,62,275	-	37,62,275
(ii) Other Financial Liabilities		9,34,84,789	-	9,34,84,789
(b) Other Current Liabilities		30,26,363	-	30,26,363
(c) Provisions		1,66,712	-	1,66,712
<b>Total</b>		<b>87,06,63,891</b>	<b>(1,95,878)</b>	<b>87,04,68,013</b>



# Jindal Fittings Limited

## Notes to Financial Statements

### Reconciliation of other equity as at April 1, 2014

Particulars	(Amount in ₹)		
	Share application money pending allotment	Retained Earnings	Total
a.) As on April 1, 2014 ( as per IGAAP)	1,77,05,470	(62,97,751)	1,14,07,719
<b>b.) Adjustments:</b>			
Add: Fair valuation of Property, plant and equipment	-	(2,89,956)	(2,89,956)
Less: Deferred Tax liability recorded on fair valuation of fixed assets	-	94,078	94,078
<b>Total IND AS Adjustments (b):</b>	-	<b>(1,95,878)</b>	<b>(1,95,878)</b>
<b>c.) As on April 1, 2014 as per Ind AS= (a) + (b)</b>	<b>1,77,05,470</b>	<b>(64,93,629)</b>	<b>1,12,11,841</b>

Principal differences between IND AS and Indian GAAP

Measurement and recognition difference for year ended March 31, 2015

- Property, plant and Machinery**  
General administrative expenses were used to be capitalised under Indian Generally Accepted Accounting Principles. The same are now expensed off in Ind AS as per Ind AS-16.

On transition to IND AS PPE was fair valued with life being the balance revised remaining life of each assets.
- Deferred Tax**  
The Company has accounted for deferred tax on the various adjustments between Indian GAAP and IND AS at the tax rate at which they are expected to be reversed.

The Company has fair valued investment in subsidiaries on transition, considering that there would be no long term capital gain in foreseeable future period, no deferred tax assets has been created on the fair valuation impact.
- The impact of change in actuarial assumption and experience adjustments for defined benefit obligation towards gratuity liability is accounted in the Statement of Other Comprehensive Income and corresponding tax impact on the same. Due to this ₹ 1,01,789 and ₹ 35,227 tax credit there on is shown in OCI and reversal in Statement of Profit and loss.**
- Statement of Cash Flows**  
The impact of transition from Indian GAAP to IND AS on the Statement of Cash Flows is due to various reclassification adjustments recorded under IND AS in Balance Sheet, Statement of Profit & Loss and difference in the definition of cash and cash equivalents and these two GAAP's.
- Capital issue expenses under I-GAAP were provided for in Profit and Loss Account, whereas under Ind AS they are carried directly to retained earnings.**



# Jindal Fittings Limited

## Notes to Financial Statements

Reconciliation of Balance sheet as at March 31, 2015

(Amount in ₹)

Particulars	Ref No.	As per IGAAP	Adjustments	As per IND AS
		As at March 31, 2015		As at March 31, 2015
<b>ASSETS</b>				
<b>(1) Non-Current Assets</b>				
(a) Property, Plant and Equipment	1	87,59,96,079	11,86,953	87,71,83,032
(b) Capital Work-in-Progress		2,96,03,759	-	2,96,03,759
(c) Other Intangible Assets	1	13,37,117	6,155	13,43,272
(d) Financial Assets				
Other Financial Assets		1,57,27,656	-	1,57,27,656
(e) Deferred Tax Assets (Net)	2	7,51,91,210	(6,10,278)	7,45,80,932
(f) Other Non-Current Assets		2,18,62,047	-	2,18,62,047
<b>(2) Current Assets</b>				
(a) Inventories		9,58,97,638	-	9,58,97,638
(b) Financial Assets				
(i) Trade Receivables		93,04,163	-	93,04,163
(ii) Cash and Cash Equivalents		1,25,92,433	-	1,25,92,433
(iii) Bank Balances		5,02,963	-	5,02,963
(iv) Loans		1,16,798	-	1,16,798
(v) Other Financial Assets		2,41,638	-	2,41,638
(c) Current Tax Assets (Net)		25,840	-	25,840
(d) Other Current Assets		7,52,92,614	-	7,52,92,614
<b>Total</b>		<b>1,21,36,91,955</b>	<b>5,82,830</b>	<b>1,21,42,74,785</b>

## II. EQUITY AND LIABILITIES

### Equity

(a) Equity Share capital		38,88,00,070	-	38,88,00,070
(b) Other equity	1,3,5	(14,29,14,582)	5,02,342	(14,24,12,240)

### Liabilities

#### (1) Non-Current Liabilities

(a) Financial Liabilities				
Borrowings		54,24,33,910	-	54,24,33,910
(b) Provisions		43,56,105	-	43,56,105

#### (2) Current Liabilities

(a) Financial Liabilities				
(a) Borrowings		4,28,44,147	-	4,28,44,147
(b) Trade Payables	1	3,95,85,630	80,488	3,96,66,118
(c) Other Financial Liabilities		15,97,59,123	-	15,97,59,123
(b) Other Current Liabilities		17,84,83,225	-	17,84,83,225
(c) Provisions		3,44,327	-	3,44,327

**Total** **1,21,36,91,955** **5,82,830** **1,21,42,74,785**



# Jindal Fittings Limited

## Notes to Financial Statements

### Reconciliation of other equity as at March 31, 2015

Particulars	(Amount in ₹)		
	Retained Earnings	Other Comprehensive Income	Total
a.) As on March 31, 2015 ( as per IGAAP)	(14,29,14,582)	-	(14,29,14,582)
<b>b.) Adjustments:</b>			
Add: Change in Other Equity on transition as on 1.4.14	(1,95,878)	-	(1,95,878)
Less: Share issue expenses	(8,25,000)	-	(8,25,000)
Add: Change in Profit for FY 2014-15	14,56,658	66,562	15,23,220
<b>Total Adjustments (b):</b>	<b>4,35,780</b>	<b>66,562</b>	<b>5,02,342</b>
c.) As on April 1, 2015 as per Ind AS= (a) + (b)	(14,24,78,802)	66,562	(14,24,12,240)

### Reconciliation of Statement of Profit and Loss for the year ended March 31, 2015

Particulars	Ref No.	(Amount in ₹)		
		As per IGAAP Year ended March 31, 2015	Adjustments	As per IND AS Year ended March 31, 2015
<b>I. Gross Revenue from Operations</b>		2,61,75,542	-	2,61,75,542
<b>II. Other Income</b>		33,08,873	(1,296)	33,07,577
<b>III. Total Revenue (I +II)</b>		<b>2,94,84,415</b>	<b>(1,296)</b>	<b>2,94,83,119</b>
<b>IV. Expenses:</b>				
Cost of Materials Consumed		6,98,12,862	(9,216)	6,98,03,646
Changes in Inventories of finished goods, Stock-in -Trade and work-in-progress		(6,86,71,738)	-	(6,86,71,738)
Employee Benefit Expense		7,13,95,717	1,14,056	7,15,09,773
Finance Costs		5,42,81,833	6,937	5,42,88,770
Depreciation and Amortization Expense		2,97,74,404	(81,05,330)	2,16,69,074
Excise Duty		18,75,907	-	18,75,907
Other Expenses		7,98,79,259	57,85,558	8,56,64,817
<b>Total Expenses</b>		<b>23,83,48,244</b>	<b>(22,07,995)</b>	<b>23,61,40,249</b>
<b>V. Profit before exceptional and tax (III - IV)</b>		<b>(20,88,63,829)</b>	<b>22,06,699</b>	<b>(20,66,57,130)</b>
<b>VI. Exceptional Items</b>		(80,913)	80,913	-
<b>VII. Profit before tax (V - VI)</b>		<b>(20,87,82,916)</b>	<b>21,25,786</b>	<b>(20,66,57,130)</b>
<b>VIII. Tax expense:</b>				
Deferred Tax		(7,21,66,085)	6,69,128	(7,14,96,957)
		<b>(7,21,66,085)</b>	<b>6,69,128</b>	<b>(7,14,96,957)</b>
<b>IX. Profit for the year after (VII-VIII)</b>		<b>(13,66,16,831)</b>	<b>14,56,658</b>	<b>(13,51,60,173)</b>
<b>X. Other comprehensive income:</b>				
A. Items that will not be reclassified to profit or loss				
(i) Re-measurement gains (losses) on defined benefit plans		-	1,01,789	1,01,789
Income tax effect		-	(35,227)	(35,227)
<b>Total Other comprehensive income</b>		<b>-</b>	<b>66,562</b>	<b>66,562</b>
<b>XI. Total Comprehensive Income for the period (IX + X)</b>		<b>(13,66,16,831)</b>	<b>15,23,220</b>	<b>(13,50,93,611)</b>



# Jindal Fittings Limited

## Notes to Financial Statements

### Summary of reconciliation of movement in profit and loss on transition to IND AS for year ended March 31, 2015

	(Amount in ₹)
<b>Net profit as per Indian GAAP</b>	<b>(13,66,16,831)</b>
<b>Add/(Less) : Adjustments on account of transition to IND AS</b>	
Reclassification of actuarial gains and losses on defined benefit plans to Other Comprehensive Income	(1,01,789)
Change in depreciation due to fair value of fixed assets and change in useful life of assets.	81,05,330
General administrative expenses earlier capitalised now expensed off	(58,77,755)
Deferred tax on accounting effect of IND AS adjustments from profit and loss approach to balance sheet approach.	(6,69,128)
<b>(A) Net Profit as per IND AS</b>	<b>(13,51,60,173)</b>
<b>(B) Add: Other Comprehensive Income</b>	
Actuarial gains and losses (net of deferred tax)	66,562
<b>Total Comprehensive Income (A+B)</b>	<b>(13,50,93,611)</b>

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

50. Notes 1 to 49 are annexed and form integral part of Financial Statements.

As per our report of even date attached

For and on behalf of the Board of Directors of Jindal Fittings Limited


**For N.C. Aggarwal & Co.**  
Chartered Accountants  
Firm Registration No. 003273N

  
**G.K. Aggarwal**  
PARTNER  
M.No. 086622



Place : New Delhi  
Dated : May 30, 2016

**Maneesh Kumar**  
Director  
DIN : 03404987

  
**Vivek Choudhary**  
Company Secretary  
M. No. ACS A29335

  
**Rajeev Bansal**  
Director  
DIN : 00760404

  
**Anil Kumar Dash**  
Chief Financial Officer



