



JINDAL FITTINGS LIMITED

COMPLETE FINANCIAL FOR THE FINACIAL YEAR 2017-18

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, 2018, 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 Indian Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015. 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, 2018 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 Indian Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015;
 - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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. Provision has been made in the financial statement, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts;



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

CA

G. K. Aggarwal
Partner
Membership No. 086622



Date: 24th May, 2018
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, 2018)

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, 2018 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. In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. The company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
13. According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Act, and where applicable the details have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable to the Company.



15. The Company has not entered into any non-cash transactions with the directors or persons connected with him as covered under Section 192 of the Companies Act, 2013. Accordingly, provisions of clause 3 (xv) of the Order are not applicable to the Company.
16. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934. Accordingly, provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For N.C. Aggarwal & Co.

Chartered Accountants

Firm Registration No: 003273N



G. K. Aggarwal

Partner

M. No. 086622

Date: 24th May, 2018

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, 2018

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, 2018 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, 2018, 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: 24th May, 2018

Place: New Delhi



JINDAL FITTINGS LIMITED

BALANCE SHEET AS AT MAR 31, 2018

Particulars	Note No.	(Amount in ₹)	
		As At March 31, 2018	As At March 31, 2017
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	5	85,87,22,702	87,22,91,321
(b) Capital Work-in-Progress	6	93,87,469	1,30,08,399
(c) Other Intangible Assets		22,36,091	22,36,091
(d) Financial Assets	7	1,60,40,482	1,60,38,382
Other Financial Assets	8	22,77,12,282	20,02,70,158
(e) Deferred Tax Assets (Net)	9	5,05,22,610	52,79,33,999
(2) Current assets			
(a) Inventories		10,20,89,791	9,64,39,008
(b) Financial Assets	10	43,13,118	1,45,98,145
(i) Trade Receivables	11	2,82,94,160	1,43,14,000
(ii) Cash and Cash Equivalents	12	31,60,342	21,92,271
(iii) Bank Balances other than (ii) above	13	2,91,942	2,02,348
(iv) Other Financial Assets	14	14,68,08,624	14,92,38,708
(c) Current Tax Assets (Net)	15	2,03,95,87,621	1,91,88,01,070
(d) Other Current Assets			
Total Assets			
EQUITY AND LIABILITIES			
Equity	16	38,88,00,070	38,88,00,070
(a) Equity Share Capital		(32,84,04,278)	(15,42,99,000)
(b) Other Equity			
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities	17	1,42,00,48,842	1,34,52,90,975
Borrowings	18	90,70,464	1,00,58,776
(b) Provisions			
(2) Current liabilities			
(a) Financial Liabilities	19	21,53,10,386	23,11,03,101
(i) Borrowings	20	17,20,01,621	11,06,40,206
(ii) Trade Payables	21	13,68,39,042	4,88,40,001
(iii) Other Financial Liabilities	22	2,48,75,343	5,29,37,672
(b) Other Current Liabilities	23	10,46,131	7,99,196
(c) Provisions			
Total Equity and Liabilities		2,03,95,87,621	1,91,88,01,070

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Significant Accounting Policies and Notes to 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 24, 2018



✓ *Raj Kamal Aggarwal*
Dr. Raj Kamal Aggarwal
Director
DIN : 00005349

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

Rajeev Bansal
Rajeev Bansal
Director
DIN : 00760404

Anil Kumar Dash
Anil Kumar Dash
Chief Financial Officer

JINDAL FITTINGS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Note No.	Year Ended March 31, 2018	(Amount in ₹) Year Ended March 31, 2017
I. Revenue from Operations	24	68,77,48,037	47,07,24,754
II. Other Income	25	47,81,045	1,06,51,661
III. Total Revenue (I + II)		69,25,29,082	48,08,76,405
IV. Expenses:			
Cost of Materials Consumed	26	26,62,32,317	23,60,20,680
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	27	(43,46,592)	(13,42,63,680)
Employee Benefit Expenses	28	18,53,96,519	17,50,94,330
Finance Costs	29	19,21,35,140	16,99,89,525
Depreciation and Amortisation	30	5,52,24,691	5,31,16,207
Excise Duty		51,70,759	1,26,61,095
Other Expenses	31	23,56,89,981	24,51,18,997
Total Expenses		93,54,92,790	76,37,45,713
V. Profit before exceptional items and tax (III - IV)		(24,29,70,708)	(28,28,69,309)
VI. Exceptional Items			
VII. Profit before Tax (V - VI)		(24,29,70,708)	(28,28,69,309)
VIII. Tax expense:			
(1) Current Tax			
(2) Deferred Tax		(6,94,56,893)	(4,43,37,101)
(3) MAT Credit Entitlement			
		(6,94,56,893)	(4,43,37,101)
IX. Profit for the year after taxation (VII-VIII)		(17,35,13,815)	(23,85,32,208)
X. Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Re-measurement gains (losses) on defined benefit plans		(1,26,668)	77,676
Income tax effect		35,219	(21,407)
Total Other comprehensive income (X)		(91,429)	56,274
XI. Total Comprehensive Income for the year (IX + X)		(17,36,05,244)	(23,84,75,934)
XII. Earning per equity share of face value of ₹ 10/- each.			
(1) Basic		(2.20)	(3.02)
(2) Diluted		(2.20)	(3.02)

Significant Accounting Policies and Notes to Financial Statements

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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

✓ *Raj Kamal Aggarwal*

Dr. Raj Kamal Aggarwal
Director
DIN : 00005349

Rajeev Bansal
Rajeev Bansal
Director
DIN : 00760404

G.K. Aggarwal
PARTNER
M.No. 086622
Place : New Delhi
Dated : May 24, 2018



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

Anil Kumar Dash
Anil Kumar Dash
Chief Financial Officer

JINDAL FITTINGS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2018

PARTICULARS	For the year Ended March 31, 2018		For the year Ended March 31, 2017	
A. CASH INFLOW (OUTFLOW) FROM THE OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX		(24,29,70,708)		(29,20,04,000)
Adjustments for:				
Add/(less):				
Depreciation	5,52,24,691		5,11,16,707	
Net (gain)/loss on derivatives			1,11,07,266	
Interest Expense	16,25,58,192		13,86,71,345	
Effect of unrealised Foreign Exchange (Gain)/Loss	(20,90,317)		(65,10,623)	
Interest Income	(42,29,862)	23,14,62,704	(30,68,462)	15,15,06,251
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES				
Adjustments for:-				
Inventories	(25,78,701)		(15,01,60,581)	
Trade Receivables	(6,56,51,110)		(2,08,86,435)	
Loans and advances and other assets	(1,50,08,129)		(1,29,15,124)	
Trade and Other Payables	1,76,84,511	(4,55,53,428)	(5,82,17,345)	(10,76,29,063)
CASH GENERATED FROM OPERATIONS BEFORE EXCEPTIONAL ITEMS		(7,70,61,432)		(15,22,52,381)
Tax Paid		(29,608)		(1,09,447)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		(7,70,91,040)		(15,23,61,728)
B. CASH INFLOW/(OUTFLOW) FROM INVESTMENT ACTIVITIES				
Capital expenditure	(1,88,80,001)		(5,27,67,671)	
Interest received	68,75,475		24,38,680	
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(1,20,04,526)		(5,88,98,991)
C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES				
Interest paid	(16,26,89,930)		(14,46,08,693)	
Increase/(Decrease) in Current Borrowings	8,67,42,600		5,25,96,136	
Increase/(Decrease) in Non-Current Borrowings	(7,78,22,744)		43,95,48,480	
Increase/(Decrease) in unsecured loan	25,25,80,613		11,43,18,649	
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		9,88,10,529		40,18,56,552
NET CHANGES IN CASH AND CASH EQUIVALENTS		(1,02,85,027)		(1,00,63,786)
Cash and cash equivalents at beginning of the year		1,45,98,145		1,54,61,931
Cash and cash equivalents at end of the year		43,13,118		53,98,145

NOTE:

1. Increase/(decrease) in Non-current and current borrowings are shown net of repayments.

2. Figures in bracket indicates cash outflow.

3. The above cash flow statement has been prepared under the indirect method setout 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

Raj Kamal Aggarwal
Dr. Raj Kamal Aggarwal
Director
DIN : 00005349

Rajeev Bansal
Rajeev Bansal
Director
DIN : 00760404

G.K. Aggarwal
G.K. Aggarwal
PARTNER
M. No. 086627
Place: New Delhi
Dated: May 24, 2018



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

Anil Kumar Dash
Anil Kumar Dash
Chief Financial Officer

JINDAL FITTINGS LIMITED

Statement of Changes in Equity for the year ended March 31, 2018

A. Equity Share Capital

Balance as at April 1, 2016	Changes in equity share capital during 2016-17	Balance as at March 31, 2017	Changes in equity share capital during 2017-18	Balance as at March 31, 2018
18,88,00,070		18,88,00,070		18,88,00,070

B. Other Equity

	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	
Balance as at April 1, 2016			(31,64,37,960)	1,14,860	(31,63,23,100)
Total Comprehensive Income for the year 2016-17			(23,85,32,208)	56,274	(23,84,75,934)
Issued during the year	40,00,00,000				40,00,00,000
Balance as at March 31, 2017	40,00,00,000		(55,49,70,168)	1,71,134	(15,47,99,034)
Balance as at April 1, 2017	40,00,00,000		(55,49,70,168)	1,71,134	(15,47,99,034)
Total Comprehensive Income for the year 2017-18			(17,35,13,815)	(91,479)	(17,46,09,294)
Balance as at March 31, 2018	40,00,00,000		(72,84,83,983)	79,705	(32,84,04,278)

(Amount in ₹)

*Refer note no. 16(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. 003273M

Raj Kamal Agarwal
Dr. Raj Kamal Agarwal
Director
DIN : 00005349

Rajeev Bansal
Rajeev Bansal
Director
DIN : 00760404

G.K. Aggarwal
PARTNER
M. No. 086627



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

Anil Kumar Dash
Anil Kumar Dash
Chief Financial Officer

Place: New Delhi
Date: May 24, 2018

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
Gross Block									
As at April 1, 2016	98,23,920	33,57,90,470 (1,40,526)	50,26,08,784 3,61,21,234	7,33,79,081 9,09,374	1,39,68,827	47,85,076 28,794 575	94,14,398 14,34,470	81,69,945	95,79,40,501 3,83,53,246 575
As at March 31, 2017	98,23,920	33,56,49,844 27,46,126	53,87,30,018 3,54,79,250	7,42,88,455 10,54,709	1,39,68,827	48,13,295 5,20,687	1,08,46,868 3,30,000	81,69,945 2,82,450	99,62,93,172 4,04,13,222
As at March 31, 2018	98,23,920	33,83,95,970	57,42,09,268	7,53,43,164	1,39,68,827	53,33,982	1,11,78,868	84,52,395	1,03,67,06,394
Accumulated Depreciation									
As at April 1, 2016	2,12,030	1,91,93,276	3,76,25,327	68,76,961	31,35,273	7,56,568	11,62,924	21,28,379	7,10,90,738
Charge for the Year	1,06,017	1,19,09,352	3,09,82,301	36,35,163	26,67,352	6,66,788	8,73,970	15,68,243	5,24,09,186
Disposal	-	-	-	-	-	575	-	-	575
Adjustments	-	-	-	-	-	-	-	-	-
As at March 31, 2017	3,18,047	3,11,02,628	6,86,07,628	1,05,12,124	58,02,625	14,22,781	20,36,894	36,96,622	12,34,99,349
Charge for the Year	1,06,018	1,11,76,409	3,38,10,047	36,73,223	26,55,970	6,75,290	10,32,148	13,55,238	5,44,84,342
Disposal	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-
As at March 31, 2018	4,24,065	4,22,79,037	10,24,17,675	1,41,85,347	84,58,595	20,98,071	30,69,042	50,51,860	17,79,83,692
Net Carrying Amount									
As of March 31, 2017	95,05,873	30,45,47,216	47,01,22,390	6,37,76,331	81,66,202	33,90,514	88,11,974	44,73,323	87,27,33,823
As of March 31, 2018	93,99,855	29,61,16,933	47,17,91,593	6,11,57,817	55,10,232	32,35,911	81,09,826	34,00,535	85,87,22,702

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JINDAL FITTINGS LIMITED

Notes to Financial Statements

6. Intangible Assets

(Amount in ₹)

Particulars	Software
Cost	
As at April 1, 2016	40,60,108
Additions	1,50,090
Disposal	-
Adjustments	-
As at March 31, 2017	42,10,198
Additions	1,90,000
Disposal	-
Adjustments	-
As at March 31, 2018	44,00,198
Accumulated Depreciation	
As at April 1, 2016	7,16,238
Charge for the Year	7,07,521
Disposal	-
Adjustments	-
As at March 31, 2017	14,23,759
Charge for the Year	7,40,348
Disposal	-
Adjustments	-
As at March 31, 2018	21,64,107
Net carrying amount	
As at March 31, 2017	27,86,439
As at March 31, 2018	22,36,091



JINDAL FITTINGS LIMITED

NOTES TO FINANCIAL STATEMENTS

Particulars	(Amount in ₹)	
	As At March 31, 2018	As At March 31, 2017
7. NON CURRENT FINANCIAL ASSETS - OTHERS		
Security Deposits	1,60,48,482	1,61,48,482
Total Non Current Financial Assets - Others	1,60,48,482	1,61,48,482
8. DEFERRED TAX ASSET (NET)		
A. ASSETS		
(i) Disallowance under Income Tax Act	29,85,762	35,11,464
(ii) Carried Forward losses	35,20,31,480	26,92,94,918
Total Deferred Tax Assets	35,50,17,242	27,28,06,382
B. LIABILITY		
Difference between book and tax depreciation	7,73,04,960	6,45,86,232
Total Deferred Tax Liabilities	7,73,04,960	6,45,86,232
Total Deferred Tax Assets (Net) (A-B)	27,77,12,282	20,82,20,150
9. INVENTORIES		
a) Raw Materials		
Inventories-Raw Materials	3,83,86,743	3,25,64,658
Materials In Transit	38,29,470	12,64,742
	4,22,16,213	3,38,29,400
b) Work-in-progress		
Closing Work-in-progress	34,69,00,434	30,21,93,114
c) Finished Goods		
Inventories-Finished Goods	9,29,51,454	13,96,17,122
d) Inventories - Stores and Spares		
Inventories-Stores and Spares	3,70,97,603	2,88,11,556
e) Loose Tools		
Loose Tools Inventory	24,52,005	17,38,386
f) Others		
Scrap	89,04,901	2,17,54,331
Total Inventories	53,05,22,610	52,79,43,909
10. TRADE RECEIVABLES		
Secured		
Considered Good	6,81,51,056	6,66,42,287
Unsecured		
Considered Good	9,39,38,743	2,97,96,402
Total Trade Receivables	16,20,89,799	9,64,38,689



JINDAL FITTINGS LIMITED

NOTES TO FINANCIAL STATEMENTS

Particulars	(Amount in ₹)	
	As At March 31, 2018	As At March 31, 2017
11. CASH AND CASH EQUIVALENTS		
Cash on hand	67,316	52,852
Balances with Banks		
On current accounts	42,45,802	1,45,45,293
Total Cash and Cash equivalents	<u>43,13,118</u>	<u>1,45,98,145</u>
12. OTHER BANK BALANCES		
Fixed Deposits (with remaining maturity of more than three months but less than twelve months)*	2,82,94,160	1,43,64,631
Total Cash and Bank balances	-	-
*Pledged with bank of ₹ 2,82,94,160/- (Previous Year ₹ 1,43,64,631/-) against bank guarantee and Term loan.	<u>2,82,94,160</u>	<u>1,43,64,631</u>
13. OTHER FINANCIAL ASSETS		
Earnest Money Deposit	15,72,000	11,40,000
Interest Accrued but not due on FDR's	15,88,342	10,57,271
	<u>31,60,342</u>	<u>21,97,271</u>
14. CURRENT TAX ASSETS (NET)		
Advance taxation (net)	2,91,942	2,62,334
	<u>2,91,942</u>	<u>2,62,334</u>
15. OTHER CURRENT ASSETS		
Advances to vendors	43,70,087	13,47,427
Advances recoverable in cash or kind*	14,24,38,537	14,78,91,281
Total Other Current Assets	<u>14,68,08,624</u>	<u>14,92,38,708</u>
* Includes sales tax receivable, GST receivable and duty drawback receivable etc.		



JINDAL FITTINGS LIMITED

NOTES TO FINANCIAL STATEMENTS

(Amount in ₹)

Particulars	(Amount in ₹)	
	As At March 31, 2018	As At March 31, 2017
16. SHARE CAPITAL		
(a) Authorised		
(i) 4,00,00,000 (Previous Year 4,00,00,000) Equity Shares of ₹ 10/- each	40,00,00,000	40,00,00,000
(ii) 60,00,000 (Previous Year 60,00,000) Preference Shares of ₹ 100/- each	60,00,00,000	60,00,00,000
	1,00,00,00,000	1,00,00,00,000
(b) Issued, Subscribed and Fully Paid-Up		
(i) 3,88,80,007 (Previous Year 3,88,80,007) Equity Shares of ₹ 10/- each	38,88,00,070	38,88,00,070
(ii) 40,00,000 (Previous Year 40,00,000) Preference Shares of ₹ 100/- each	40,00,00,000	40,00,00,000
	78,88,00,070	78,88,00,070
(c) Reconciliation of the number of shares:		
Equity Shares		
Shares outstanding as at the beginning of the year	3,88,80,007	3,88,80,007
Add: Shares issued	-	-
Shares outstanding as at the end of the year	3,88,80,007	3,88,80,007
Preference Shares		
Shares outstanding as at the beginning of the year	40,00,000	40,00,000
Add: Issued during the year	-	-
Shares outstanding as at the end of the year	40,00,000	40,00,000

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

Name of Shareholders	As at March 31, 2018		As at March 31, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jindal Saw Limited	1,39,96,803	36.00	1,39,96,803	36.00
Aion Industries Pvt. Ltd.	1,26,19,202	32.46	1,26,19,202	32.46
Sigma Commercial Products Limited	-	-	58,32,001	15.00
International Steel Operating and Management (FZE)	58,32,001	15.00	-	-
Glebe Trading Private Limited	58,32,001	15.00	58,32,001	15.00
Total	3,82,80,007	98.46	3,82,80,007	98.46

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

Name of Shareholders	As at March 31, 2018		As at March 31, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Glebe Trading Private Limited	40,00,000	100.00	40,00,000	100.00
Total	40,00,000	100.00	40,00,000	100.00

(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, 2018	As At March 31, 2017
Non Current Liabilities		
17. BORROWINGS		
a) Secured		
Term Loans		
Term Loans from Banks	78,65,66,752	86,43,89,496
b) Unsecured		
From Related Party		
i) Danta Enterprises Private Limited ⁴	87,90,524	80,15,066
ii) JITF Commodity Tradex		3,10,499.00
iii) Glebe Trading Pvt Ltd ⁴	62,46,91,566	37,25,75,912.00
Secured Non-Current borrowings	1,42,00,48,842	1,24,52,90,973

i) Term Loans from Banks include :

Term Loan of ₹ 97,40,25,000 (rate of interest 9.30% p.a. w.e.f 01.08.2017, prior to that @ 10.10 p.a) (Previous Year ₹ 97,40,00,000) is secured by way of first charge on all immovable and moveable fixed assets of the Company and second charge on current assets of the Company both present and future. The loan is also secured by pledge of equity shares of JSW Steel, JSW Energy and Jindal Steel & Power Limited held by related parties to the extent of 1.5 times cover of the outstanding loan amount. The loan is net of amortised cost of borrowing. The loan is repayable in 20 structured quarterly installments as below.

Year of Repayment	(Amount in ₹)
2018-19	12,48,75,000
2019-20	22,47,75,000
2020-21	24,97,50,000
2021-22	24,97,50,000
2022-23	12,48,75,000
Total outstanding balance	<u>97,40,25,000</u>

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

iii) Aforesaid loan is net of upfront fee.

iv) Unsecured Borrowing from Related Party

⁴The loan is repayable three years from the long stop date i.e. January ,31,2017. The loan carries interest 10.75% to 12.00% p.a.

18. PROVISIONS

Provision for Employee benefits

Provision for Gratuity	24,18,116	48,45,976
Provision for Leave Encashment	66,52,348	52,12,800
Total Provisions	90,70,464	1,00,58,776

19. BORROWINGS

Secured

From banks*

Working Capital borrowings	21,53,10,386	8,83,94,672
Foreign Currency Working Capital Demand Loan		14,27,88,431
Total Borrowings	21,53,10,386	23,11,83,103

* Loan is secured against as referred in note no (i) to Schedule 17.

20. TRADE PAYABLES

Dues to Micro and Small Enterprises*	9,07,120	
Others (Including acceptances)	17,10,94,501	11,06,40,206
Total Trade Payables	17,20,01,621	11,06,40,206

*Principal amount outstanding as at the year end, there is no overdue amount of principal and interest due to Micro and small enterprises. During the year, no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.



JINDAL FITTINGS LIMITED

NOTES TO FINANCIAL STATEMENTS

(Amount in ₹)

Particulars	As At	
	March 31, 2018	March 31, 2017
21. OTHER FINANCIAL LIABILITIES		
Current Maturities of Long Term debts	12,48,75,000	2,43,50,000
Interest Accrued but not due	-	1,31,738
Interest Payable	1,66,130	-
Others:		
Capital Creditors	12,14,449	39,12,248
Dues to Employees	1,05,83,463	93,38,851
Derivative Financial Liabilities	-	1,11,07,266
Total Other Financial Liabilities	13,68,39,042	4,88,40,103
22. OTHER CURRENT LIABILITIES		
Advance From Customer	1,24,54,734	1,28,42,042
Other Payables		
Statutory Dues	72,71,229	59,88,286
Other liabilities	51,49,380	1,91,57,349
Total Other Current Liabilities	2,48,75,343	3,79,87,677
23. PROVISIONS		
Provision for Employee benefits		
Provision for Gratuity	41,600	54,041
Provision for Leave Encashment	10,04,531	7,45,155
Total Provisions	10,46,131	7,99,196



JINDAL FITTINGS LIMITED

NOTES TO FINANCIAL STATEMENTS

Particulars	(Amount in ₹)	
	Year Ended March 31, 2018	Year Ended March 31, 2017
24. GROSS REVENUE FROM OPERATIONS		
a) Sale of products		
Finished goods	66,71,26,822	46,71,73,903
b) Other Operating revenues		
Export/ Other government Incentives	84,05,689	30,08,293
Other Income	1,22,15,526	42,558
Other Operating revenues	2,06,21,215	30,50,851
Total Gross Revenue from operations	68,77,48,037	47,02,24,754
25. OTHER INCOME		
a) Interest Income	42,29,862	30,68,462
b) Net foreign currency gain/(loss) on loans	-	72,11,569
c) Other Non Operating Income	5,51,183	3,71,620
Total Other Income	47,81,045	1,06,51,651
26. COST OF MATERIALS CONSUMED		
Raw Material Consumed	26,62,32,312	23,60,28,680
Total Cost of Material Consumed	26,62,32,312	23,60,28,680
27. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock		
- Finished Goods	13,96,17,122	14,94,83,327
- Scrap	2,17,54,331	1,54,56,826
- Work in Progress	30,21,93,114	15,61,18,881
	46,35,64,567	32,10,59,034
Closing Stock		
- Finished Goods	9,29,51,454	13,96,17,122
- Scrap	89,04,901	2,17,54,331
- Work in Progress	34,69,00,434	30,21,93,114
	44,87,56,789	46,35,64,567
NET (INCREASE)/DECREASE IN STOCK	1,48,07,778	(14,25,05,533)
Excise duty on account of increase/(decrease) on stock of finished goods	(1,91,54,370)	82,41,893
Total (Increase)/Decrease in Stock	(43,46,592)	(13,42,63,640)



JINDAL FITTINGS LIMITED

NOTES TO FINANCIAL STATEMENTS

Particulars	(Amount in ₹)	
	Year Ended March 31, 2018	Year Ended March 31, 2017
28. EMPLOYEE BENEFIT EXPENSES		
a) Salary and Wages	17,60,96,441	16,16,99,952
b) Contribution to Provident and other funds	44,07,052	85,98,627
c) Workmen and Staff Welfare	48,93,026	47,95,741
Total Employee Benefit Expenses	18,53,96,519	17,50,94,320
29. FINANCE COSTS		
Interest Expense		
Interest on Term loans	9,88,65,973	8,80,72,526
Interest on Bank Borrowings	1,08,97,089	1,70,06,966
Other Interest	5,27,95,130	3,35,91,853
Bank and Finance charges	2,37,83,894	2,02,10,944
Net Loss/Gain on derivatives	-	1,11,07,266
Net foreign currency Loss/(Gain)-finance costs	57,93,054	-
Total Finance Costs	19,21,35,140	16,99,89,555
30. DEPRECIATION AND AMORTISATION		
Depreciation	5,44,84,343	5,24,09,186
Amortisation	7,40,348	7,07,521
Total Depreciation and Amortisation	5,52,24,691	5,31,16,707
31. OTHER EXPENSES		
Manufacturing Expenses		
Stores and Spares Consumed	10,28,54,034	10,21,53,609
Power and Fuel	7,31,50,541	8,02,76,806
Other Manufacturing Expenses	59,00,837	82,62,483
Repairs to Buildings	69,615	1,96,157
Repairs to Plant and Machinery	87,950	4,10,099
Administrative, Selling and Other Expenses		
Rent	43,37,089	43,78,093
Insurance	3,89,821	20,69,536
Other repair and maintenance	13,24,320	12,49,299
Travelling and Conveyance	65,80,086	58,47,457
Vehicle upkeep and maintenance expenses	11,38,587	11,24,399
Postage, Telegrams and Telephones	9,14,681	7,91,007
Legal and professional	46,47,223	35,82,834
Auditors' Remuneration		
Audit Fees	75,000	75,000
Tax Audit Fees	20,000	20,000
Others	5,500	-
Forwarding charges (net)	96,74,921	1,69,16,728
Other Selling Expenses	1,72,76,861	73,86,893
Bad Debts written off	30,920	-
Foreign Exchange Fluctuation Loss/(Gain)	(29,40,468)	23,217
Miscellaneous Expenses	1,01,49,443	1,03,55,380
Total Other Expenses	23,56,86,961	24,51,18,997



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, Tembhurni, 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 financial statements have been 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 2015. The financial statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented. The financial statement has been prepared considering all IND AS as notified by MCA till reporting date i.e. March 31, 2018

The standalone financial statements provide comparative information in respect to the previous year.

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

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

3 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.
- derivative financial instruments.

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

3.2 Property, Plant and Equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company has adopted optional exception under IND AS 101 to measure Property, Plant and Equipment at fair value. 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.



Jindal Fittings Limited

Notes to Financial Statements

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
Equipment & Machinery	
-Plant and Machinery	3 - 40
-Electrical Installations	10 - 25
Other office equipment	
-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.

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.



Jindal Fittings Limited

Notes to Financial Statements

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.

The Company operates defined benefit plans for gratuity, which requires contributions to be made to a separately administered fund. Funds are managed by two trusts. These trusts have policies from an insurance company. These benefits are partially funded.

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.



Jindal Fittings Limited

Notes to Financial Statements

(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.

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



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Notes to Financial Statements

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.

De-recognition of financial liability

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

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.



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Notes to Financial Statements

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

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 of ownership of the goods. Revenue is inclusive of excise duty.



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Notes to Financial Statements

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.



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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.

3.19 Recent accounting pronouncements

Standards issued but not yet effective

Ind AS 115 - Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs had notified Ind AS 115 (Revenue from Contracts with Customers) which would be applicable for accounting periods beginning on or after 1 April 2018. This Standard establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. Revenue is recognised when a customer obtains control of a promised good or service. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

The Company is in the process of assessing the detailed potential impact of Ind AS 115, Revenue from Contracts with Customer on its financial statements and related disclosures. Presently, the Company is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements.

Appendix B to Ind AS 21 Foreign currency transactions and advance consideration

In March, 2018, the Ministry of Corporate Affairs (MCA) has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which would be applicable for accounting periods beginning on or after 1 April 2018. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.



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Presently the Company is not able to reasonably estimate the impact of the application of the appendix B on the financial statements.

4. Critical accounting estimates, assumptions and judgements

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

(a) Property, plant and equipment

External adviser or internal technical team assess the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable.

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 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.



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(f) Insurance claims

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

(g) Liquidated damages

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

32. Financial risk management

32.1 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, 2018 and March 31, 2017.

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.



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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:

Particulars	(Amount in ₹)	
	Change in currency exchange rate	Effect on profit before tax
For the year ended March 31, 2018		
USD	+ 5%	42,21,204
	- 5%	-42,21,204
For the year ended March 31, 2017		
USD	+ 5%	25,16,477
	- 5%	-25,16,477

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, 2018	For the year ended March 31, 2017
Currency Fluctuations		
Net foreign exchange (gain)/losses shown as Operating Expenses	28,52,586	23,217
Net foreign exchange (gain)/losses shown as Other Income	-	(72,11,569)
Derivatives		
Interest rate swaps (gain)/losses shown as finance cost	-	1,11,07,266

(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.



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(Amount in ₹)

Interest rate sensitivity	Increase/ Decrease in basis points	Effect on profit/(Loss) before tax
For the year ended March 31, 2018		
INR borrowings	+50	(54,66,336)
	-50	54,66,336
For the year ended March 31, 2017		
INR borrowings	+50	(51,07,525)
	-50	51,07,525
USD borrowings	+25	(2,91,445)
	-25	2,91,445

(c) Commodity price risk and sensitivity

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

Credit risk

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

• Trade Receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored 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.



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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	
Trade Receivable					
As at March 31, 2018					
Secured	4,65,85,927	2,15,01,628	11,888	51,613	6,81,51,056
Unsecured	5,69,95,096	3,17,23,736	57,627	51,62,284	9,39,38,743
Gross Total	10,35,81,023	5,32,25,364	69,515	52,13,897	16,20,89,799
Net Total	10,35,81,023	5,32,25,364	69,515	52,13,897	16,20,89,799
As at March 31, 2017					
Secured	4,58,83,121	1,99,99,218	-	7,59,948	6,66,42,287
Unsecured	2,19,26,886	18,15,351	53,51,475	7,02,691	2,97,96,402
Gross Total	6,78,10,006	2,18,14,569	53,51,475	14,62,639	9,64,38,689
Net Total	6,78,10,006	2,18,14,569	53,51,475	14,62,639	9,64,38,689

• Financial instruments and cash deposits

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

Liquidity risk

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

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



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Notes to Financial Statements

(Amount in ₹)

Particulars	As of March 31, 2018					Total
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 years	
Interest bearing borrowings (Including Current Maturities)	1,76,02,34,228	-	2,49,75,000	31,52,10,386	1,42,00,48,842	1,76,02,34,228
Financial derivatives	-	-	-	-	-	-
Other liabilities	1,19,64,042	1,05,83,463	13,80,579	-	-	1,19,64,042
Trade and other payables	17,20,01,621	11,57,41,635	5,62,59,985	-	-	17,20,01,621
Total	1,94,41,99,891	12,63,25,098	8,26,15,564	31,52,10,386	1,42,00,48,842	1,94,41,99,891

Particulars	As of March 31, 2017					Total
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 years	
Interest bearing borrowings (Including Current Maturities)	1,50,08,24,076	-	2,43,50,000	25,55,33,103	1,22,09,40,973	1,50,08,24,076
Financial derivatives	1,11,07,266	-	-	1,11,07,266	-	1,11,07,266
Other liabilities	1,33,82,837	1,00,41,571	1,31,738	32,09,528	-	1,33,82,837
Trade and other payables	11,06,40,206	8,76,82,310	2,29,57,896	-	-	11,06,40,206
Total	1,63,59,54,385	9,77,23,881	4,74,39,634	26,98,49,896	1,22,09,40,973	1,63,59,54,385

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	
	March 31, 2018	March 31, 2017
Secured	3,46,89,614	1,16,05,328
Unsecured	-	-
Total	3,46,89,614	1,16,05,328

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	1,76,02,34,228	1,12,67,52,138	63,34,82,090	9.52
Total as at March 31, 2018	1,76,02,34,228	1,12,67,52,138	63,34,82,090	
INR	1,50,08,24,076	1,11,99,22,599	38,09,01,477	10.72
Total as at March 31, 2017	1,50,08,24,076	1,11,99,22,599	38,09,01,477	



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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.

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, 2018 and March 31, 2017.

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.

The company envisage to reduce the capital gearing ratio by infusion of funds. The gearing ratios at March 31, 2018 and March 31, 2017 were as follows:

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Loans and Borrowings	1,76,02,34,228	1,50,08,24,076
Less: Cash and Cash Equivalents	43,13,118	1,45,98,145
Net Debt	1,75,59,21,110	1,48,62,25,931
Total Capital	6,03,95,792	23,40,01,034
Capital and Net Debt	1,81,63,16,902	1,72,02,26,965
Gearing Ratio	97%	86%

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.

33. 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.



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Notes to Financial Statements

Particulars	(Amount in ₹)			
	As at March 31, 2018		As at March 31, 2017	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial assets designated at amortised cost				
Fixed deposits with banks	2,82,94,160	2,82,94,160	1,43,64,631	1,43,64,631
Cash and bank balances	43,13,118	43,13,118	1,45,98,145	1,45,98,145
Trade and other receivables	16,20,89,799	16,20,89,799	9,64,38,689	9,64,38,689
Other financial assets	1,92,08,824	1,92,08,824	1,83,45,753	1,83,45,753
	21,39,05,901	21,39,05,901	14,37,47,218	14,37,47,218
Financial Liabilities designated at fair value through Profit or loss				
Derivatives not designated as hedging instruments - Interest rate swaps	-	-	1,11,07,266	1,11,07,266
Financial Liabilities designated at amortised cost				
Borrowings- fixed rate	63,34,82,090	63,34,82,090	38,09,01,477	38,09,01,477
Borrowings- floating rate	1,12,67,52,138	1,12,67,52,138	1,11,99,22,599	1,11,99,22,599
Trade and other payables	17,20,01,621	17,20,01,621	11,06,40,206	11,06,40,206
Other financial liabilities	1,19,64,042	1,19,64,042	1,33,82,837	1,33,82,837
	1,94,41,99,891	1,94,41,99,891	1,63,59,54,385	1,63,59,54,385

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.



Jindal Fittings Limited

Notes to Financial Statements

- 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:

Assets/Liabilities Measured at Fair value (Accounted)

Particulars	(Amount in ₹)		
	As at March 31, 2018		
	Level 1	Level 2	Level 3
Financial liabilities			
Derivatives -not designated as hedging instruments			
- Interest rate Swaps			

Particulars	(Amount in ₹)		
	As at March 31, 2017		
	Level 1	Level 2	Level 3
Financial liabilities			
Derivatives -not designated as hedging instruments			
- Interest rate Swaps		1,11,07,266	

Assets / Liabilities for which fair value is disclosed (Only Disclosed)

Particulars	(Amount in ₹)		
	As at March 31, 2018		
	Level 1	Level 2	Level 3
Financial liabilities			
Other borrowings- fixed rate		63,34,82,090	
Other financial liabilities		1,17,97,912	

Particulars	(Amount in ₹)		
	As at March 31, 2017		
	Level 1	Level 2	Level 3
Financial liabilities			
Other borrowings- fixed rate		38,09,01,477	
Other financial liabilities		1,33,82,837	

During the year ended March 31, 2018 and March 31, 2017, 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, 2018 and March 31, 2017 respectively:

Particulars	Fair Value Hierarchy	Valuation technique	Inputs used	Quantitative information about significant unobservable inputs
Financial Liabilities				
Derivatives - not designated as hedging instruments				
- Interest rate swaps	Level 2	Market valuation techniques	Prevailing/forward interest rates in market, Interest rates to discount future cash flow	



Jindal Fittings Limited

Notes to Financial Statements

Assets/Liabilities for which fair value is disclosed

Particulars	Fair Value Hierarchy	Valuation technique	Inputs used
Financial Liabilities			
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

34. 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.

Particulars	2017-18			2016-17		
	Within India	Outside India	Total	Within India	Outside India	Total
Gross Revenue from Operations	45,73,53,743	23,03,94,294	68,77,48,037	31,72,91,489	15,29,33,265	47,02,24,754
Non Current Assets	87,03,46,262	-	87,03,46,262	88,93,88,751	-	88,93,88,751

35. Income tax expense

Particulars	(Amount in ₹)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax	-	-
Deferred tax		
- Relating to origination & reversal of temporary differences	(6,76,29,690)	(7,79,37,567)
- Relating to change in tax rate	(20,21,555)	3,34,15,044
- Taxes of which no deduction is admissible	78,338	1,92,677
- Deferred tax of earlier years	1,16,014	(7,256)
Tax expense attributable to current year's profit	(6,94,56,893)	(4,43,37,101)
Total Tax expense	(6,94,56,893)	(4,43,37,101)



Jindal Fittings Limited

Notes to Financial Statements

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	(Amount in ₹)	
	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Net Income/(Loss) before taxes	(24,29,70,708)	(28,28,69,309)
Enacted tax rate	27.82%	27.5525%
Computed tax (Income)/expense	(6,76,29,690)	(7,79,37,567)
Increase/(reduction) in taxes on account of:		
Deferred tax of earlier years	1,16,014	(7,256)
Change in Rate of Tax	(20,21,555)	3,34,15,044
Taxes of which no deduction is admissible	78,338	1,92,677
Income tax expense/(Income) reported	(6,94,56,893)	(4,43,37,101)

36. Deferred income tax

The analysis of deferred tax expenses are as under:

Particulars	(Amount in ₹)	
	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Book base and tax base of Fixed Assets	1,27,18,728	(17,98,538)
(Disallowance)/Allowance (net) under Income Tax	5,60,941	(12,84,090)
Carried forward losses	(8,27,36,562)	(4,12,54,473)
Total	(6,94,56,893)	(4,43,37,101)

Component of tax accounted in OCI and equity

Particulars	(Amount in ₹)	
	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Component of OCI		
Deferred Tax Gain/(Loss) on defined benefit	35,239	(21,402)

37. Retirement benefit obligations

1. Expense recognised for Defined Contribution plan

Particulars	(Amount in ₹)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Company's contribution to provident fund	45,03,208	41,29,981
Total	45,03,208	41,29,981

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognized in the Balance Sheet as of March 31, 2018 and March 31, 2017, being the respective measurement dates:



Jindal Fittings Limited

Notes to Financial Statements

2. Movement in obligation

Particulars	(Amount in ₹)	
	Gratuity (unfunded)	leave encashment (unfunded)
Present value of obligation - April 1, 2016	31,12,096	49,29,000
Current service cost	2,33,407	5,37,185
Interest cost	16,32,190	19,58,209
Benefits paid	-	(7,28,388)
Remeasurements - actuarial loss/ (gain)	(77,676)	(7,38,051)
Present value of obligation - March 31, 2017	49,00,017	59,57,955
Present value of obligation - April 1, 2017	49,00,017	59,57,955
Current service cost	19,58,144	22,74,752
Interest cost	3,55,251	4,31,952
Benefits paid	(1,17,306)	(5,41,344)
Remeasurements - actuarial loss/ (gain)	1,64,655	(4,66,436)
Present value of obligation - March 31, 2018	72,60,761	76,56,879

3. Movement in Plan Assets – Gratuity

Particulars	(Amount in ₹)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Fair value of plan assets at beginning of year	24,75,939	-
Adjustment	15,983	-
Expected return on plan assets	1,80,664	-
Employer contributions	20,90,472	24,75,939
Benefits paid	-	-
Actuarial gain / (loss)	37,987	-
Fair value of plan assets at end of year	48,01,045	24,75,939
Present value of obligation	72,60,761	76,56,879
Net funded status of plan	(24,59,716)	(51,80,940)
Actual return on plan assets	-	-

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



Jindal Fittings Limited

Notes to Financial Statements

4. Recognised in profit and loss

Particulars	(Amount in ₹)	
	Gratuity	Leave Encashment
Current Service cost	19,58,144	22,74,752
Interest cost	3,55,251	4,31,952
Expected return on plan assets	(1,80,664)	-
Remeasurement - Acturial loss/(gain)	-	-
For the year ended March 31, 2018	21,32,731	27,06,704
Actual return on plan assets		
Current Service cost	2,33,407	5,37,185
Interest cost	16,32,190	19,58,209
Expected return on plan assets	-	-
Remeasurement - Acturial loss/(gain)	-	-
For the year ended March 31, 2017	18,65,597	24,95,394
Actual return on plan assets	-	-

5. Recognised in other comprehensive income

Particulars	(Amount in ₹)
	Gratuity
Remeasurement - Acturial loss/(gain)	1,26,668
For the year ended March 31, 2018	1,26,668
Remeasurement - Acturial loss/(gain)	(77,676)
For the year ended March 31, 2017	(77,676)

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, 2018	March 31, 2017
Discount Rate	7.25% per annum	7.50% per annum
Expected Rate of increase in Compensation levels	11.00 % per annum	11.00 % per annum
Expected Rate of Return on Plan Assets	7.25%	N.A.
Mortality rate	M 2006-08 Ultimate	LM 2006-08 Ultimate
Expected Average remaining working lives of employees (years)	25.1 years	26.1 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.



Jindal Fittings Limited

Notes to Financial Statements

7. Sensitivity analysis:

For the year ended March 31, 2018		(Amount in ₹)	
Particulars	change in Assumption	Effect on Gratuity obligation	Effect on leave encashment obligation
Discount rate	+1	66,49,558	70,20,388
	-1	79,78,208	84,03,125
Salary Growth rate	+1	79,45,272	83,68,889
	-1	66,63,690	70,35,110
Withdrawal rate	+1	70,29,600	74,96,612
	-1	75,20,418	78,41,660

For the year ended March 31, 2017		(Amount in ₹)	
Particulars	change in Assumption	Effect on Gratuity obligation	Effect on leave encashment obligation
Discount rate	+1	44,86,442	54,50,256
	-1	58,86,731	65,56,073
Salary Growth rate	+1	53,65,602	65,30,095
	-1	44,95,079	54,60,843
Withdrawal rate	+1	47,15,697	58,33,609
	-1	51,05,802	61,02,209

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

8. History of experience adjustments is as follows:

Particulars	(Amount in ₹)
	Gratuity
For the year ended March 31, 2018	
Plan Liabilities - (Gain)/(loss)	(82,844)
Plan Assets - (loss)/gain	37,987
For the year ended March 31, 2017	
Plan Liabilities - (Gain)/(loss)	(2,36,369)
Plan Assets - (loss)/gain	



Jindal Fittings Limited

Notes to Financial Statements

9. Estimate of expected benefit payments (In Absolute terms i.e. Undiscounted)

Particulars	(Amount in ₹)	
	Gratuity	
01 Apr 2018 to 31 Mar 2019	6,72,993	
01 Apr 2019 to 31 Mar 2020	5,01,623	
01 Apr 2020 to 31 Mar 2021	5,21,078	
01 Apr 2021 to 31 Mar 2022	5,48,744	
01 Apr 2022 to 31 Mar 2023	5,59,793	
01 Apr 2023 Onwards	31,56,455	

10. Statement of Employee benefit provision

Particulars	(Amount in ₹)	
	Year ended	Year ended
	March 31, 2018	March 31, 2017
Gratuity	24,59,716	49,00,017
leave encashment	76,56,629	59,57,955
Total	1,01,16,345	1,08,57,972

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

11. Current and non-current provision for Gratuity and leave encashment

For The Year Ended March 31, 2018

Particulars	(Amount in ₹)	
	Gratuity	Leave Encashment
Current provision	41,600	10,04,531
Non current provision	24,18,116	66,52,348
Total Provision	24,59,716	76,56,879

For The Year Ended March 31, 2017

Particulars	(Amount in ₹)	
	Gratuity	Leave Encashment
Current provision	54,041	7,45,155
Non current provision	48,45,976	52,12,800
Total Provision	49,00,017	59,57,955



Jindal Fittings Limited

Notes to Financial Statements

12. Employee benefit expenses

Employee benefit expenses	(Amount in ₹)	
	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and Wages	17,39,45,347	16,43,03,002
Costs-defined benefit plan	21,32,731	18,65,597
Costs-defined contribution plan	45,03,208	41,29,981
Welfare expenses	48,15,233	47,95,741
Total	18,53,96,519	17,50,94,320

Particulars	(Figures in no.)	
	Year ended March 31, 2018	Year ended March 31, 2017
Average no of people employed	157	151

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.

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.

38. Other disclosures

Auditors Remuneration

Particulars	(Amount in ₹)	
	Year ended March 31, 2018	Year ended March 31, 2017
Statutory Auditors		
a) Audit Fees	75,000	75,000
b) Tax Audit Fees	20,000	20,000
c) Others	5,500	-
Total	1,00,500	95,000



Jindal Fittings Limited

Notes to Financial Statements

39. Contingent liabilities

Guarantees

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Guarantees issued by the Company's bankers on behalf of the Company	2,78,12,614	38,61,228
Total	2,78,12,614	38,61,228

40. 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, 2018	As at March 31, 2017
Property, plant and equipment	1,58,69,743	7,04,56,603

41. 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:

A. Related party name and relationship

1. Key Management personnel

S.No.	Name	Designation
1	Mr. Rahul Bansal	Chief Executive officer
2	Mr. Anil Kumar Dash	Chief Financial officer
3	Mr. Vivek Choudhary	Company Secretary

2. Related parties

Associate

S. No.	Name of Entity in the Group	Principal place of operation /Country of Operation	Principal Activity	% of share Holding /Voting Power	
				As at March 31, 2018	As at March 31, 2017
1	Jindal Saw Limited	India	Iron & Steel Pipes	36%	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.



Jindal Fittings Limited

Notes to Financial Statements

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
7	JITF Commodity Tradex Limited



Jindal Fittings Limited

Notes to Financial Statements

Related Party Transactions

(Amount in ₹)

Particulars	KMP and their relatives having significant influence	KMP and their relatives having significant influence
	2017-18	2016-17
Loan Taken		
JITF Commodity Tradex Limited	-	1,02,53,070
Jindal Saw Limited	1,25,00,000	-
Glebe Trading Private Limited	20,56,00,000	1,04,65,07,987
Danta Enterprises Private Limited	-	1,38,46,751
Repayment of Loan		
JITF Commodity Tradex Limited	-	1,02,53,070
Jindal Saw Limited	1,25,00,000	-
Glebe Trading Private Limited	-	69,58,24,179
Danta Enterprises Private Limited	-	25,55,46,751
Interest Expenses		
JITF Commodity Tradex Limited	15,516	3,10,499
Jindal Saw Limited	1,84,589	-
Glebe Trading Private Limited	5,16,84,060	2,18,92,104
Danta Enterprises Private Limited	8,60,620	80,15,066
Purchase of Material		
Jindal Saw Limited	1,35,38,771	99,20,981
Jindal Systems Private Limited	-	5,96,700
Sale of Material		
JITF Water Infrastructure Limited	1,32,84,859	33,26,387
JWIL-SCPL JV	1,43,91,418	5,01,81,141
Jindal Saw Gulf LLC	10,21,68,811	3,33,14,059
Jindal Saw Limited	5,49,05,636	3,53,24,593
Advance Received		
Jindal Saw Limited	-	4,67,02,281
Advance Paid		
Jindal Saw Limited	-	9,19,05,315
Expenses Reimbursed		
Jindal Saw Limited	90,35,823	1,04,69,957



Jindal Fittings Limited

Notes to Financial Statements

Outstanding Balance

(Amount in ₹)

Particulars	KMP and their relatives having significant influence	
	2017-18	2016-17
Amount Payable (Creditor)		
Jindal Saw Limited*	24,79,024	3,01,95,486
Advance from Customer		
Jindal Saw Limited	44,87,493	31,72,966
Amount Receivable (Debtor)		
Jindal Saw Limited	-	(9,26,411)

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

Key Management Personnel (KMP)

(Amount in ₹)

Particulars	Year Ended	Year Ended
	March 31, 2018	March 31, 2017
Short-Term employee benefits*	54,17,985	45,19,955
Post-Employment benefits		
- Defined contribution plan\$ #	3,68,712	8,42,328
- Defined benefit plan#		
Total	57,86,697	53,62,283

* 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.

42. Earnings per share

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

(Number of shares)

Particulars	Year ended	Year ended
	March 31, 2018	March 31, 2017
Issued equity shares	3,88,80,007	3,88,80,007
Equity Shares Compulsorily issuable on conversion of CCPS	4,00,00,000	4,00,00,000
Weighted average shares outstanding - Basic and Diluted - A	7,88,80,007	7,88,80,007



Jindal Fittings Limited

Notes to Financial Statements

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

Particulars	(Amount in ₹)	
	Year ended March 31, 2018	Year ended March 31, 2017
Profit and Loss after tax - B	(17,35,13,815)	(23,85,32,208)
Basic Earnings per share (B/A) (₹)	(2.20)	(3.02)
Diluted Earnings per share (B/A) (₹)	(2.20)	(3.02)

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.

43. 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

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

45. Notes 1 to 44 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


Dr. Raj Kamal Agarwal
Director
DIN : 00005349


Rajeev Bansal
Director
DIN : 00760404


G.K. Aggarwal
PARTNER
M.No. 086622




Vivek Choudhary
Company Secretary
M. No. ACS A29335


Anil Kumar Dâsh
Chief Financial Officer

Place : New Delhi
Dated : May 24, 2018