

INDEPENDENT AUDITORS' REPORT

To
The Members of JINDAL TUBULAR (INDIA) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **JINDAL TUBULAR (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, 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.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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



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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure 'A'** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 31st March, 2017;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any; on long-term contracts including derivatives contracts;



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

iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company (refer note no. 41 of notes to accounts).

For N.C. Aggarwal & Co.

Chartered Accountants

Firm Registration No. 003273N

G. K. Aggarwal

Partner

M. No. 086622

Date: 26th May, 2017

Place: New Delhi



ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to in our report of even date to the members of **JINDAL TUBULAR (INDIA) LIMITED** on the accounts for the year ended 31st March, 2017)

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 programme of verification adopted by the Company. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.

(c) The Company does not have any immovable property.

2. As explained to us, the management during the year has physically verified inventories at reasonable interval and in respect of stores and spares, there is a perpetual inventory system and a substantial part of such stock 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 granted unsecured loans to the company covered in the register maintained under section 189 of the Companies Act 2013.

(a) As the aforesaid loan including interest accrued thereon is already repaid and therefore, the question of irregularity of payment does not arise.

(b) The aforesaid loan is repaid and therefore, the question of overdue amount does not arise.

However, the company has not given any loan to firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 for the loan given by the company. The Company has not provided any guarantee, security and made any investments in terms of Section 185 and 186 of the Companies Act, 2013.

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 year. Accordingly, the Paragraph 3(v) of the Order is not applicable to the Company.



JINDAL TUBULAR (INDIA) LIMITED

Balance Sheet as at 31st March, 2017

Particulars	Note No.	As at 31st March, 2017 (₹ lacs)	As at 31st March, 2016 (₹ lacs)
I Assets			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	5	119.00	155.50
(b) Capital Work-in-Progress		-	0.56
(c) Other Intangible Assets	6	0.74	1.01
(d) Financial Assets			
Other Financial Assets	7	33.31	33.39
(e) Deferred Tax Assets (net)	8	1,308.81	915.05
(2) Current Assets			
(a) Inventories	9	540.34	3,061.30
(b) Financial Assets			
(i) Trade Receivables	10	2,310.15	4,259.19
(ii) Cash and Cash Equivalents	11	6.85	28.15
(iii) Bank Balances other than (ii) above	12	-	20.33
(iv) Loans	13	-	1.04
(v) Other Financial Assets	14	252.86	326.54
(c) Current Tax Assets (net)	15	26.51	6.71
(d) Other Current Assets	16	520.89	1,117.55
Total Assets		5,119.46	9,926.32
II Equity and Liabilities			
(1) Equity			
(a) Equity Share Capital	17	705.00	705.00
(b) Other Equity		(1,081.05)	(335.94)
Liabilities			
(2) Non-Current Liabilities			
(a) Financial Liabilities			
Borrowings	18	2.23	3,229.04
(b) Provisions	19	71.72	36.49
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	565.40	83.04
(ii) Trade Payables	21	930.63	4,995.02
(iii) Other Financial Liabilities	22	3,384.69	358.16
(b) Other Current Liabilities	23	536.28	843.61
(c) Provisions	24	4.56	11.90
Total Equity and Liabilities		5,119.46	9,926.32

The accompanying notes forms an integral part of these financial statements.

1-42

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

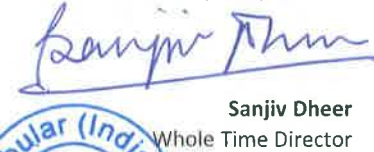
Place : New Delhi

Dated : 26th May, 2017



For and on behalf of the Board of Directors
of Jindal Tubular (India) Limited


Rajeev Goyal
Director
DIN : 07003755


Sanjiv Dheer
Whole Time Director
DIN : 07238997



JINDAL TUBULAR (INDIA) LIMITED

Statement of Profit and Loss for the year ended 31st March, 2017

Particulars	Note No.	Year ended	Period ended
		31st March, 2017 (₹ lacs)	31st March, 2016 (₹ lacs)
I Revenue from Operations	25	18,006.87	10,838.88
II Other Income	26	590.80	71.02
III Total Income (I+II)		18,597.67	10,909.90
IV Expenses			
Cost of Materials Consumed	27	11,145.89	9,561.71
Changes in Inventories of Finished Goods, Stock-in-Trade and Work- in-Progress	28	1,237.89	(1,249.00)
Employee Benefits Expense	29	2,044.96	1,985.33
Finance Costs	30	1,198.52	736.47
Depreciation and Amortisation Expense		49.84	14.55
Excise Duty		1,857.40	731.67
Other Expenses	31	2,161.76	1,773.20
Total Expenses (IV)		19,696.26	13,553.93
V Profit/(Loss) before Tax (III- IV)		(1,098.59)	(2,644.03)
VI Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax (Assets) / Liability		(379.82)	(915.05)
Total Tax Expense (VI)		(379.82)	(915.05)
VII Profit/ (Loss) for the year (V-VI)		(718.77)	(1,728.98)
VIII Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
(i) Re-measurement gains (losses) on defined benefit plans		(40.28)	-
Income tax effect on above		13.94	-
Total Other Comprehensive Income		(26.34)	-
IX Total Comprehensive Income for the year (VII+VIII) (Comprising Profit/ (Loss) and Other Comprehensive Income for the year)		(745.11)	(1,728.98)
X Earnings Per Equity Share :			
(1) Basic		(10.57)	(1,731.04)
(2) Diluted		(10.57)	(1,731.04)
The accompanying notes forms an integral part of these financial statements.		1-42	

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 : 26th May, 2017



**For and on behalf of the Board of Directors
of Jindal Tubular (India) Limited**



Rajeev Goyal

Director

DIN : 07003755



Sanjiv Dheer

Whole Time Director

DIN : 07238997



JINDAL TUBULAR (INDIA) LIMITED
Statement of cash flows for the year ended 31st March, 2017

Particulars	Year ended 31st March, 2017 (₹ lacs)	Period ended 31st March, 2016 (₹ lacs)
A. CASH INFLOW (OUTFLOW) FROM THE OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	(1,098.59)	(2,644.03)
Adjustments for :		
Add/(Less)		
Depreciation	49.84	14.55
Interest Expenses	1,059.05	670.00
Loss on sale of fixed assets	5.01	-
Provision for doubtful debts / Receivable	185.14	-
Profit on Sale of Investments	(3.35)	(4.72)
Interest Income	(577.53)	(62.38)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(380.43)	(2,026.58)
Adjustments for :		
Inventories	2,520.96	(3,061.30)
Trade Receivables	1,949.04	(4,259.19)
Loans and Advances and Other Assets	506.67	(1,498.85)
Trade and Other Payables	(4,624.19)	6,193.39
CASH GENERATED FROM OPERATIONS BEFORE EXCEPTIONAL ITEMS	(27.95)	(4,652.53)
Tax Paid	(19.80)	(6.71)
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	(47.75)	(4,659.24)
B. CASH INFLOW/(OUTFLOW) FROM INVESTMENT ACTIVITIES		
Sale of Current Investment (Net of Purchase)	3.35	4.72
Capital Expenditure	(21.22)	(171.62)
Sale proceeds of fixed assets	3.71	-
Interest Received	577.50	62.38
NET CASH INFLOW/(OUTFLOW)FROM INVESTING ACTIVITIES	563.33	(104.52)
C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		
Interest Paid	(1,078.77)	(621.51)
Proceeds from Issue of Share Capital	-	2,105.00
Equity Issue Expense	-	(6.96)
Proceeds from Short Term Borrowings	482.36	83.04
Proceeds from Long Term Borrowings	59.53	3,232.34
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	(536.88)	4,791.91
NET CHANGES IN CASH AND CASH EQUIVALENTS	(21.30)	28.15
Cash and cash equivalents at beginning of the period	28.15	-
Exchange difference on translation of Foreign Currency cash and cash equivalents	-	-
Cash and cash equivalents at end of the period	6.85	28.15

NOTE:

- Increase/(decrease) in long term and short term borrowings are shown net of repayments.
- Figures in bracket indicates cash out flow.
- The above cash flow statement has been prepared under the indirect method set out in IND AS - 7 'Statement of Cash Flows'
- The accompanying notes forms an integral part of these financial statements.

1-42

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 : 26th May, 2017

For and on behalf of the Board of Directors
of Jindal Tubular (India) Limited

Rajeev Goyal
Rajeev Goyal
Director
DIN : 07003755

Sanjiv Dheer
Sanjiv Dheer
Whole Time Director
DIN : 07238997



JINDAL TUBULAR (INDIA) LIMITED

Statement of Changes in Equity for the period ended 31st March, 2017

A. EQUITY SHARE CAPITAL

Particulars	Balance at the 5th February, 2015	Changes in equity share capital during the period	Balance as at 31st March, 2016	Changes in equity share capital during the year	Balance as at 31st March, 2017
Equity Share Capital	-	705.00	705.00	-	705.00

B. OTHER EQUITY

Particulars	Share application money pending allotment	Reserves and Surplus			Items of other Comprehensive Income			Total
		Securities Premium Reserve	Retained Earnings	Exchange differences on translating the financial	Equity Instruments through Other Comprehensive Income	Re-measurement of the net defined benefit plans		
Balance at the 5th February, 2015	-	-	(1,728.98)	-	-	-	(1,728.98)	
Profit/(loss) for the period	-	1,400.00	-	-	-	-	1,400.00	
Addition during the period	-	-	(6.96)	-	-	-	(6.96)	
Share Issue Expenses	-	-	-	-	-	-	-	
Balance as at 31st March, 2016	-	1,400.00	(1,735.94)	-	-	-	(335.94)	
Profit/(loss) for the year	-	-	(718.77)	-	-	-	(718.77)	
Re-measurement of the net defined benefit plans	-	-	-	-	-	(26.34)	(26.34)	
Balance as at 31st March, 2017	-	1,400.00	(2,454.71)	-	-	(26.34)	(1,081.05)	

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 : 26th May, 2017

For and on behalf of the Board of Directors
of Jindal Tubular (India) Limited

(Signature)

Rajeev Goyal
Director
DIN : 07003755

Sanjiv Dheer
Whole Time Director
DIN : 07238997



1) Corporate and General Information

Jindal Tubular (India) 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, UP - 281403, India.

The Company was incorporated on 5th February, 2015 and is wholly owned subsidiary of Jindal Saw Limited.

The Company is a manufacturer of Iron and Steel Pipes at various locations in India. The company has entered into an Operation, Maintenance and Management Agreement (OMMA) with PSL Limited on 4th March, 2015 to takeover the Operations, Maintenance and Management of their identified facilities on profit sharing basis.

2) Basis of Preparation

The Company had elected to voluntarily adopt IND AS from the date of incorporation ie 5th February,2015.. These financial statements have been prepared, complying in all material aspects 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. The financial statements comply with IND AS notified by Ministry of Company Affairs ("MCA").

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 recognized 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 periods (refer Note no. 4 on critical accounting estimates, assumptions and judgements).

3) Significant Accounting Policies**3.1) Basis of Measurement**

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

- a) Financial assets and liabilities except borrowings carried at amortised cost,

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 Lacs with two decimals.

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.

Assets are depreciated to the residual values on a straight line basis over useful life provided in the Schedule II of the Companies Act 2013. The 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, the residual life is adjusted prospectively. Estimated useful lives of the assets are as follows:

Category of Assets	Years
Buildings- Temporary	3
Equipment & Machinery	
Plant & Machinery	15
Electrical Installations	10
Other Office Equipment	
Furniture and Fixtures	10
Vehicles	8
Office Equipments	5
Computers	3



Notes to Financial Statements

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,
- 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 five 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.

3.6) Inventories

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

3.7) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment 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.

Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under operating lease are recorded in the Statement of Profit and Loss on a straight line basis over the period of the lease.

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.



Notes to Financial Statements

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.

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.

3.9) Foreign Currency Reinstatement and Translation**(a) Functional and Presentation Currency**

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

(b) Transactions and Balances

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

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 counter party is in default under the terms of the agreement.

A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

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

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 are recognised at fair value less transaction costs that are attributable to the issue of such financial liability except those carried at fair value through statement of profit and loss. Transaction costs of financial liability carried at fair value through statement of profit and loss is expensed in statement of profit and loss.

Financial liabilities are classified in two categories; subsequent measurement of financial assets is dependent 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 and loss. Financial liabilities at fair value through profit and 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 Amortized Cost

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

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

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

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

Trade and Other Payables

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

De-recognition of Financial Liability

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



3.11) Equity Share Capital

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

3.12) 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 temporary 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.

3.13) 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 which cases 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 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 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.



3.14) Revenue Recognition and Other Operating Income**Sale of Goods**

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

Sale of Services - Job Work

Revenue from job work charges is recognised on percentage completion method on invoicing of services and transfer of goods. Percentage of completion is determined as a proportion of cost incurred to date to the total estimated contract cost. Estimated loss on project activity to be undertaken in future years is provided for.

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.

Dividend

Dividend income is recognised when the right to receive dividend is established.

3.15) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the 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.

3.16) 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. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

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.



3.17) Current versus Non - Current Classification

The Company presents assets and liabilities in Balance Sheet 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:

- 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.

3.18) Recent accounting pronouncements**Standards issued but not yet effective**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

4) Critical Accounting Estimates, Assumptions and Judgements

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



JINDAL TUBULAR (INDIA) LIMITED
Notes to Financial Statements

5. PROPERTY, PLANT AND EQUIPMENT

Particulars	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments & Computers	Mine Development	Total
Gross Block							
As at 5th February, 2015	127.93	11.30	1.74	13.05	15.94	-	169.96
Additions							
Disposal/Adjustments							
As at 31st March, 2016	127.93	11.30	1.74	13.05	15.94	-	169.96
Additions	8.70	6.14	0.30	-	6.62	-	21.76
Disposal/Adjustments	6.39	4.60	0.24	-	0.56	-	11.79
As at 31st March, 2017	130.24	12.84	1.80	13.05	22.00	-	179.93
Accumulated Depreciation							
As at 5th February, 2015							
Charge for the period	11.22	0.19	0.07	0.64	2.34	-	14.46
Disposal/Adjustments							
As at 31st March, 2016	11.22	0.19	0.07	0.64	2.34	-	14.46
Charge for the year	41.81	0.83	0.18	1.55	5.27	-	49.64
Disposal/Adjustments	2.92	0.09	0.03	-	0.13	-	3.17
As at 31st March, 2017	50.11	0.93	0.22	2.19	7.48	-	60.93
Net carrying amount							
As at 31st March, 2016	116.71	11.11	1.67	12.41	13.60	-	155.50
As at 31st March, 2017	80.13	11.91	1.58	10.86	14.52	-	119.00

6. INTANGIBLE ASSETS

Particulars	Software	Total
Gross Block		
As at 5th February, 2015	-	-
Additions	1.10	1.10
Disposal/Adjustments	-	-
As at 31st March, 2016	1.10	1.10
Additions	0.03	0.03
Disposal/Adjustments	0.10	0.10
As at 31st March, 2017	1.03	1.03
Accumulated Amortisation		
As at 5th February, 2015		
Charge for the period	0.09	0.09
Disposal/Adjustments		
As at 31st March, 2016	0.09	0.09
Charge for the year	0.20	0.20
Disposal/Adjustments	0.00	0.00
As at 31st March, 2017	0.29	0.29
Net carrying amount		
As at 31st March, 2016	1.01	1.01
As at 31st March, 2017	0.74	0.74



JINDAL TUBULAR (INDIA) LIMITED

Notes to Financial Statements

Particulars	As at 31st March, 2017 (₹ lacs)	As at 31st March, 2016 (₹ lacs)
7. OTHER NON CURRENT FINANCIAL ASSETS		
Security Deposits		
- Unsecured, considered good	33.06	33.39
Bank Deposits with remaining maturity of more than 12 months *		
- Unsecured, considered good	0.25	-
Total Other non current financial assets	33.31	33.39
* includes Rs 0.25 lacs pledged with Government departments		
8. DEFERRED TAX ASSET (NET)		
(i) Disallowance under Income Tax Act, 1961	235.72	184.03
(ii) Carried Forward losses	1,061.32	731.46
(iii) Difference between book and tax base related to fixed assets	11.77	(0.44)
Total Deferred tax assets (net)	1,308.81	915.05
9. INVENTORIES		
a) Raw Materials		
Inventories-Raw Materials	223.48	1,246.40
Materials In Transit	-	272.11
	223.48	1,518.51
b) Work-in-progress		
	9.98	330.22
c) Finished Goods		
	-	945.20
d) Inventories- Stores and Spares		
Inventories- Stores and Spares	305.60	188.55
Goods In Transit-Stores Material	-	18.25
	305.60	206.80
e) Loose Tools		
	-	24.43
f) Others		
Scrap	1.28	36.14
Total Inventories	540.34	3,061.30
10. TRADE RECEIVABLES		
Secured		
Considered Good	-	3,589.01
Total Secured	-	3,589.01
Unsecured		
Considered Good	2,310.15	670.18
Considered Doubtful	-	-
Total Unsecured	2,310.15	670.18
Total Trade Receivables	2,310.15	4,259.19



JINDAL TUBULAR (INDIA) LIMITED

Notes to Financial Statements

Particulars	As at	As at
	31st March, 2017 (₹ lacs)	31st March, 2016 (₹ lacs)
11. CASH AND CASH EQUIVALENTS		
Balances with Banks		
On current accounts	5.94	25.34
Cash on hand	0.91	2.81
Total Cash and Cash Equivalents	6.85	28.15
12. OTHER BANK BALANCES		
Margin Money with Bank	-	20.33
Total Other Bank Balances	-	20.33
13. LOANS		
Other loans		
Loans to Employees		
- Unsecured, considered good		1.04
Total Short Term Loans	-	1.04
14. OTHER FINANCIAL ASSETS		
Security Deposit	0.54	1.86
Interest Accrued but not due	0.04	-
Other Receivables *	252.28	324.68
Total Other Financial Assets	252.86	326.54
* includes amount paid under business obligations		
15. CURRENT TAX ASSETS (NET)		
Advance taxation	26.51	6.71
Total Current Tax Assets	26.51	6.71
16. OTHER CURRENT ASSETS		
Advances to vendors	6.62	10.03
Advance to Employees	0.48	1.59
Prepaid Expenses	35.66	183.94
Amount recoverable*	478.13	921.99
Total Other Current Assets	520.89	1,117.55

* includes VAT receivable, Cenvat credits etc.



JINDAL TUBULAR (INDIA) LIMITED

Notes to Financial Statements

Particulars	As at	As at
	31st March, 2017 (₹ lacs)	31st March, 2016 (₹ lacs)
17. EQUITY SHARE CAPITAL		
Authorised		
80,00,000 Equity Shares of ₹ 10/- each	800.00	800.00
	800.00	800.00
Issued		
70,50,000 Equity Shares of ₹10/- each	705.00	705.00
	705.00	705.00
Subscribed and Fully Paid-Up		
70,50,000 Equity Shares of ₹10/- each	705.00	705.00
	705.00	705.00
Total Share Capital	705.00	705.00

(a) Reconciliation of the number of shares:

Equity Shares

Shares outstanding as at the beginning of the period	7,050,000	-
Add : issued during the year - Nil (for the period ended 31st March, 2016 - 70,50,000 equity shares of Rs 10/- each)	-	7,050,000
Shares outstanding as at the end of the year	7,050,000	7,050,000

(b) Shares held by Holding Company:

Name of Shareholders	No. of shares	% of holding as at 31st March, 2017	No. of shares	% of holding as at 31st March, 2016
Jindal Saw Limited (including shares held by nominee shareholders)	7,050,000	100.00	7,050,000	100.00

(c) Details of shareholders holding more than 5% shares in the Company:

Name of Shareholders	No. of shares	% of holding as at 31st March, 2017	No. of shares	% of holding as at 31st March, 2016
Jindal Saw Limited	7,050,000	100.00	7,050,000	100.00
Total	7,050,000	100.00	7,050,000	100.00

(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

(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.



JINDAL TUBULAR (INDIA) LIMITED

Notes to Financial Statements

Particulars	As at	As at
	31st March, 2017 (₹ lacs)	31st March, 2016 (₹ lacs)
18. LONG-TERM BORROWINGS		
Term Loans		
Term Loans from Banks	2.23	3,229.04
Total Secured Long term borrowings	2.23	3,229.04
Term Loans from Banks include :		
(i) Term Loan of ₹ 3286.01 lacs including ₹ 3300.00 lacs shown in current maturity (March 31,2016- ₹ 3223.17 lacs and Nil respectively) is net of unamortised processing fee Rs 13.99 lacs (March 31, 2016 - ₹ 76.83 lacs).The same is secured by first charge over all current assets of the company and carries rate of interest of 11.25% p.a. The loan is repayable in one bullet payment at the end of 2 years from first drawdown date i.e. on 14th June, 2017.		
(ii) Term Loans include Vehicle Loan of ₹ 5.87 lacs (March 31, 2016 - ₹ 9.17 lacs) (including ₹ 3.64 lacs shown in current maturity, Previous year ₹ 3.30 lacs) is secured by way of hypothecation of Vehicles, which carries rate of interest of 9.60 % p.a. The same is repayable as under:		
Year of Repayment	₹ in lacs	
2017-18	3.64	
2018-19	2.23	
Total outstanding balance	5.87	
(iii)There is no default in repayment of principal and interest thereon.		
19. PROVISIONS NON CURRENT		
Provision for Employee benefits		
Gratuity	37.70	27.03
Leave Encashment	34.02	9.46
Total Long term Provisions	71.72	36.49
20. BORROWINGS- CURRENT		
Secured		
From banks		
Working Capital borrowings	565.40	83.04
Total Short Term Borrowings	565.40	83.04
Working Capital borrowings are secured by first charge over all current assets of the company.		
CURRENT LIABILITIES		
21. TRADE PAYABLES		
Trade Payables (including acceptances)	891.10	4,861.83
Micro and Small Enterprises *	39.53	133.19
Total Trade Payables	930.63	4,995.02
* Principal amount outstanding as at the year end, there is no overdue amount of principal and interest due to Micro and small enterprises. During the year, no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.		
22. OTHER FINANCIAL LIABILITIES		
Current Maturities of Long Term debts	3,289.64	3.30
Interest Accrued but not due	28.77	48.49
Others:		
Outstanding Other Financial Liabilities		81.58
Dues to Employees	66.28	224.79
Total Other Financial Liabilities	3,384.69	358.16



JINDAL TUBULAR (INDIA) LIMITED

Notes to Financial Statements

Particulars	As at	As at
	31st March, 2017 (₹ lacs)	31st March, 2016 (₹ lacs)
23. OTHER CURRENT LIABILITIES		
Advance From Customer	18.38	-
Other Payables		
Statutory Dues	77.03	117.06
Other liabilities*	440.87	726.55
Total Other Current Liabilities	536.28	843.61

* other liabilities comprise of provision for excise duty on closing stock and other provision for expenses.

24. SHORT TERM PROVISIONS

Provision for Employee benefits

Gratuity	2.58	10.94
Leave Encashment	1.98	0.96
Total Short Term Provisions	4.56	11.90

Particulars	Year ended	Period ended
	31st March, 2017 (₹ lacs)	31st March, 2016 (₹ lacs)
25. GROSS REVENUE FROM OPERATIONS		
a) Sale of products		
Finished goods	16,653.94	10,489.39
b) Sale of Services		
Job Work Charges	1,347.54	349.49
c) Other Operating revenues		
Other Income	5.38	-
Total Revenue from operations	18,006.87	10,838.88
26. OTHER INCOME		
a) Interest Income	577.53	62.38
b) Net Gain/ (loss) on Sale of current investments	3.35	4.72
c) Other Non Operating Income	9.89	3.92
d) Profit on sale of Fixed Assets	0.03	-
Total Other Income	590.80	71.02
Total Revenue	18,597.67	10,909.90
27. COST OF MATERIALS CONSUMED		
Raw material consumed	11,145.89	9,561.71
Total Cost of Material Consumed	11,145.89	9,561.71

28. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Opening Stock - Finished Goods	945.20	
- Scrap	36.14	
- Work in Progress	330.22	
	1,311.56	
Closing Stock - Finished Goods		945.20
- Scrap	1.28	36.14
- Work in Progress	9.98	330.22
	11.26	1,311.56

NET (INCREASE)/DECREASE IN STOCK

Excise duty on account of increase/(decrease) on stock of finished goods	(62.41)	62.56
Total (Increase)/Decrease in Stock	1,237.89	(1,249.00)



JINDAL TUBULAR (INDIA) LIMITED

Notes to Financial Statements

Particulars	Year ended 31st March, 2017 (₹ lacs)	Period ended 31st March, 2016 (₹ lacs)
29. EMPLOYEE BENEFIT EXPENSES		
a) Salary and Wages	1,737.77	1,695.54
b) Contribution to Provident and other funds	145.60	158.10
c) Workmen and Staff welfare expenses	161.59	131.69
Total Employee Benefit Expenses	2,044.96	1,985.33
30. FINANCE COST		
a) Interest Expense		
Interest on Term loans	374.07	207.42
Interest on Bank Borrowings	682.69	274.15
Bank and Finance charges	139.47	66.47
Other Interest	2.29	78.03
b) Net foreign currency (gain)/loss-finance costs	-	110.40
Total Finance Cost	1,198.52	736.47
31. OTHER EXPENSES		
Manufacturing Expenses		
Stores and Spares Consumed	439.92	158.56
Power and Fuel	332.63	435.14
Job work expenses	380.43	34.31
Other Manufacturing Expenses	78.68	355.96
Repairs to Buildings	5.84	31.44
Repairs to Plant and Machinery	48.62	36.65
Administrative, Selling and Other Expenses		
Rent	58.90	47.08
Rates and Taxes	14.81	12.64
Insurance	65.45	31.28
Repair and Maintenance-Others	10.57	11.80
Travelling and Conveyance	100.10	119.01
Vehicle Upkeep and Maintenance	32.83	36.52
Postage and Telephones	12.35	14.87
Legal and Professional Fees	36.00	56.85
Charity and Donation	1.20	-
Auditors' Remuneration	1.69	1.73
Cost Auditors' Remuneration	0.50	-
Security Expenses	107.70	145.73
Advertisement	-	0.10
Forwarding Charges (net)*	77.86	157.40
Other Selling Expenses	14.79	2.02
Provision for doubtful receivables	185.14	-
Loss on Sale/Discard of Fixed Assets	5.05	-
Net foreign currency (gain) /loss - operating expenses	1.15	(14.92)
Miscellaneous Expenses	149.55	99.03
Total Other Expenses	2,161.76	1,773.20

*Net of recoveries of Rs 444.96 lacs (Previous year Rs 333.34 lacs)



32) Financial Risk Management**Financial Risk Factors**

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

i) Market Risk

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

ii) Credit Risk

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

iii) Liquidity Risk

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

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

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

Market Risk

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

(i) Foreign Exchange Risk and Sensitivity

The Company transacts business in Indian Rupee and in foreign currency. The Company has obtained foreign currency loans and has foreign currency trade payables and is therefore, exposed to foreign exchange risk.



Notes to Financial Statements

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

(₹ Lacs)

Particulars	Change in currency exchange rate	Effect on profit before tax
For the period ended 31st March, 2016		
USD	+ 5%	-1.07
	- 5%	1.07
EURO	+ 5%	-0.90
	- 5%	0.90
For the year ended March 31, 2017		
USD	+ 5%	-
	- 5%	-
EURO	+ 5%	-
	- 5%	-

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

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

(₹ lacs)

Particulars	For the year ended 31st March, 2017	For the period ended 31st March, 2016
Currency fluctuations		
Net foreign exchange gain/(losses) shown as operating expenses	-1.15	14.92
Net foreign exchange gain/(losses) shown as finance cost	-	-110.40
Net foreign exchange gain/(losses) shown as Other Income	-	-
Total	-1.15	-95.48

(ii) Interest Rate Risk and Sensitivity

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

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

(₹ lacs)

Interest rate sensitivity	Increase/ Decrease in basis points	Effect on profit before tax
For the year ended March 31, 2017		
INR borrowings	+50	-19.26
	-50	19.26
For the period ended March 31, 2016		
INR borrowings	+50	-16.53
	-50	16.53

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



(iii) Commodity Price Risk and Sensitivity

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

Credit Risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. 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 also takes Letter of Credit and Advances from its customers which mitigate the credit risk to an extent.

The ageing of Trade Receivable is as below:

(₹ lacs)

Particulars	Not Due	Due ageing			Total
		< 6 months	6-12 months	> 1 year	
Trade receivable					
As at 31st March,2107					
Secured			-	-	-
Unsecured	-	2,288.58	21.51	0.07	2,310.15
Total	-	2,288.58	21.51	0.07	2,310.15
Less: Provision	-	-	-	-	-
Trade Receivable	-	2,288.58	21.51	0.07	2,310.15
As at 31st March,2106					
Secured	3,556.57	32.44	-	-	3,589.01
Unsecured	-	670.18	-	-	670.18
Total	3,556.57	702.62	-	-	4,259.19
Less: Provision	-	-	-	-	-
Trade Receivable	3,556.57	702.62	-	-	4,259.19

Financial Instruments and Cash Deposits

The Company does not maintain significant cash and deposit balances other than those required for its day to day operations. However temporary surplus funds are invested in risk free Debt Mutual Funds.

Liquidity Risk

The Company's objective is to; at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. In case of temporary short fall in liquidity to repay the bank borrowing/operational short fall, the company uses mix of capital infusion and borrowing from its holding company. However, the company envisage that such short fall is temporary and the company would generate sufficient cash flows in future.



Notes to Financial Statements

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

(₹ lacs)

Particulars	As at 31st March 2017				Total
	On Demand/ Overdue	< 6 months	6-12 months	> 1 year	
Interest bearing borrowings (including current maturity)	-	3,287.78	567.26	2.23	3,857.27
Trade payable	-	930.63	-	-	930.63
Other financial liabilities	-	66.03	29.02	-	95.05
Total	-	4,284.44	596.28	2.23	4,882.94

Particulars	As at 31st March 2016				Total
	On Demand/ Overdue	< 6 months	6-12 months	> 1 year	
Interest bearing borrowings (including current maturity)	-	1.61	84.73	3,229.04	3,315.38
Trade payable	13.70	4,981.32	-	-	4,995.02
Other financial liabilities	32.64	242.68	79.54	-	354.86
Total	46.34	5,225.61	164.27	3,229.04	8,665.26

Unused Line of Credit

(₹ lacs)

Particulars	As at 31st March 2017	As at 31st March 2016
Secured	2,434.60	4,615.20
Total	2,434.60	4,615.20

Competition and Price Risk

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

Capital Risk Management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. 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.

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 cash equivalents.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. Net debt is calculated as loans and borrowings less cash and cash equivalents.

The gearing ratios as at 31st March, 2017 is as follows:

(₹ lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Loans and borrowings	3,857.27	3,315.38
Less: cash and cash equivalents	6.85	28.15
Net Debt	3,850.42	3,287.23
Capital	-376.05	369.06
Capital and Net Debt	3,474.37	3,656.29
Gearing Ratio	110.82	89.91



33) Fair Value of Financial Assets and Liabilities

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

(₹ lacs)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets designated at Fair value through Profit & loss		-		-
Financial Assets designated at Fair value through other comprehensive income		-		-
Financial Assets designated at Amortised Costs				
Fixed Deposits at Bank	0.25	0.25	-	-
Cash and Bank Balances	6.85	6.85	28.15	28.15
Trade and Other Receivables	2,310.15	2,310.15	4,259.19	4,259.19
Other Financial Assets	285.92	285.92	381.30	381.30
	2,603.17	2,603.17	4,668.64	4,668.64
Financial Liabilities designated at Fair value through Profit & loss		-		-
Financial Liabilities designated at Amortised Costs				
Borrowings - Fixed Rates	5.87	5.87	9.17	9.17
Borrowings - Floating Rates	3,851.40	3,851.40	3,306.21	3,306.21
Trade Payables	930.63	930.63	4,995.02	4,995.02
Other Financial Liabilities	95.05	95.05	354.86	354.86
	4,882.95	4,882.95	8,665.26	8,665.26

The company does not have any financial asset or liability where fair value through profit and loss or fair value through other comprehensive income is designated.

Fair Valuation Techniques

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

- 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- 2) 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:

- 1) 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.
- 2) 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. Derivatives included interest rate swaps and foreign currency forwards.



Notes to Financial Statements

3) 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.

Assets / Liabilities for which fair value is disclosed:

Particulars	As at 31st March, 2017		
	Level 1	Level 2	Level 3
Financial Liabilities			
Borrowings - Fixed Rate	-	5.87	-
Other Financial Liabilities	-	95.05	-

Assets / Liabilities for which fair value is disclosed:

Particulars	As at 31st March, 2016		
	Level 1	Level 2	Level 3
Financial Liabilities			
Borrowings - Fixed Rate	-	9.17	-
Other Financial Liabilities	-	354.86	-

Following table describes the valuation techniques used and key inputs to valuation within level 2 and 3, and quantitative information about significant unobservable inputs for fair value measurements within Level 3 of the fair value hierarchy as of 31st March 2017 :

a) Assets / Liabilities for which fair value is disclosed

Particulars	Fair Value Hierarchy	Valuation Techniques	Inputs Used
Financial Liabilities			
Other borrowings - Fixed Rate	Level 2	Discounted Cash Flow	Prevailing interest rates in market, future payouts
Other financial liabilities	Level 2	Discounted Cash Flow	Prevailing interest rates in market, future payouts

34) Segment Information

Information about Primary Segment

The Company is engaged primarily into Iron and Steel Pipe Manufacturing. The Company's primary segment as identified by management is Iron and Steel Pipe as product. The company operates into one primary segment. Segments have been identified taking into account nature of product and differential risk and returns of the segment.

Information about Geographical Segment – Secondary

The Company's operations are located in India. Therefore, the Management has not identified any geographical segment.

35) Deferred Income Tax

The analysis of deferred tax assets and deferred tax liabilities dealt in the statement of profit & loss is as follows:

Particulars	for the period ended	
	for the year ended 31st March, 2017	31st March, 2016
Book base & tax base of fixed assets	-12.21	0.44
(Disallowance)/ Allowance (net) under Income Tax Act	-37.75	-184.03
Carried Forward losses	-329.86	-731.46
Total	-379.82	-915.05

Component of tax accounted in OCI & equity

Particulars	for the period ended	
	for the year ended 31st March, 2017	31st March, 2016
Component of OCI		
Deferred tax (gain)/ loss on defined benefit	-13.94	



JINDAL TUBULAR (INDIA) LIMITED**Notes to Financial Statements****Effective Tax Reconciliation**

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

Particulars	for the year	for the Period
	Ended 31st March 2017	Ended 31st March 2016
Accounting Profit / (Loss) before tax	-1,098.59	
Applicable tax rate	34.608%	
Computed tax (Income) expense	-380.20	
Increase/(reduction) in taxes on account of:		N.A.
Other Non deductible expenses	0.42	
Other Comprehensive Income	-13.94	
Deferred tax of previous years	-0.03	
Income Tax Expenses/(income) charged to statement of profit and loss	-393.76	

37) Other Disclosures**Auditors' Remuneration**

(₹ lacs)

Particulars	Year ended	Period ended
	31st March, 2017	31st March, 2016
Statutory Auditors		
i. Audit Fee	1.00	1.00
ii. Tax Audit Fee	0.25	0.25
iii. Certification/others	0.20	0.48
iv. Out of pocket Expenses	0.24	-
Total	1.69	1.73
b) Cost Auditors		
i. Audit Fee	0.50	-
Total	0.50	-

38) Contingent Liabilities

(₹ lacs)

Particulars	As at	As at
	31st March, 2017	31st March, 2016
i. Guarantees	-	-
ii. Letter of Credit	181.62	-



JINDAL TUBULAR (INDIA) LIMITED

Notes to Financial Statements

39) Related Party Disclosures

I. Related Parties Name & Relationship

A. Key Managerial Person (KMP)

<u>Name</u>	<u>Designation</u>
Mr. Sanjiv Dheer	Whole-time Director

(WTD wef 1st October,2016)

B. Holding Company

Jindal Saw Limited

C. Fellow Subsidiaries

Jindal ITF Limited

IUP Jindal Metals & Alloys Limited

S.V. Trading Limited

Quality Iron and Steel Limited

Ralael Holdings Limited

Jindal Saw Holdings FZE

Greenray Holdings Limited

Universal Tube Accessories Private Limited (upto April 12, 2016)

Jindal Saw Espana,S.L. (upto March 10, 2017)

JITF Shipyards Limited -(Name changed form JITF Waterways Limited w.e.f August 5, 2016)

Jindal Quality Tubular Limited

JITF Shipping & Logistics (Singapore) Pte. Limited \$ (Direct subsidiary w.e.f August 5, 2016) upto March 17, 2017

Jindal Saw USA, LLC

Jindal Saw Italia S.P.A.

Jindal Saw Middle East FZC

Derwent Sand SARL

Jindal Saw Gulf L.L.C.

Jindal International FZE

Jindal Intellicom Limited

iCom Analytics Limited

Jindal Tubular U.S.A. LLC (upto March 30, 2017)

World Transload & Logistics LLC

5101 Boone LLP

Tube Technologies INC

Helical Anchors INC

Boone Real Property Holding LLC

Drill Pipe International LLC

JITF Coal Logistics Limited (upto June 30, 2016)

Sulog Transshipment Services Limited (w.e.f. June 29, 2016)

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

Jindal Steel & Power Limited

JSW Steel Limited



JINDAL TUBULAR (INDIA) LIMITED**Notes to Financial Statements****40) Earning Per Share (EPS)**

The following is the computation of basic and diluted earnings per equity share:

(₹ lacs)

Particulars	Year ended 31st March, 2017	Period ended 31st March, 2016
Weighted average number of shares outstanding - Basic and Diluted - (A)	7,050,000	99,881
Profit and loss after tax (₹ in lacs) - (B)	-745.11	-1,728.98
Basic Earnings per share (B/A) (₹)	-10.57	-1,731.04
Diluted Earnings per share (B/A) (₹)	-10.57	-1,731.04

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

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

41) The detail of Specified Bank Notes held and transacted during the period from 8th November, 2016 to 30th December, 2016 as required by Ministry of Corporate Affairs vide notification no G.S.R 308 (E) dated 30th March, 2017 is as follows:

Particulars	SBNs	Other denomination notes	Total
Closing cash in Hand as on 8.11.2016	218,500	71,947	290,447
(+) Permitted receipts	-	668,102	668,102
(-) Permitted Payments	-	590,650	590,650
(-) Amount deposited in Banks	218,500	-	218,500
Closing cash in Hand as on 30.12.2016	-	149,399	149,399

SBN are demonetised currency notes of ₹ 500 and ₹ 1000

42) The previous period¹ financials are for the period from 5th February, 2015 to 31st March,2016. hence not comparable with current year figures.

Previous period figures have been regrouped/ rearranged wherever considered necessary to confirm to current year classification.

43) Notes 1 to 42 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. 086622

Place : New Delhi
Dated : 26th May, 2017



**For and on behalf of the Board of Directors
of Jindal Tubular (India) Limited**


Rajeev Goyal
Director
DIN : 07003755


Sanjiv Dheer
Whole Time Director
DIN : 07238997

