P.C. GOYAL & CO.
CHARTERED ACCOUNTANTS
B-3/2 TOP FLOOR PASCHIM VIHAR
NEW DELHI-110063

INDEPENDENT AUDITORS' REPORT

To
The Members of IUP JINDAL METALS & ALLOYS LIMITED

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **IUP JINDAL METALS & ALLOYS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the [Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit , total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

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

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

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

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

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

P.C. GOYAL & CO.
NEW DELHI
M.No.082407
FRN-002368N
CHARTERED ACCOUNTANTS

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.

P.C. GOYAL & CO. CA NEW DELHI M.No.082407 FRN-002368N CHARTERED ACCOUNTANTS

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

P.C. GOYAL & CO.
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2. As required by Section 143 (3) of the Act, we report that:

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

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

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

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

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

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

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

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

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

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

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

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

P.C. GOYAL & CO. NEW DELHI M.No.082407 FRN-002368N CHARTERED ACCOUNTANTS

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

Date: May 14, 2019
Place: New Delhi

ANNEXURE-A TO INDEPENDENT AUDITORS' REPORT

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

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

   (b) A major portion of fixed assets has been physically verified by the management in accordance with a phased programme of verification adopted by company. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.

   (c) The title deeds of the immovable properties are held in the name of the Company.

2. As explained to us, the management during the year has physically verified inventories. In respect of stores and spares there is a perpetual inventory system and a substantial part of stocks has been verified during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed during physical verification of inventories as compared to book records were not material and the same have been properly dealt with in the books of account.

3. According to the information and the explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the order are not applicable to the company and hence not commented upon.

4. The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iv) of the order are not applicable to the company and hence not commented upon.

5. According to the information given to us, the Company has not accepted any deposits under the provisions of section 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the companies Act and the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time. No order has been passed with respect to Section 73 to 76, by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal.

6. We have broadly reviewed the accounts and records maintained by the company in respect of manufacture of steel and steel products to which the said rule are made applicable pursuant to the order made by the central government for maintenance of cost records prescribed under sub-section (l) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of such records with a view to determine whether these are accurate and complete.

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7. (a) According to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues wherever applicable i.e. provident fund, employee' state insurance, income tax, duty of customs, goods & services tax, cess and other statutory dues with the appropriate authorities There are no arrears as at March 31, 2019 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, there are no material dues in respect of wealth tax, duty of customs and goods & services tax which have not been deposited with the appropriate authorities on account of any dispute.

8. In our opinion, on the basis of books and records examined by us and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks. The company does not have any dues to financial institution, government or debenture holders.

9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

10. According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, we have been informed that no case of frauds has been committed on or by the Company or by its officers or employees during the year.

11. The Company has paid/provided for managerial remuneration to whole-time director in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

12. The company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13. According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Act, and where applicable the details have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.

14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable to the Company.

15. The Company has not entered into any non-cash transactions with the directors or persons connected with him as covered under Section 192 of the Companies Act, 2013. Accordingly, provisions of clause 3 (xv) of the Order are not applicable to the Company.

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

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

P.C. GOYAL & CO. NEW DELHI M.No.082407 FRN-002368N CHARTERED ACCOUNTANTS

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

Date: May 14, 2019
Place: New Delhi

ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of **IUP JINDAL METALS & ALLOYS LIMITED** ("the Company") as of 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

P.C. GOYAL & CO. CA NEW DELHI M.No.082407 FRN-002368N CHARTERED ACCOUNTANTS

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, 2019, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

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

P.C. GOYAL & CO. NEW DELHI M.No.082407 FRN-002368N CHARTERED ACCOUNTANTS

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

Date: May 14, 2019
Place: New Delhi

IUP JINDAL METALS & ALLOYS LIMITED
Balance Sheet as at March 31, 2019
CIN: U74999DL2004PLC128194

(Amount in ₹)

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

See accompanying notes to the financial statements 1 - 46

As per our report of even date attached.

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

M.P. Jain
Partner
M.No. 082407

P.C. GOYAL & CO. NEW DELHI M.No.082407 FRN-002368N CHARTERED ACCOUNTANTS

Indresh Batra
Managing Director
DIN: 00093471

Shinu Jindal
Director
DIN: 00005317

Jagmohan Syal
CEO

Arun Bhalla

Arun Bhalla
Company Secretary
M. No. A27585

Sayed Mohammed Wasim
CFO

Place: New Delhi
Date: 14th May, 2019

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

(Amount in ₹)

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

See accompanying notes to the financial statements 1 - 46

As per our report of even date attached.

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

M.P. Jain
Partner
M.No. 082407

P.C. GOYAL & CO. NEW DELHI M.No.082407 FRN-002368N CHARTERED ACCOUNTANTS

Indresh Batra
Managing Director
DIN: 00093471

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Director
DIN: 00005317

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CEO

Arun Bhalla
Arun Bhalla
Company Secretary
M. No. A27585

Sayed Mohammed Wasim
CFO

Place: New Delhi
Date: 14th May, 2019

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

(Amount in ₹)

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

As per our report of even date attached.

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

P.C. GOYAL & CO. NEW DELHI M.No.082407 FRN-002368N CHARTERED ACCOUNTANTS

M.P. Jain
Partner
M.No. 082407

Indresh Batra
Managing Director
DIN: 00093471

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Director
DIN: 00005317

Jagmohan Syal
CEO

Arun Bhalla
Arun Bhalla
Company Secretary
M. No. A27585

Sayed Mohammed Wasim
CFO

Place: New Delhi
Date: 14th May, 2019

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

A. Equity Share Capital

(Amount in ₹)

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

B. Other Equity

(Amount in ₹)

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

See accompanying notes to the financial statements 1 - 46

As per our report of even date attached.

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

P.C. GOYAL & CO. NEW DELHI M.No.082407 FRN-002368N CHARTERED ACCOUNTANTS

M.P. Jain
Partner
M.No. 082407

Indresh Batra
Managing Director
DIN: 00093471

Sminu Jindal
Director
DIN: 00005317

Jagmohan Syal
CEO

Arun Bhalla
Company Secretary
M. No. A27585

Sayed Mohammed Wasim
CFO

Place: New Delhi
Date: 14th May, 2019

IUP Jindal Metals and Alloys Limited

Notes to Financial Statements

1. Corporate and General Information

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

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

2. Basis of preparation

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

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

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

3.0 Significant Accounting Policies

3.1 Basis of Measurement

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

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

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

3.2 Property, Plant and Equipment

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

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

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

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

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

3.3 Intangible Assets

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

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

3.4 Impairment of non-current assets

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

3.5 Cash and cash equivalents

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

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

3.6 Inventories

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

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3.7 Leases

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

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

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

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

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

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

3.8 Employee benefits

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

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

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

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

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

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

3.9 Foreign currency reinstatement and translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

3.10 Financial instruments – Initial recognition, subsequent measurement and impairment

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

a. Financial Assets

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

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

Trade receivables

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

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

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

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

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

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

b. Financial Liabilities

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

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

i. Financial liabilities at fair value through profit or loss

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

ii. Financial liabilities measured at amortised cost

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

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

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

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

Trade and other payables

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

De-recognition of financial liability

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

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3.11 Borrowing costs

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

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

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

3.12 Taxation

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

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

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

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

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

3.13 Revenue recognition and Other income

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

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

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

Other Income

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

3.14 Earnings per share

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

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

3.15 Provisions and contingencies

Provisions

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

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

Contingencies

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

3.16 Current versus non-current classification

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

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

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A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

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

3.17 Recent accounting development

Standards issued but not yet effective

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

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

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

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

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

4. Critical accounting estimates, assumptions and judgements

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

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

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

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

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

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(e) Allowance for uncollected accounts receivable and advances

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

(f) *Insurance claims*

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

(g) *Liquidated damages*

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

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5. Property, Plant and Equipment

(Amount in ₹)

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

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6. Intangible Assets

(Amount in ₹)

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

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(Amount in ₹)

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

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

8	**OTHER NON-CURRENT ASSETS**		
	Unsecured, Considered good		
	Capital advances	18,354,193	1,019,173
	Total Other Non-Current Assets	**18,354,193**	**1,019,173**

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

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

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Notes to Financial Statements

(Amount in ₹)

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

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

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

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

14	OTHER FINANCIAL ASSETS		
	Interest Accrued on Fixed Deposits	204,823	271,287
	Total Other Financial Assets	**204,823**	**271,287**

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

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

* includes Cenvat credit, Govt. incentives etc.

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(Amount in ₹)

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

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

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

		As At March 31, 2019	As At March 31, 2018
17 (b)	Shares held by the Holding Company	11,300,000	11,300,000
	Percentage of Holding	80.71	80.71

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

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

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

17 (e) Terms/Rights attached to Equity Shares

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

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