

INDEPENDENT AUDITORS' REPORT

To
The Members of JINDAL QUALITY TUBULAR LIMITED

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **JINDAL QUALITY TUBULAR LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the [Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

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

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

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



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

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

Management's Responsibility for the Financial Statements

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

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

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

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



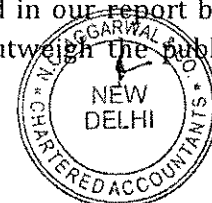
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015;

 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

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

 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations as on March 31, 2020;

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

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



N.C. AGGARWAL & CO.
CHARTERED ACCOUNTANTS

(h)The managerial remuneration for the year ended 31st March, 2020 has paid/ provided for by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

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



G. K. Aggarwal
Partner

M. No. 086622

Date: 17th June, 2020

Place: New Delhi

UDIN: 20086622AAAASB7943



ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to in our report of even date to the members of **JINDAL QUALITY TUBULAR LIMITED** on the accounts for the year ended March 31, 2020)

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) A major portion of the fixed assets has been physically verified by the Management in accordance with a phased programmed of verification once in two years adopted by the company. In our opinion, the frequency of the 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 and no discrepancies noticed during physical verification of inventories.

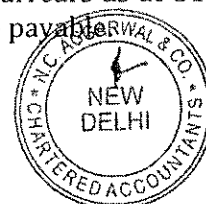
3. According to the information and the explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions 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 and explanations given to us and the records examined by us, the Company has not accepted any deposits from the public during the period. Accordingly, the Paragraph 3(v) of the Order is not applicable to the Company.

6. We have broadly reviewed the books of account and records maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the company's products and are of the opinion that, prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of records with a view to determine whether they are accurate or complete.

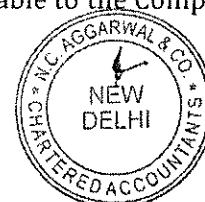
7. (a) According to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of customs, goods and service tax, cess and other statutory dues with the appropriate authorities There are no arrears as at 31st March, 2020 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, duty of customs, goods and service tax which have not been deposited with the appropriate authorities on account of any dispute except

Name of Dues and Name of the Statute	Year to which the amount relates	Forum where matter is pending	Amount in Rs.
Income Tax Income Tax Act,1961	AY 2017-18	ITAT (Appeals), New Delhi	21,08,20,181

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 financial institutions. The company does not have any dues to banks, 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 period.
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. The Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 w.r.t. transactions with the related parties, where applicable. Details of the transactions with the related parties have been disclosed in the financial statements as required by the applicable 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 made preferential allotment of 11% non-cumulative compulsory convertible preference shares (CCPS) but no issue any private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has n entered into any non-cash transactions with 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 45-1A of the Reserve Bank of India Act, 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: 17th June, 2020

Place: New Delhi

UDIN: 20086622AAAASB7943



ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in our report of even date to the members of **JINDAL QUALITY TUBULAR LIMITED** on the accounts for the year ended 31st March, 2020

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 QUALITY TUBULAR LIMITED** ("the Company") as of 31st March, 2020 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 31st March, 2020, 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: 17th June, 2020

Place: New Delhi

UDIN: 20086622AAAASB7943



JINDAL QUALITY TUBULAR LIMITED
 CIN U28910UP2015PLC073321
BALANCE SHEET AS AT MARCH 31, 2020

Particulars	Note No.	(Amount in Rs.)	
		As at March 31, 2020	As at March 31, 2019
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	5	844,662,096	970,899,752
(b) Capital work-in-progress		-	12,454,734
(c) Right to use of assets	6	34,142,253	-
(d) Financial Assets			
(i) Loans and advances	7	-	85,339
(ii) Other financial assets	8	39,460,273	22,661,174
(e) Deferred tax assets (net)	9	221,766,088	187,616,686
(f) Other non-current assets	10	80,137	386,555
(2) Current assets			
(a) Inventories	11	76,101,329	507,373,655
(b) Financial Assets			
(i) Trade receivables	12	74,299,029	333,591,983
(ii) Cash and cash equivalents	13	26,046,124	1,796,165
(iii) Bank balances other than (ii) above	14	36,236,312	65,716,245
(iv) Loans and advances	15	2,586	554,213
(v) Other financial assets	16	2,951,750	1,461,239
(c) Current tax assets (Net)	17	14,478,263	1,305,470
(d) Other current assets	18	277,802,434	430,323,671
Total Assets		1,647,728,674	2,536,226,861
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	19	95,676,130	95,676,130
(b) Other equity	20	(43,606,413)	(60,213,390)
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
- Borrowings	21	705,278,670	710,660,479
- Lease liabilities	22	34,402,441	27,293,018
(b) Provisions	23	21,057,484	10,051,468
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	266,900,000	693,459,475
(ii) Trade payables			
- Due to Micro and small enterprises		-	80,783
- Due to Other than Micro and small enterprises	25	399,387,811	669,602,507
(iii) Other financial liabilities			
- Lease liabilities	26	4,503,649	8,135,295
- Other financial liabilities	27	138,228,089	324,763,331
(b) Other current liabilities	28	25,325,454	55,869,318
(c) Provisions	29	575,359	848,467
Total Equity and Liabilities		1,647,728,674	2,536,226,861
Significant accounting policies and notes to financial statements	1-54		

As per our report of even date attached
 For N.C. Aggarwal & Co.
 Chartered Accountants
 Firm Registration No. 003273N

G. K. Aggarwal
 Partner
 M.No. 036622
 Place : New Delhi
 Dated : June 17, 2020



For and on behalf of Board of Directors of Jindal Quality Tubular Limited

Rajeev Joyal
 Rajeev Joyal
 Director
 DIN : 07003755

Tapasvi Bhargava
 Tapasvi Bhargava
 Whole-time Director
 DIN : 00011946

Akshay Aggarwal
 Akshay Aggarwal
 Company Secretary
 M.No. ACS 41115

JINDAL QUALITY TUBULAR LIMITED
CIN U28910UP2015PLC073321

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Note No.	(Amount in Rs.)	
		Year ended March 31, 2020	Year ended March 31, 2019
I Revenue from operations	30	1,38,72,98,345	7,12,85,41,258
II Other income	31	62,15,957	59,47,689
III Total Income (I+II)		<u>1,39,35,14,302</u>	<u>7,13,44,88,947</u>
IV Expenses			
Cost of materials consumed	32	45,27,71,075	1,76,41,76,314
Purchases of Stock-in-Trade	33	29,06,57,308	
Changes in Inventories of finished goods, Stock-in-Trade and work-in-progress	34	21,70,16,313	(5,80,29,736)
Employee benefits expense	35	9,00,97,822	13,62,06,826
Finance costs	36	21,18,77,260	22,19,66,459
Depreciation and amortization expense	37	10,03,23,225	10,08,34,440
Other expenses	38	22,23,93,500	30,79,77,092
Total expenses (IV)		<u>1,59,61,34,503</u>	<u>2,47,31,31,395</u>
V Profit/(loss) before exceptional items and tax (III-IV)		<u>(20,76,20,201)</u>	<u>(33,86,42,448)</u>
VI Exceptional Items			
VII Profit/(loss) before tax (V-VI)		<u>(20,76,20,201)</u>	<u>(33,86,42,448)</u>
VIII Tax expense:			
(1) Current tax			
(2) Deferred tax		(3,31,10,447)	(9,42,07,481)
Total Tax Expense (VIII)		<u>(3,31,10,447)</u>	<u>(9,42,07,481)</u>
IX Profit/(loss) for the year after Tax (VII-VIII)		<u>(16,95,09,754)</u>	<u>(24,44,34,967)</u>
X Other Comprehensive Income:			
A. Items that will not be reclassified to profit and loss			
(i) Re-measurement gains/(losses) on defined benefit plans		(41,28,081)	(7,12,570)
(ii) Income tax effect on above		10,88,555	1,93,237
Total Other comprehensive Income		<u>(30,89,126)</u>	<u>(5,14,333)</u>
XI Total Comprehensive Income for the year (IX+X)		<u>(17,25,98,880)</u>	<u>(24,49,49,300)</u>
XII Earnings per equity share			
(1) Basic (Rs.)		(15.32)	(25.50)
(2) Diluted (Rs.)		(15.32)	(25.50)
Significant accounting policies and notes to financial statements	1-54		

As per our report of even date attached
For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N

G. K. Aggarwal
Partner
M.No. 086622
Place : New Delhi
Dated : June 17, 2020



For and on behalf of Board of Directors of Jindal Quality Tubular Limited

(Signature)
Rajeev Goyal
Director
DIN : 07003755

(Signature)
Tapasvi Bhargava
Whole-time Director
DIN : 00011945

Akshay Agarwal
Company Secretary
M.No. ACS 41115

JINDAL QUALITY TUBULAR LIMITED
CIN U28910UP2015PLC073321
STATEMENT OF CASH FLOW

PARTICULARS	(Amount in Rs.)	
	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash Inflow (Outflow) From The Operating Activities :		
Net Profit Before Tax And Exceptional Items		
Adjustments for:	(20,26,20,201)	(33,86,42,448)
Add/(Less)		
Depreciation		
Gain on sale of fixed assets	10,03,23,225	10,08,34,440
Interest Expenses	(33,485)	(7,36,609)
Interest Income	18,70,02,528	21,08,67,512
Operating Profit Before Working Capital Changes	(55,00,730)	(39,69,905)
Adjustments for:	28,17,91,538	30,69,95,438
Inventories	7,91,71,337	(3,16,47,010)
Trade Receivables	43,12,72,327	10,67,66,817
Loans and Advances and Other Assets	25,92,92,954	(19,19,10,655)
Other Payables	16,62,17,230	(5,77,40,287)
Trade and Other Payables	(19,84,16,677)	31,30,75,041
Cash Generated From Operations Before Exceptional Items	(27,02,95,478)	17,94,65,802
Tax Paid	38,80,70,356	34,96,56,718
Net Cash Inflow / (Outflow) From Operating Activities	46,72,41,693	31,80,09,708
	(1,31,72,793)	(8,62,024)
	45,40,68,900	33,17,47,684
B. Cash Inflow/(Outflow) From Investment Activities :		
Capital Expenditure	(47,75,454)	(6,68,27,679)
Sale proceeds from fixed assets	93,59,780	4,70,12,049
Interest Received	42,38,443	35,11,187
Net Cash Inflow/(Outflow)From Investing Activities	88,22,769	(1,63,04,443)
C. Cash Inflow/(Outflow) From Financing Activities :		
Interest Paid	(19,08,18,693)	(20,26,86,121)
Proceeds from Issue of Share Capital including security premium	19,00,00,000	12,50,00,000
Proceeds from Short Term Borrowings	(42,65,59,475)	4,61,81,249
Share issue Expenses	(7,94,144)	(19,05,242)
(Repayment) /Proceeds from lease liability	(50,87,588)	(11,82,367)
Increase/(Decrease) in unsecured loan	(53,81,810)	(26,67,97,580)
Net Cash Inflow/(Outflow) From Financing Activities	(43,86,41,710)	(30,13,90,061)
Net Changes In Cash And Cash Equivalents		
Cash and cash equivalents at beginning of the year	2,42,49,959	(5,46,820)
Cash and cash equivalents at end of the year	17,96,165	23,42,985
	2,60,46,124	17,96,165

NOTE:

1. Figures in bracket indicates cash out flow.
2. The above cash flow statement has been prepared under the indirect method set out in IND AS - 7 'Statement of Cash Flows'

As per our report of even date attached

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

G. K. Aggarwal
Partner
M.No. 086622
Place : New Delhi
Dated : June 17, 2020



For and on behalf of Board of Directors of Jindal Quality Tubular Limited

(Signature)
Ajay Goyal
Director
DIN : 07003755

(Signature)
Tapasvi Bhargava
Whole-time Director
DIN : 00011946

(Signature)
Akshay Aggarwal
Company Secretary
M.No. ACS 41115

JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

1. Corporate and General Information

Jindal Quality Tubular Limited ("the Company") is domiciled and incorporated in India. The registered office of the Company is situated at A-1, UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan, Mathura, Uttar Pradesh - 281403 India.

The Company is incorporated on 15TH September, 2015 to manufacture Iron and Steel Pipes at various locations in India.

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 2016, as amended. The financial statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented. The financial statement has been prepared considering all IND AS as notified by MCA till reporting date i.e. March 31, 2020

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

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

3.0 Significant Accounting Policies

3.1 Basis of Measurement:

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

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

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

3.2 Property, Plant and Equipment

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

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

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



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

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
- Building	30
- Plant and Machinery	3 - 15
- Electrical Equipment	3 - 10
- Furniture & Fittings	10
- Vehicles	8 - 15
- Office Equipments	3 - 10
- Computer Equipment	3 - 5
- Solar Panel	Lease period

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.

3.4 Cash and cash equivalents

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

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

3.5 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.



3.6 Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

And in case entity is lessor, it identifies whether the lease is defined as finance or operating lease as per the criteria given in Ind As 116.

In case of Operating lease, an entity recognises lease payment as income on straight line basis

In case of Finance lease, an entity initial measurement

- (i) derecognises the carrying amount of underlying assets
- (ii) recognise the net investment in lease
- (iii) recognise profit and loss on selling profit or selling loss

and on subsequent measurement, entity recognises finance income over the lease period and reduces the net investment in the lease for lease payment received and recognise income from any variable lease payments and recognises any impairment of the net investment in the lease

3.7 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.

3.8 Foreign currency reinstatement and translation

a) Functional and presentation currency

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

b) Transactions and balances

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

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

The Company has availed the exemption available in IND AS 101, to continue capitalisation of foreign currency fluctuation on long term foreign currency monetary liabilities outstanding on transition date.

3.9 Financial instruments – initial recognition, subsequent measurement and impairment

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

a) Financial Assets

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

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



Trade receivables

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

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

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

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

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

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

b) Financial liabilities

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

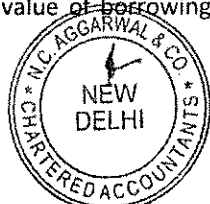
Financial liabilities are classified in two categories; subsequent measurement of financial liabilities is depended on initial categorisation. These categories and their classification are as below:

i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are 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



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NOTES TO FINANCIAL STATEMENTS

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.

3.10 Equity share capital

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

3.11 Borrowing costs

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



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

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

3.12 Taxation

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

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

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

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

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



3.13 Revenue recognition and other income

a) Sale of goods

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

b) Other Income

Interest

Interest income on debt instruments recognised at effective interest rate.

3.14 Earnings per share

Basic earnings per share is 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.

3.15 Provisions and contingencies

a) Provisions

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

Gratuity and leave encashment provision

Refer Note no. 3.7 for provision relating to gratuity and leave encashment.



b) Contingencies

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

3.16 Current versus non-current classification

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

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when it is:

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

All other liabilities are classified as non-current.

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

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



4. Critical accounting estimates, assumptions and judgements

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

(a) Property, plant and equipment

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

(b) Intangibles

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

(c) Income taxes

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

(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.



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

5. Property, Plant and Equipment

Particulars	(Amount in Rs.)						Capital work in Progress
	Building	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computers	
Gross Block							
As at March 31, 2018	-	1,06,99,13,137	6,53,622	27,85,251	29,71,940	23,06,646	1,07,86,30,596
Additions	-	5,08,67,167	11,92,197	1,66,000	11,73,977	3,70,394	5,37,69,735
Disposal	-	4,69,62,781	-	-	-	49,268	4,70,12,049
Transfer	2,35,29,732	3,57,07,549	4,95,751	-	(38,117)	-	5,96,94,914
Adjustments	-	-	-	-	-	-	-
As at March 31, 2019	2,35,29,732	1,10,95,25,072	23,41,569	29,51,251	41,07,800	26,27,772	1,14,50,83,195
Additions	-	81,81,845	2,66,431	-	1,44,719	65,816	86,58,811
Disposal	-	93,59,780	-	-	-	-	93,59,780
Transfer	4,924	55,01,172	11,50,081	-	-	-	66,56,177
Solar transfer to ROU	-	(3,62,00,000)	-	-	-	-	(3,62,00,000)
Adjustments	-	-	-	-	-	-	-
As at March 31, 2020	2,35,34,656	1,07,76,48,308	37,58,081	29,51,251	42,52,519	26,93,588	1,11,48,38,404
Accumulated Depreciation							
As at March 31, 2018	-	7,76,95,284	41,096	1,62,275	2,35,832	4,62,616	7,85,97,103
Charge for the year	3,10,292	9,88,23,858	1,25,493	2,52,260	5,98,184	7,24,353	10,08,34,440
Disposal	-	52,32,156	-	-	-	15,944	52,48,100
Adjustments	-	-	-	-	-	-	-
As at March 31, 2019	3,10,292	17,12,86,986	1,66,589	4,14,535	8,34,016	11,71,025	17,41,83,443
Charge for the year	7,45,189	9,56,48,375	3,46,704	2,53,232	6,85,412	8,01,162	9,84,80,074
Disposal	-	18,05,062	-	-	-	-	18,05,062
Solar transfer to ROU	-	(6,82,147)	-	-	-	-	(6,82,147)
As at March 31, 2020	10,55,481	26,44,48,152	5,13,293	6,67,767	15,19,428	19,72,186	27,01,76,307
Net Carrying Amount							
As at March 31, 2019	2,32,19,440	93,82,38,086	21,74,980	25,36,716	32,73,784	14,56,747	97,08,99,752
As at March 31, 2020	2,24,79,176	81,32,00,156	32,44,788	22,83,484	27,33,091	7,21,402	84,46,62,096

Some assets are pledged against borrowing refer note 21



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

6. Right to use of assets

Particulars	Right of use - Land			Solar on Lease	Total
	Right of use - Land	Solar on Lease	Total		
Gross Block					
As at March 31, 2018	-	-	-	-	-
Additions	-	-	-	-	-
Disposal	-	-	-	-	-
Adjustments	-	-	-	-	-
As at March 31, 2019	-	-	-	-	-
Additions	56,23,788	-	-	-	56,23,788
Disposal	56,23,788	-	-	-	56,23,788
Solar transfer from ROU	-	3,62,00,000	-	-	3,62,00,000
Adjustments	-	-	-	-	-
As at March 31, 2020	-	3,62,00,000	-	-	3,62,00,000
Accumulated Depreciation					
As at March 31, 2018	-	-	-	-	-
Charge for the year	-	-	-	-	-
Disposal	-	-	-	-	-
Adjustments	-	-	-	-	-
As at March 31, 2019	-	-	-	-	-
Charge for the year	4,67,551	13,75,600	-	-	18,43,151
Disposal	4,67,551	-	-	-	4,67,551
Solar transfer to ROU	-	6,82,147	-	-	6,82,147
As at March 31, 2020	-	20,57,747	-	-	20,57,747
Net Carrying Amount					
As at March 31, 2019	-	-	-	-	-
As at March 31, 2020	-	3,41,42,253	-	-	3,41,42,253



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
7. Non-current financial assets		
(Unsecured, considered good)		
Loans to Employees	-	85,339
Total Non-current Loans	-	85,339
8. Other non-current financial assets		
(Unsecured, considered good)		
Security Deposits	3,67,20,000	60,20,000
Bank Deposits with remaining maturity of more than 12 months *	26,49,000	1,56,98,377
Interest Accrued but not due on Fixed Deposit *	91,273	9,42,797
Total Other non current financial assets	3,94,60,273	2,26,61,174
* Pledged with banks against bank guarantees.		
9. DEFERRED TAX ASSET (NET)		
Temporary difference		
A. Deferred Tax Liability		
(i) Difference between book & tax base related to fixed assets	6,57,75,884	7,24,80,746
(ii) Allowance under Income Tax Act	-	-
Total Deferred tax liabilities	6,57,75,884	7,24,80,746
B. Deferred tax assets		
(i) Disallowance under Income Tax Act	1,52,08,661	1,36,00,569
(ii) Carried Forward losses	27,23,33,311	24,64,96,863
Total Deferred tax assets	28,75,41,972	26,00,97,432
C. Net (liabilities)/Assets of temporary differences (A-B)	22,17,66,088	18,76,16,686
D. MAT credit entitlement		
Net Deferred Tax Assets	22,17,66,088	18,76,16,686
10. Other non-current assets		
Capital Advances	-	48,445
Prepaid expenses	80,137	3,38,110
Total Other non-current assets	80,137	3,86,555
11. Inventories		
Raw materials	-	13,46,88,840
Raw materials in transit	-	1,63,77,999
Finished goods	7,58,44,407	16,99,24,196
Work-in-progress	-	10,77,20,152
Scrap	-	1,52,16,371
Stores and spares	2,56,922	6,34,46,097
Total Inventories	7,61,01,329	50,73,73,655



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
12. Trade receivables		
Secured		
Considered good	-	3,17,67,766
Trade receivable which have significant increase in creditors risk	-	-
Total Secured	-	3,17,67,766
Unsecured		
Considered good	7,42,99,029	30,18,24,217
Trade receivable which have significant increase in creditors risk	-	-
Total Unsecured	7,42,99,029	30,18,24,217
Total Trade receivables	7,42,99,029	33,35,91,983
13. Cash and cash equivalents		
Cash on hand	15,808	15,808
Balances with Banks		
- On current accounts	2,60,30,316	17,80,357
Total Cash and cash equivalents	2,60,46,124	17,96,165
14. Other bank balances		
Fixed Deposits (with remaining maturity of less than 12 months and other than considered in cash and cash equivalents) *	3,62,36,312	6,57,16,245
Total Other bank balances	3,62,36,312	6,57,16,245
* Pledged against bank guarantees.		
15. Loans and advances (Unsecured, considered good)		
Loans to Employees	2,586	5,54,213
Total Loans & advances	2,586	5,54,213
16. Other current financial assets		
Earnest money deposit	-	6,23,300
Security deposit given	-	-
Interest Accrued but not due on FDR's	29,51,750	8,37,939
Finance Lease Rent receivable	-	-
Total other current financial assets	29,51,750	14,61,239
17. Current Tax Assets		
Current Tax Assets (Net of Provision)	1,44,78,263	13,05,470
Total Current Tax Assets	1,44,78,263	13,05,470
18. Other current assets		
Advances to vendors	1,70,91,253	5,39,97,385
Prepaid expenses	11,92,906	31,37,133
Other receivables *	25,92,18,275	37,31,89,153
Total Other current assets	27,75,02,434	43,03,23,671
* Balances with state and Central govt. authorities		



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
19. Equity Share Capital		
Authorised:		
(i) 100,00,000 (previous year 100,00,000) Equity Shares of Rs. 10/- each	10,00,00,000	10,00,00,000
(ii) 35,00,000 (previous year 25,00,000) 11% Non Cumulative Compulsorily Convertible Preference Shares of Rs. 100/- each	35,00,00,000	25,00,00,000
	45,00,00,000	35,00,00,000
Issued :		
(i) 95,67,613 (previous year 95,67,613) Equity Shares of Rs.10/- each	9,56,76,130	9,56,76,130
(ii) 31,50,000 (previous year 12,50,000) 11% Non Cumulative Compulsorily Convertible Preference Shares of Rs. 100/- each *	31,50,00,000	12,50,00,000
* The same has been presented in other equity in balance sheet	41,06,76,130	22,06,76,130
Subscribed and fully paid-up:		
(i) 95,67,613 (previous year 95,67,613) Equity Shares of Rs.10/- each	9,56,76,130	9,56,76,130
(ii) 31,50,000 (previous year 12,50,000) 11% Non Cumulative Compulsorily Convertible Preference Shares of Rs. 100/- each	31,50,00,000	12,50,00,000
Total Share Capital	41,06,76,130	22,06,76,130
(a) Reconciliation of the number of shares:		
Equity shares		
Shares outstanding as at the beginning of the year	95,67,613	95,67,613
Add : Shares issued during the year	-	-
Shares outstanding as at the end of the year	95,67,613	95,67,613
Preference shares		
Shares outstanding as at the beginning of the year	12,50,000	-
Add: Issued during the year	19,00,000	12,50,000
Shares outstanding as at the end of the year	31,50,000	12,50,000
(b) Equity Shares of the company held by its Holding company:	No. of shares	No. of shares
Jindal Saw Ltd. *	64,10,301	64,10,301

* 30 Equity shares held by person as nominees of Jindal Saw Limited

(c) (i) Details of Equity Shareholders holding more than 5% shares in the company:

Name of Shareholders	No. of shares	% of holding as at March 31, 2020	No. of shares	% of holding as at March 31, 2019
Jindal Saw Limited	64,10,301	67.00	64,10,301	67.00
Kuldip Bhargava	17,05,262	17.82	17,05,262	17.82
Tapasvi Bhargava	7,13,125	7.45	7,13,125	7.45
Tejasvi Bhargava	7,38,925	7.72	7,38,925	7.72
Total	95,67,613	100.00	95,67,613	100.00

(c) (ii) Details of Preference Shareholders holding more than 5% shares in the company:

Name of Shareholders	No. of shares	% of holding as at March 31, 2020	No. of shares	% of holding as at March 31, 2019
Danta Enterprises Pvt. Ltd.	31,50,000	100.00	12,50,000	39.68
Total	31,50,000	100.00	12,50,000	39.68

(d) (i) Terms/Rights attached to Equity Shares:

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

(d) (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 of 31,50,000 Nos. 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 27, 2019 and Feb 14, 2020. The CCPS shall not carry voting rights.

Nature of Reserve

- Securities Premium Reserve represents the amount received in excess of par value of securities (equity shares).
- Retained earning represent the undistributed profits /(Loss) of the company.



JINDAL QUALITY TUBULAR LIMITED
 CIN:U2810UP2015PLC073321
STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED MARCH 31, 2020
 20 A. Equity Share Capital

	[Amount in Rs.]	
Balance as at March 31, 2018	95,676,130	95,676,130
Changes in equity share capital during 2018-19	-	-
Balance as at March 31, 2019	95,676,130	95,676,130
Changes in equity share capital during 2019-20	-	-
Balance as at March 31, 2020	95,676,130	95,676,130

Particulars	[Amount in Rs.]					
	Mandatory Convertible Preference Shares*	Reserves and Surplus		Items of Other Comprehensive Income Items that will not be reclassified to profit and loss	Total	
		Securities Premium Reserve	Retained Earnings			
Balance as at March 31, 2018	-	304,314,790	(240,279,897)	(2,393,741)	51,641,152	
Profit/(loss) for the year	-	-	(244,434,967)	-	(244,434,967)	
Addition during the year	125,000,000	-	-	-	125,000,000	
Equity issue expenses	-	-	(1,905,242)	-	(1,905,242)	
Other Comprehensive Income/(loss)	-	-	-	(514,323)	(514,323)	
Balance as at March 31, 2019	125,000,000	304,314,790	(486,620,106)	(2,908,074)	(60,213,390)	
Profit/(loss) for the year	-	-	(169,509,754)	-	(169,509,754)	
Addition during the year	190,000,000	-	(794,144)	-	190,000,000	
Equity issue expenses	-	-	-	-	-	
Other Comprehensive Income/(loss)	-	-	-	(3,089,126)	(3,089,126)	
Balance as at March 31, 2020	315,000,000	304,314,790	(656,924,004)	(5,997,200)	(43,606,413)	

* Refer note no 19(d)(ii)

As per our report of even date attached
 For N.C. Aggarwal & Co.
 Chartered Accountants
 Firm Registration No. 003273N



G. K. Aggarwal
 Partner
 M.No. 086622
 Place : New Delhi
 Dated : June 17, 2020

For and on behalf of Board of Directors of Jindal Quality Tubular Limited.

(Signature)
 Rajeev Goyal
 Director
 DIN : 07003755

(Signature)
 Tahashi Bhargava
 Whole-time Director
 DIN : 00901946

(Signature)
 Akshay Aggarwal
 Company Secretary
 M.No. AIC-40335

JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
-------------	-------------------------	-------------------------

21. Non-current borrowings

a) Secured

Loans from NBFC

66,60,17,644

68,75,73,587

Secured Non-current borrowings

66,60,17,644

68,75,73,587

Loan taken from NBFC i.e. Tata Capital Finance of Rs. 85,00,00,000. First charge by way of hypothecation over the present and future movable fixed assets of the borrower. First exclusive charge by way of hypothecation over the receivables of the borrower from Jindal Saw Ltd.

Irrevocable and unconditional corporate guarantee of Danta Enterprises Private Ltd. The term loan is also personal guaranteed by Mr. Tapasvi Bhargava and Mr. Kuldip Bhargava.

The term loan facility are payable in monthly installment as follows -

FY 2020-21 of Rs. 22,56,06,852, 2021-22 of Rs. 22,56,06,852, 2022-23 of Rs. 22,56,06,852, 2023-24 of Rs. 22,56,06,852, and 2024-25 of Rs. 15,30,44,148.

Loan is net of transaction cost.

b) Unsecured

Loan from related parties (Refer Note No. 48B)

3,92,61,026

2,30,86,892

Unsecured Non-current borrowings

3,92,61,026

2,30,86,892

Total Non-current borrowings

70,52,78,670

71,06,60,479

Related party loan of Rs. 12.50 crore converted into 11% Non-Cumulative Compulsorily Convertible Preference Share (CCPS) during FY 2018-19.

Term loan from related party are repayable in one year by the end of 2021. Loan carries interest rate 12.35% p.a.

22. Other financial liabilities

Finance lease obligation

3,44,02,441

2,72,93,018

Other financial liability

3,44,02,441

2,72,93,018

Finance lease of Rs. 3,62,00,000 (included Rs. 45,03,649 shown in current maturity) are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default. The discount rate considered for discounting minimum lease payments is 15.39% p.a. refer Note 51 for future minimum lease payments.

Lease movement:

Opening balance	3,54,28,313
Transition:	
Addition during the year	56,23,788
Interest *	82,41,436
Payment	(50,87,588)
Termination during the year	(52,99,859)
Currency translation	-
Closing balance	3,89,06,090

Current

45,03,649

Non-Current

3,44,02,441

* The difference between lease liability and lease assets is adjusted in interest on lease liabilities, refer note number 36.

23. Provisions

Provision for employee benefits

- Gratuity

1,26,70,834

66,81,906

- Leave Encashment

83,86,650

33,69,562

Total Non-current provisions

2,10,57,484

1,00,51,468

24. Current borrowings

Secured

Working capital demand loans from Banks

26,69,00,000

40,65,59,475

Working capital demand loans from NBFC

26,69,00,000

28,69,00,000

Secured borrowings

26,69,00,000

69,34,59,475

Working capital demand loan from NBFC (Aditya Birla Finance Ltd.) is secured against pledge of equity shares held by one of the group/promoters companies. The lender and borrower have got put/call option after one year.



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
25. Trade payables		
Micro and small enterprises *	-	80,783
Trade payables (including acceptances)	39,93,87,811	66,96,02,507
Total trade payables	39,93,87,811	66,96,83,290
* There are no Micro and Small Enterprises, to whom the company owes dues as at March, 2020. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available of the company.		
26. Lease liabilities		
Current maturity of finance lease obligation	45,03,649	81,35,295
Total lease liabilities	45,03,649	81,35,295
* Refer Note 51 for lease disclosure.		
27. Other current financial liabilities		
Current maturities of long term debts	13,52,97,206	28,63,54,026
interest accrued but not due	-	1,20,57,603
Capital creditors	-	9,26,887
Security deposit	6,31,098	24,00,000
Dues to employees	10,78,237	50,22,437
Other outstanding financial liabilities	12,21,548	1,80,02,378
Total other current financial liabilities	13,82,28,089	32,47,63,331
28. Other current liabilities		
Advance from customer	2,05,71,809	2,78,82,116
Statutory dues	47,53,645	2,79,87,202
Total other current liabilities	2,53,25,454	5,58,69,318
29. Current provisions		
Provision for Employee benefits		
Gratuity	2,97,498	3,70,963
Leave encashment	2,77,861	4,77,504
Total current provisions	5,75,359	8,48,467



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

(Amount in Rs.)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
30. Revenue from operations		
a) Revenue from contracts with customers		
Sale of products	1,05,53,71,004	2,02,30,30,566
b) Sale of Services		
Job work charges	13,92,16,113	1,76,76,767
c) Other Operating revenues		
Sale of Scrap	7,50,82,903	6,90,60,936
Export and other government incentives	63,65,380	1,63,87,039
Lease Income under OMMA	11,00,00,001	-
Other Income	12,62,944	23,85,950
Total Other Operation	19,27,11,228	8,78,33,925
Total Revenue from operations	1,38,72,98,345	2,12,85,41,258
31. Other income		
Interest income	55,00,730	39,69,905
Profit on sale of fixed assets	33,485	7,36,609
Other non operating income	6,81,742	12,41,175
Total other income	62,15,957	59,47,689
32. Cost of materials consumed		
Raw material consumed	46,27,71,075	1,76,41,76,314
Total cost of materials consumed	46,27,71,075	1,76,41,76,314
33. Purchases of Stock-in-Trade		
Purchases of Stock-in-Trade	29,06,57,308	-
Total purchases of Stock-in-Trade	29,06,57,308	-
34. Changes in inventories of finished goods, stock-in-trade and work-in-progress		
Opening Stock:		
- Finished Goods	16,99,24,196	7,50,42,263
- Work in Progress	10,77,20,152	15,09,91,173
- Scrap	1,52,16,371	87,97,547
	29,28,60,719	23,48,30,983
Closing Stock		
- Finished Goods	7,58,44,407	16,99,24,196
- Work in Progress	-	10,77,20,152
- Scrap	-	1,52,16,371
	7,58,44,407	29,28,60,719
Net (Increase)/Decrease In Stock	21,70,16,313	(5,80,29,736)
Total (Increase)/Decrease in Stock	21,70,16,313	(5,80,29,736)
35. Employee benefit expenses		
Salary and Wages	8,21,29,408	12,66,72,193
Contribution to provident and other funds	51,97,871	62,85,230
Workmen and Staff welfare expenses	27,70,543	32,49,403
Total Employee benefit expenses	9,00,97,822	13,62,06,826



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

(Amount in Rs.)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
36. Finance Cost		
a) Interest expense		
- on Term loans	14,77,34,367	15,96,31,901
- on Bank borrowings	3,58,85,040	4,59,93,580
- on Finance lease	80,97,814	4,10,680
- other interest	33,83,121	52,42,032
b) Amortization of loan processing fees	78,21,287	32,69,554
c) Bank and finance charges	75,26,621	74,18,712
d) Net foreign currency (gain)/loss-finance costs	14,29,010	-
Total Finance Cost	21,18,77,260	22,19,66,459
37. Depreciation and amortisation		
Depreciation	10,03,23,225	10,08,34,440
Total Depreciation and amortisation	10,03,23,225	10,08,34,440
38. Other expenses		
Manufacturing expenses		
Stores and spares consumed	12,67,16,358	6,25,31,519
Power and fuel	2,34,27,120	4,55,00,725
Job work expenses	64,75,141	3,63,46,568
Other manufacturing expenses	2,38,776	23,64,873
Repairs to plant and machinery	16,32,062	17,27,323
Administrative, Selling and other expenses		
Rent	9,65,669	29,11,715
Rates and taxes	-	-
Insurance	15,21,877	15,50,382
Repair and maintenance-others	5,39,731	16,48,698
Travelling and conveyance	67,18,334	93,54,475
Vehicle upkeep and maintenance	4,03,503	7,26,270
Postage and telephones	4,40,538	5,57,420
Legal and professional fees	10,35,705	1,00,23,564
Auditors' remuneration	1,02,600	1,00,000
Commission on sales	6,15,561	3,99,267
Forwarding charges (net)	1,52,82,828	13,38,92,513
Other selling expenses	3,10,61,454	1,10,16,475
Liquidated damages	69,55,302	7,236
Loss on sale/discard of fixed assets	-	33,324
Net foreign currency (gain)/loss - operating expenses	(63,16,442)	(1,62,13,419)
Miscellaneous expenses	55,75,383	34,98,164
Total Other expenses	22,33,91,500	30,79,77,092



39. Financial risk management

39.1 Financial risk factors

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has trade and other receivables, and cash and bank balance that arise directly from its operations. The Company's activities expose it to a variety of financial risks:

i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits 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, 2020.

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. The Company uses derivative financial instruments to hedge certain risk exposures. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes.

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.



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

(a) Foreign exchange risk and sensitivity

The Company transacts business primarily in Indian Rupee. The Company has obtained foreign currency trade payable and receivable and is therefore exposed to foreign exchange risk.

Exposure to foreign currency risk expressed in Indian rupees:

Particulars	As at March 31, 2020	
	USD	EURO
Financial Assets		
Trade receivable	51,22,678	-
Financial Liabilities		
Trade payables	16,86,612	2,16,498
Net exposure to foreign currency risk	34,36,067	-2,16,498

Particulars	As at March 31, 2019	
	USD	EURO
Financial Assets		
Trade receivable	1,31,86,016	1,15,28,946
Financial Liabilities		
Trade payables	2,13,56,181	2,16,498
Net exposure to foreign currency risk	-81,70,166	1,13,12,448

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

Particulars	Net monetary items in respective currency outstanding on reporting data (Amount)	Change in currency exchange rate	Effect on Profit/(Loss) before tax (Amount in Rs.)
For the year ended March 31, 2020			
USD	49,017	+ 5%	1,85,442
		- 5%	-1,85,442
EURO	-2,739	+ 5%	-11,334
		- 5%	11,334



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

Particulars	Net monetry items in respective currency outstanding on reporting data (Amount)	Change in currency exchange rate	Effect on Profit/(Loss) before tax (Amount in Rs.)
For the year ended March 31,2019			
USD	-1,09,112	+ 5%	-3,77,256
		- 5%	3,77,256
EURO	1,45,705	+ 5%	5,65,035
		- 5%	-5,65,035

(b) Interest rate risk and sensitivity

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

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

(Amount in Rs.)

Interest Rate Sensitivity	Increase/Decrease in basis points	Effect on Profit before Tax
For the year ended 31, March 2020		
INR Borrowings	+50	-42,39,834
	-50	42,39,834
For the year ended 31, March 2019		
INR Borrowings	+50	-50,15,434
	-50	50,15,434

(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.

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.



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

Trade Receivables

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

The ageing of trade receivable is as below:

(Amount in Rs.)

Particulars	Neither Due nor impaired (including unbilled)	Past Due			Total
		Upto 6 months	6-12 months	above 12 months	
Trade Receivables As at 31 st March 2020					
Secured	-	-	-	-	-
Unsecured	-	6,52,82,252	63,98,544	26,18,232	7,42,99,029
Gross Total	-	6,52,82,252	63,98,544	26,18,232	7,42,99,029
Provision for doubtful debtors	-	-	-	-	-
Net Total	-	6,52,82,252	63,98,544	26,18,232	7,42,99,029
Trade Receivables As at 31 st March 2019					
Secured	-	3,17,67,766	-	-	3,17,67,766
Unsecured	-	27,19,58,004	1,62,16,582	1,36,49,632	30,18,24,217
Gross Total	-	30,37,25,769	1,62,16,582	1,36,49,632	33,35,91,983
Provision for doubtful debtors	-	-	-	-	-
Net Total	-	30,37,25,769	1,62,16,582	1,36,49,632	33,35,91,983

*There are not any trade receivable which have significant increase in creditors risk.

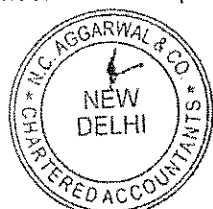
*There are not trade receivable - credit impaired.

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



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

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.

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.

As at March 2020						(Amount in Rs.)
Particulars	Carrying Amount	On Demand	Less than 6 months	6-12 months	> 1year	Total
Interest bearing borrowings	1,11,48,66,716	-	26,69,00,000	13,52,97,206	71,26,69,510	1,11,48,66,716
Other Financial Liabilities	4,18,36,974	6,31,098	22,99,785	45,03,649	3,44,02,441	4,18,36,974
Trade & other payables	39,93,87,811	-	39,93,87,811	-	-	39,93,87,811
Total	1,55,60,91,501	6,31,098	66,85,87,596	13,98,00,855	74,70,71,951	1,55,60,91,501

- Interest bearing borrowing includes amortisation of Rs. 73,90,841

As at March 2019						(Amount in Rs.)
Particulars	Carrying Amount	On Demand	Less than 6 months	6-12 months	> 1year	Total
Interest bearing borrowings	1,73,26,14,420	-	69,34,59,475	29,44,89,321	74,46,65,624	1,73,26,14,420
Other Financial Liabilities	3,84,09,305	33,26,887	1,70,80,040	1,80,02,378	-	3,84,09,305
Trade & other payables	66,96,83,290	-	66,96,83,290	-	-	66,96,83,290
Total	2,44,07,07,015	33,26,887	1,38,02,22,805	31,24,91,699	74,46,65,624	2,44,07,07,015

- Interest bearing borrowing includes amortisation of Rs. 67,12,127

Unused lines of credit

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured	-	24,34,40,525
Unsecured	-	-
Total	-	24,34,40,525

Interest rate and currency of borrowings

The below details do not necessarily represents foreign currency or interest rate exposure to the income statement, since the Company has taken derivatives for offsetting the foreign currency and interest rate exposure.



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

(Amount in Rs.)

Particulars	Total Borrowings	Floating Rate borrowings	Fixed rate borrowings	Weighted average Interest rate (%)
INR	1,15,37,72,807	84,79,66,716	30,58,06,091	12.07%
Total as at 31st March,2020	1,15,37,72,807	84,79,66,716	30,58,06,091	
INR	1,73,26,14,420	1,00,30,86,892	72,95,27,528	11.59%
Total as at 31st March,2019	1,73,26,14,420	1,00,30,86,892	72,95,27,528	

39.2 Capital risk management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2020.

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

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

During the year ended March 20 the gearing ratios at March 31, 2020 were as follows:

(Amount in Rs.)

Particulars	As at March 2020	As at March 2019
Loans & Borrowings	88,68,72,807	1,03,91,54,945
Working capital Borrowing	26,69,00,000	69,34,59,475
Less: Cash & Cash Equivalents	2,60,46,124	17,96,165
Net Debt	1,12,77,26,683	1,73,08,18,256
Total Capital	5,20,69,717	3,54,62,740
Capital and Net Debt	1,17,97,96,400	1,76,62,80,996
Gearing Ratio	96%	98%

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.



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

40. Fair value of financial assets and liabilities

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

(Amount in Rs.)

Particulars	Year Ended March 2020		Year Ended March 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets designated at amortised cost				
Fixed deposits with banks	3,88,85,312	3,88,85,312	8,14,14,622	8,14,14,622
Cash & Bank balances	2,60,46,124	2,60,46,124	17,96,165	17,96,165
Trade and other receivables	7,42,99,029	7,42,99,029	33,35,91,983	33,35,91,983
Other Financial assets	3,97,65,609	3,97,65,609	90,63,588	90,63,588
Total	17,89,96,073	17,89,96,073	42,58,66,358	42,58,66,358
Financial Liabilities designated at amortised cost				
Borrowing-Fixed rate	26,69,00,000	26,69,00,000	72,95,27,528	72,95,27,528
Borrowing-Floating rate	84,05,75,876	84,05,75,876	99,63,74,765	99,63,74,765
Trade & Other payables	39,93,87,811	39,93,87,811	66,96,83,290	66,96,83,290
Other Financial liabilities	4,18,36,974	4,18,36,974	3,84,09,305	3,84,09,305
Total	1,54,87,00,661	1,54,87,00,661	2,43,39,94,888	2,43,39,94,888

Fair valuation techniques

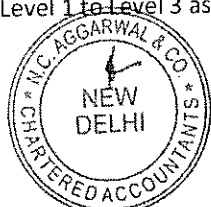
The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability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

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

- 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.
- 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 approximates their 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.

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:



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

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

Fair value hierarchy

The following table provides the fair value measurement hierarchy of company asset and liabilities grouped into Level 1 to Level 2 as described below

Assets / Liabilities for which is disclosed (only disclosed)

(Amount in Rs.)

Particulars	As at March 31, 2020		
	Level 1	Level 2	Level 3
Financial Liabilities			
Borrowings - Fixed Rate	-	26,69,00,000	-
Other Financial Liabilities	-	4,18,36,974	-

(Amount in Rs.)

Particulars	As at March 31, 2019		
	Level 1	Level 2	Level 3
Financial Liabilities			
Borrowings - Fixed Rate	-	72,95,27,528	-
Other Financial Liabilities	-	3,84,09,305	-

During the year ended March 31, 2020 and March 31, 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements. There is no transaction/balance under level 3.

Following table describes the valuation techniques used and key inputs for valuation under fair value hierarchy as of March 31, 2020 and March 31, 2019, respectively:



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

Assets / Liabilities for which fair value is disclosed

Particulars	Fair value hierarchy	Valuation technique	Input used
Financial liabilities			
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

41. Segment information

Information about primary segment

The Company's primary segment as identified by management is Iron and Stainless Steel Pipes/Tubes.

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 –

(Amount in Rs.)

Particulars	2019-20			2018-19		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenue from operation	1,17,53,59,210	21,19,39,135	1,38,72,98,345	1,60,83,02,187	52,02,39,071	2,12,85,41,258
Non current Assets	87,88,84,487	-	87,88,84,487	98,37,41,041	-	98,37,41,041

Disaggregation of revenue from contracts with customer:

(Amount in Rs.)

Particulars	Sale of goods			Sale of service		
	Finished goods			Jobwork		
	Within India	Outside India	Total	Within India	Outside India	Total
Year ended March 31,2020	68,41,12,958	21,19,39,135	89,60,52,093	13,92,16,113	-	13,92,16,113
Year ended March 31,2019	1,45,88,60,626	52,02,39,071	1,97,90,99,697	1,76,76,767	-	1,76,76,767



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

42. Income Tax Expense

Particulars	(Amount in Rs.)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax	-	-
Deferred tax		
- Relating to origination & reversal of temporary difference	-3,41,49,402	-9,44,05,718
- Relation to change in tax rate	-	-
Tax expense attributable to current year's profit	-3,41,49,402	-9,44,05,718
Adjustment in respect of income tax of previous year		
- Current income tax	-	-
- Deferred tax	-	-
Total Tax expense	-3,41,49,402	-9,44,05,718

Effective Tax Rate (ETR) 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:

Particulars	(Amount in Rs.)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Loss/(Income) before tax	-20,26,20,201	-33,86,42,448
Enacted tax rates	25.17%	27.82%
Computed tax Income/(expense)	-5,09,95,452	-9,42,10,326
Increase/Reduction in taxes on account of:		
- Previous year tax adjustments	-	-
- Deferred tax of previous years	-	588
- Other non deductible expenses	50	2,257
- Income not taxable / exempt from tax	-	-
- Tax on which no deduction is admissible	-	-
- Change in rate of tax	1,78,84,955	-3,420
Income tax expense reported	-3,31,10,447	-9,42,10,901

43. Deferred income tax

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



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

(Amount in Rs.)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Book base and tax base of fixed assets	67,04,862	-1,72,01,164
(Disallowance)/Allowance (net) under income tax	16,08,092	1,38,80,478
Carried forward losses	2,58,36,448	9,77,26,404
Total	3,41,49,402	9,44,05,718

Component of tax accounted in OCI and Equity

(Amount in Rs.)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Component of OCI		
Deferred tax Gain/ (Loss) on defined benefit	10,38,955	1,98,237
Total	10,38,955	1,98,237

44. Retirement benefit obligations

a) Expense recognised for Defined Contribution plan

(Amount in Rs.)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Company's Contribution to Provident Fund	31,15,183	41,37,609
Company's Contribution to ESI	2,95,306	6,44,795
Total	34,10,489	47,82,404

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

b) Movement in obligation

(Amount in Rs.)

Particulars	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Present Value of Obligation - March 31, 2019	70,52,869	38,47,066
Interest Cost	2,87,992	1,57,088
Current Service Cost	14,99,390	16,75,792
Benefits Paid	-	-7,02,136
Remeasurements - actuarial loss/(gain)	41,28,081	36,86,701
Present Value of Obligation - March 31, 2020	1,29,68,332	86,64,511



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

c) Movement in Plan Assets - Gratuity

(Amount in Rs.)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Fair value of plan assets at beginning of the year	-	-
Expected return on plan assets	-	-
Employer contributions	-	-
Benefits paid	-	-
Transfer out pursuant to Composite Scheme of Arrangement	-	-
Actuarial gain / (loss)	-	-
Fair value of plan assets at end of year	-	-
Present value of obligation	-	-
Net funded status of plan	-	-
Actual return on plan assets	-	-

d) Recognised in Profit and Loss

(Amount in Rs.)

Particulars	Gratuity		Leave encashment	
	Charged to P&L	Capitalised	Charged to P&L	Capitalised
Current Service cost	14,99,390	-	16,75,792	-
Interest cost	2,87,992	-	1,57,088	-
Expected return on plan assets	-	-	-	-
Remeasurement - Actuarial loss/(gain)	-	-	36,86,701	-
For the year ended March 31, 2020	17,87,382	-	55,19,581	-
Actual return on plan assets	-	-	-	-
Current Service cost	11,27,922	-	13,87,933	-
Interest cost	3,74,904	-	1,78,500	-
Expected return on plan assets	-	-	-	-
Remeasurement - Actuarial loss/(gain)	-	-	2,23,380	-
For the year ended March 31, 2019	15,02,826	-	17,89,813	-
Actual return on plan assets	-	-	-	-

e) Recognised in other comprehensive income

(Amount in Rs.)

Particulars	Gratuity
Remeasurement - Actuarial loss / (gain)	41,28,081
For the year ended March 31, 2020	41,28,081
Remeasurement - Actuarial loss / (gain)	7,12,570
For the year ended March 31, 2019	7,12,570



f) The principal actuarial assumptions used for estimating the Company's defined benefit obligations are set out below

Weighted average actuarial assumptions	As at March 31, 2020	As at March 31, 2019
Discount rate	7.00% PA	7.75% PA
Salary Growth Rate	11% PA	5% PA
Mortality	IALM 2012-14	IALM 2006-08 Ultimate
Expected rate of return	0.00	0.00
Withdrawal rate	5% PA	5% PA

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.

g) Sensitivity analysis

For the year ended March 31, 2019

(Amount in Rs.)

Particulars	Change in Assumption	Effect on Gratuity obligation	Effect on compensated absence obligation
Discount rate	1%	1,14,79,062	75,60,545
	-1%	1,47,68,818	1,00,21,826
Salary growth rate	1%	1,46,80,734	99,54,890
	-1%	1,15,16,114	75,87,795
Withdrawal rate	1%	1,24,09,817	83,07,078
	-1%	1,36,17,858	90,87,151

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.



h) History of experience adjustment is as follows

(Amount in Rs.)

Particulars	Gratuity	Compensated absence
For the year ended March 31, 2020		
Plan Liability - loss/(gain)	-	-
Plan Assets - loss/(gain)	-	-
For the year ended March 31, 2019		
Plan Liability - loss/(gain)	4,62,183	-
Plan Assets - loss/(gain)	-	-

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

(Amount in Rs.)

Particulars	Gratuity
01 Nov. 2019 to 31 Oct. 2020	2,97,498
01 Nov. 2020 to 31 Oct. 2021	1,30,113
01 Nov. 2021 to 31 Oct. 2022	1,40,965
01 Nov. 2022 to 31 Oct. 2023	2,92,847
01 Nov. 2023 to 31 Oct. 2024	1,62,515
01 Nov. 2024 onwards	1,19,44,394

i) Statement of Employee benefit provision:

(Amount in Rs.)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Gratuity	1,29,68,332	70,52,869
Leave Encashment	86,64,511	38,47,066
Total	2,16,32,843	1,08,99,935

j) Current and non-current provision for gratuity, leave encashment and other benefits

The following table sets out the funded status of the plan and the amounts. Current and non-current provision for Gratuity and leave encashment recognised in the Company's balance sheet –



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

(Amount in Rs.)

Particulars	Gratuity	Leave Encashment
For the Year ended March 31, 2020:		
Current Provision	2,97,498	2,77,861
Non Current Provision	1,26,70,834	83,86,650
Total	1,29,68,332	86,64,511
For the Year ended March 31, 2019 :		
Current Provision	3,70,963	4,77,504
Non Current Provision	66,81,906	33,69,562
Total	70,52,869	38,47,066

k) Employee benefit expenses

(Amount in Rs.)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Salaries & Wages	8,21,29,408	12,66,72,193
Cost Defined benefit plan	17,87,382	15,02,826
Costs defined contribution plan	34,10,489	47,82,404
Welfare expenses	27,70,543	32,49,403
Total	9,00,97,822	13,62,06,826

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Average No. of people employed	166	184

l) Expected contribution

(Amount in Rs.)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Expected contributions to be paid for next year	15,27,104	13,74,911
Total	15,27,104	13,74,911

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Weighted average duration (based on discounted cash flows) in years	19	15



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 terms 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.

45. Other disclosures

Auditors' Remuneration

(Amount in Rs.)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Auditors Remuneration		
- Statutory Audit Fee's	80,000	80,000
- Tax Audit Fee's	20,000	20,000
- Out of pocket expense	2,600	-



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

46. Contingent Liabilities

i) Guarantees

Particulars	(Amount in Rs.)	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Guarantees issued by Company's bankers on behalf of the company	13,72,55,108	8,66,26,073
Liability in respect of corporate guarantee / Duty saved for availing various export based incentive schemes	-	-
Total	13,72,55,108	8,66,26,073

ii) Letter of Credit Outstanding

Particulars	(Amount in Rs.)	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Letter of Credit Outstanding	-	15,57,55,351
Total	-	15,57,55,351

iii) Other contingent liabilities

Particulars	(Amount in Rs.)	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Income tax demand against which company has preferred appeal	21,08,20,181	-
Total	21,08,20,181	-

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

Particulars	(Amount in Rs.)	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Property Plant & Equipment	-	2,29,504
Total	-	2,29,504



48. 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 parties name and relationship

1. Key Management personnel (KMP)

Sl. No.	Name of KMP	Designation
1.	Mr. Tapasvi Bhargava	Whole- time Director
2.	Mr. Akshay Agarwal	Company Secretary

2. Relatives of KMP

Name	Relationship
Mr. Kuldeep Bhargava	Father of Mr. Tapasvi Bhargava
Mr. Tejasvi Bhargava	Brother of Mr. Tapasvi Bhargava

3. Related parties

S. No.	Particulars
I	<u>Holding Company</u>
1	Jindal Saw Limited
II	<u>Fellow Subsidiary</u>
1	Jindal ITF Limited
2	IUP Jindal Metals & Alloys Limited
3	S.V. Trading Limited
4	Quality Iron and Steel Limited
5	Ratael Holdings Limited
6	Jindal Saw Holdings FZE
7	Greenray Holdings Limited



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

- 8 Jindal Saw Espana, S.L. (Upto 10.03.2017)
- 9 Jindal Tubular (India) Ltd.
- 10 JITF Shipyards Limited -(Name changes form JITF Waterways Ltd. w.e.f 5th August, 2016)
- 11 JITF Shipyards Limited -Upto 5th August, 2016)
- 12 JITF Shipping & Logistics (Singapore) Pte. Limited (Direct subsidiary w.e.f 05.08.2016)
- 13 Universal Tube Technology Private Ltd.- upto12.04.2016
- 14 Jindal Saw USA, LLC
- 15 Jindal Saw Italia S.P.A.
- 16 Jindal Saw Middle East FZC
- 17 Derwent Sand SARL
- 18 Jindal Saw Gulf L.L.C.
- 19 Jindal International FZE (w.e.f. 8th July,2015)
- 20 Jindal Intellicom Limited
- 21 Icom analytics Limited (name changed wef july 29, 2015)
- 22 JITF Shipping & Logistics (Singapore) Pte. Limited
- 23 Jindal Tubular U.S.A. LLC
- 24 World Transload & Logistics LLC
- 25 5101 Boone LLP
- 26 Tube Technologies INC
- 27 Helical Anchors INC
- 28 Boone Real Property Holding LLC
- 29 Drill Pipe International LLC
- 30 JITF Coal Logistics Limited (Upto 30.06.2016)
- 31 Sulog Transshipment Services Ltd. (w.e.f. 29.06.2016)
- 32 Jindal Fittings Limited
- 33 JITF Infralogistics Limited (upto 05.08.2016)
- 34 JITF Urban Infrastructure Services Limited (upto 05.08.2016)
- 35 JITF Water Infrastructure Limited (upto 05.08.2016)
- 36 Jindal Rail Infrastructure Limited (upto 05.08.2016)
- 37 JITF Urban Infrastructure Limited (upto 05.08.2017)
- 38 JITF Water Infra (Naya Raipur) Limited (upto 05.08.2016)
- 39 JITF ESIPL CETP (Sitarganj) Limited (upto 05.08.2016)
- 40 JITF Industrial Infrastructure Development Company Limited (upto 05.08.2016)
- 41 JITF Urban Waste Management (Ferozepur) Limited (upto 05.08.2016)
- 42 JITF Urban Waste Management (Jalandhar) Limited (upto 05.08.2017)
- 43 JITF Urban Waste Management (Bathinda) Limited (upto 05.08.2016)
- 44 JITF Urban Waste Management (Vishakhapatnam) Limited (upto 05.08.2016)
- 45 JITF Urban Waste Management (Tirupati) Limited (upto 05.08.2016)
- 46 JITF Urban Waste Management (Guntur) Limited (upto 05.08.2016)
- 47 Timarpur- Okhla Waste Management Company Private Limited (upto 05.08.2016)



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

4. Entities where Key Management Personnel (KMP) of Parent and their Relatives exercise Significant Influence;

- Jindal Stainless Ltd.
- Jindal Stainless (Hisar) Ltd.
- JSW Steel Ltd.
- Jindal Steel & Power Ltd.
- Quality Stainless Pvt. Ltd.
- Quality Foils (India) Pvt. Ltd.
- JITF Water Infrastructure Ltd.
- Danta Enterprises Pvt. Ltd.
- JITF Commodity Tradex Ltd.
- AB Travels

B. Related party transaction

(Amount in Rs.)

S. No.	Particulars	Holding Company/ Fellow Subsidiary		KMP, Relatives of KMP and Entities where KMP of Parent and their Relatives exercise Significant Influence	
		2019-20	2018-19	2019-20	2018-19
1	Conversion of Loan into 11% Non-Cumulative Compulsorily Convertible Preference Share (CCPS) Danta Enterprises Pvt. Ltd.	-	-	19,00,00,000	12,50,00,000
2	Purchase of Raw Materials/Consumables/Services				
	Jindal Saw Limited	43,73,59,793	4,61,20,408	-	-
	Jindal Stainless Ltd.	-	-	2,62,86,745	97,79,41,836
	JITF Commodity Tradex Ltd.	-	-	-	2,18,39,741
	Quality Stainless Pvt. Ltd.	-	-	13,68,288	31,69,792
	Quality Foils (India) Pvt. Ltd.	-	-	1,22,94,324	14,46,67,156
	Jindal Stainless (Hisar) Ltd.	-	-	7,78,59,616	6,36,40,500
	IUP Jindal Metals & Alloys Ltd.	33,645	76,35,212	-	-
	Icom analytical Ltd.	2,59,545	5,43,727	-	-
3	Loan Taken during the year				
	Danta Enterprises Pvt. Ltd.	-	-	20,61,74,134	14,12,86,892
4	Interest expense				
	Danta Enterprises Pvt. Ltd.	-	-	41,16,531	1,31,82,143
	Jindal Stainless Ltd.	-	-	3,13,037	31,82,390
	Quality Foils (India) Pvt. Ltd.	-	-	33,36,164	12,60,774
	JITF Commodity Tradex Ltd.	-	-	-	5,19,720
	Jindal Stainless (Hisar) Ltd.	-	-	6,63,314	-



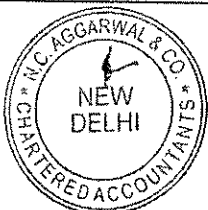
JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

S. No.	Particulars	Holding Company/ Fellow Subsidiary		KMP, Relatives of KMP and Entities where KMP of Parent and their Relatives exercise Significant Influence	
		2019-20	2018-19	2019-20	2018-19
5	Expenses incurred by others and reimbursed by company				
	Jindal Saw Limited	2,21,68,108	5,70,17,622	-	-
	AB Travels	-	-	-	90,400
6	Expenses recovered by company				
	Jindal Saw Limited	1,24,438	-	-	-
7	Sale of Goods/Services and Material				
	Jindal Saw Limited	47,88,28,165	10,31,51,190	-	-
	Quality Stainless Pvt. Ltd.	-	-	-	31,11,013
	Quality Foils (India) Pvt. Ltd.	-	-	-	2,52,84,427
	JSW Steel Ltd.	-	-	2,75,21,116	-
8	Sale of Capital Items				
	Jindal Saw Limited	89,54,080	4,96,54,896	-	-
9	Rent Expense				
	Jindal Saw Limited	8,26,000	14,16,000	-	-
10	Lease Rent Income				
	Jindal Saw Limited	12,98,00,001	-	-	-
11	Interest Income				
	Jindal Stainless Ltd.	-	-	3,47,819	-
	Jindal Stainless (Hisar) Ltd.	-	-	1,16,139	-
		1,07,83,53,775	26,55,39,055	55,03,97,227	1,52,41,76,784

Outstanding Balances

(Amount in Rs.)

Particulars	Holding Company/ Fellow Subsidiary		KMP, Relatives of KMP and Entities where KMP of Parent and their Relatives exercise Significant Influence	
	2019-20	2018-19	2019-20	2018-19
Share Capital				
Jindal Saw Limited	6,41,03,010	6,41,03,010	-	-
Kuldip Bhargava	-	-	1,70,52,620	1,70,52,620
Tapasvi Bhargava	-	-	71,31,250	71,31,250
Tejasvi Bhargava	-	-	73,89,250	73,89,250
Security Premium				
Jindal Saw Limited	20,38,90,950	20,38,90,950	-	-
Kuldip Bhargava	-	-	7,27,94,340	7,27,94,340
Tapasvi Bhargava	-	-	1,07,18,750	1,07,18,750
Tejasvi Bhargava	-	-	1,69,10,750	1,69,10,750



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

(Amount in Rs.)

Particulars	Holding Company/ Fellow Subsidiary		KMP, Relatives of KMP and Entities where KMP of Parent and their Relatives exercise Significant Influence	
	2019-20	2018-19	2019-20	2018-19
Advances/Receivables				
Jindal Saw Ltd.	-	4,86,75,854	-	-
JSW Steel Ltd.	-	-	-	4,138
Quality Stainless Pvt. Ltd.	-	-	93,189	14,62,477
Quality Foils (India) Pvt. Ltd.	-	-	-	55,30,896
Jindal Steel & Power Ltd.	-	-	4,82,490	4,82,490
Loan Payable				
Danta Enterprises Pvt Ltd.	-	-	3,92,61,026	2,30,86,892
Payable				
Jindal Saw Ltd.	36,93,07,045	34,86,80,436	-	-
Quality Foils (India) Pvt. Ltd.	-	-	-	4,70,24,512
Jindal Stainless (Hisar) Ltd.	-	-	-	1,14,79,152
Jindal Stainless Ltd.	-	-	-	12,35,55,514
Icom analytical Ltd.	-	27,184	-	-
IUP Jindal Metals & Alloys Ltd.	8,702	-	-	-
Interest Payable				
Danta Enterprises Pvt Ltd.	-	-	-	1,20,57,603

Key Management Personnel (KMP)

(Amount in Rs.)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Short term benefits	33,53,595	55,41,600
Total	33,53,595	55,41,600

49. Earnings per share

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



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

(Figures in number)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Weighted average Equity Shares outstanding (A)	1,10,62,271	95,84,736
Total	1,10,62,271	95,84,736

(Amount in Rs.)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Profit & Loss after tax (B)	-16,95,09,754	-24,44,34,967
Basic Earning per share (B/A)	(15.32)	(25.50)

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

50. Provisions

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

(Amount in Rs.)

Particulars	Gratuity	Leave Enchashment
As at March 31, 2018	48,37,473	23,03,236
Provision during the year	11,27,922	16,11,313
Reimbursement losses accounted for in OCI	7,12,570	-
Payment during the year	-	-2,45,983
Interest charges	3,74,904	1,78,500
As at March 31, 2019	70,52,869	38,47,066
Provision during the year	14,99,390	53,62,493
Reimbursement losses accounted for in OCI	41,28,081	-
Payment during the year	-	-7,02,136
Interest charges	2,87,992	1,57,088
As at March 31, 2020	1,29,68,332	86,64,511

(Amount in Rs.)

As at March 31, 2019	Gratuity	Leave Enchashment
Current	3,70,963	4,77,504
Non Current	66,81,906	33,69,562



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

(Amount in Rs.)

As at March 31, 2020	Gratuity	Leave Enchashment
Current	2,97,498	2,77,861
Non Current	1,26,70,834	83,86,650

51. Lease Disclosure

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

Finance lease obligation of the Company as lessee as of March 31, 2020 is as follows –

The company has entered into an agreement effective October 02, 2018 for installation and maintenance of Solar Power panels at Kosi Kalan manufacturing unit, The Contract is for 18 years. The Company has evaluated the transaction and has accounted for the lease transaction as finance lease.

(Amount in Rs.)

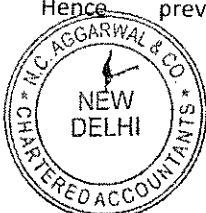
Particulars	Future minimum lease payment	Interest	Present value
Within one year of the balance sheet date	99,08,945	54,05,296	45,03,649
Later than one year but not later than five years from the balance sheet date	2,42,83,434	2,03,49,386	39,34,048
Later than five years from the balancesheet date	6,61,74,172	3,57,05,779	3,04,68,393
Total	10,03,66,552	6,14,60,461	3,89,06,091

Operating lease obligation of the Company as lessor as of March 31, 2020 is as follows –

The company has entered into OMMA (operation, maintenance and Management) effective November 01, 2019. The Company has agreed to handover the operation, maintenance and management of the facility to Jindal Saw Ltd. The Contract is for 5 years. The Company has evaluated the transaction and has accounted for the lease transaction as operating lease.

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

53. The company has entered into OMMA (Operation, Maintenance & Management Agreement) w.e.f. 1ST Nov, 2019. Hence previous year figures are not comparable with current year figures



JINDAL QUALITY TUBULAR LIMITED
NOTES TO FINANCIAL STATEMENTS

54. Notes 1 to 53 are annexed to and form an integral part of financial statements.

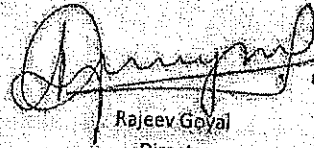
As per our report of even date attached
For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N



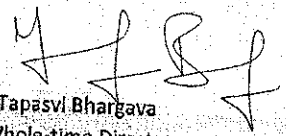
G. K. Aggarwal
Partner
M.No. 085622
Place : New Delhi
Dated : June 17, 2020



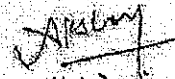
For and on behalf of Board of Directors of Jindal Quality Tubular Limited



Rajeev Goyal
Director
DIN : 07003755



Tapasvi Bhargava
Whole-time Director
DIN : 00011946



Akshay Agarwal
Company Secretary
M.No. ACS 41115