

## **INDEPENDENT AUDITORS' REPORT**

**To**

**The Members of JINDAL INTELICOM LLC**

### **Report on the Financial Statements**

#### **Opinion**

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its profits and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 the 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 Rules thereunder, and we have fulfilled our other 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 for our opinion.

#### **Responsibility of Management for the Standalone 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. 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.

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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditor's Responsibility for the Audit of the Financial Statements**

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.

**Report on Other Legal and Regulatory Requirements**

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.

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 March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to **Annexure-B**.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  1. The Company does not have any pending litigations which would impact its financial position;
  2. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
  3. There is no amount payable towards investor education and protection fund by the company.

**GORAV BANSAL & CO.,**  
Chartered Accountants  
Firm Registration No. 024688N



**(GORAV BANSAL)**  
Proprietor  
M. No. 521161  
Dated: 30<sup>th</sup> April, 2020

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

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

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) A major portion of 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, 2014as 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.
7. (a) According to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues wherever applicable i.e. provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the

appropriate authorities There are no arrears as at March 31, 2020 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited with the appropriate authorities on account of any dispute.

8. In our opinion, on the basis of books and records examined by us and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks. The company does not have any dues to financial institution, government or debenture holders.
9. The Company has not raised any money by way of initial public offer or further public offer or debt instruments. In our opinion, and according to the information and explanation given to us, the term loans have been applied for the purposes for which they were raised, other than temporary deployment pending allocation.
10. According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, we have been informed that no case of frauds has been committed on or by the Company or by its officers or employees during the year.
11. 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.
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.

**GORAV BANSAL & Co.,**  
Chartered Accountants  
Firm Registration No. 0246



**(GORAV BANSAL)**  
Proprietor  
M. No. 521161  
Dated: 30<sup>th</sup> April, 2020

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

**Annexure referred to in our report of even date to the members of JINDAL INTELICOM LLC on the accounts for the year ended March 31, 2020**

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

We have audited the internal financial controls over financial reporting of JINDAL INTELICOM LLC ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

**GORAV BANSAL & Co.,**  
Chartered Accountants  
Firm Registration No. 024688N

**(GORAV BANSAL)**  
Proprietor  
M. No. 521161  
Dated: 30<sup>th</sup> April, 2020



# Jindal Intellicom LLC

## Balance Sheet as at 5<sup>th</sup> August, 2019

(The entity dissolved on 5<sup>th</sup> August, 2019)

		(In USD)		
S.No.	Particulars	Note No.	As at 5th August, 2019	As at 31st March, 2019
	<b>ASSETS</b>			
(1)	<b>Current assets</b>			
	(a) Financial assets			
	(i) Cash and cash equivalents	5	346.05	465.85
	<b>Total Assets</b>		<b>346.05</b>	<b>465.85</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	(a) Other equity	6	(10,853.95)	(10,734.15)
	<b>Liabilities</b>			
(1)	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	7	1,000.00	1,000.00
	(ii) Trade payables	8	10,200.00	10,200.00
	<b>Total Equity and Liabilities</b>		<b>346.05</b>	<b>465.85</b>

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


As per our report of even date attached

For **Gorav Bansal & Co.**  
Chartered Accountants  
FRN 024688N

For and on behalf of  
Jindal Intellicom LLC

**Gorav Bansal**  
Proprietor  
M. No. 521161

Place: New Delhi  
Dated: 30<sup>th</sup> April, 2020

  
**Shikha Aggarwal**  
Manager





# Jindal Intellicom LLC

## Statement of Profit and Loss for the year ended 5<sup>th</sup> August, 2019

(The entity dissolved on 5<sup>th</sup> August, 2019)

(In USD)

S.No.	Particulars		Period ended 5th August, 2019	Year ended 31st March, 2018
I	<b>INCOME</b>			
	Revenue from operations		-	-
	<b>Total Income</b>		-	-
II	<b>EXPENSES</b>			
	Other expenses	9	119.80	984.40
	<b>Total expenses</b>		<b>119.80</b>	<b>984.40</b>
III	<b>Profit/(loss) before tax (I- II)</b>		<b>(119.80)</b>	<b>(984.40)</b>
IV	<b>Tax expense:</b>			
	Current tax		-	-
	Deferred tax		-	-
V	<b>Profit (Loss) for the year from continuing operations (III - IV)</b>		<b>(119.80)</b>	<b>(984.40)</b>
VI	<b>Other Comprehensive Income</b>		-	-
VII	<b>Total Comprehensive Income for the year (V + VI)</b> <b>(Comprising Profit (Loss) and Other Comprehensive Income for the year)</b>		<b>(119.80)</b>	<b>(984.40)</b>
VIII	<b>Earnings per equity share (for continuing operations):</b>			
	Basic		-	-
	Diluted		-	-

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

As per our report of even date attached

For **Gorav Bansal & Co.**  
Chartered Accountants  
FRN024688N



Gorav Bansal  
Proprietor  
M.No. 521161

Place: New Delhi  
Dated: 30<sup>th</sup> April, 2020

For and on behalf of  
Jindal Intellicom LLC

Shikha Aggarwal  
Manager

# Jindal Intellicom LLC

## Statement of Changes in Equity for the period ended 5<sup>th</sup> August, 2019

### A – Share Capital

Balance as at 1st April 2018 (In USD)	Changes in equity share capital during the year ended 31st March, 2019 (In USD)	Balance as at 31st March, 2019 (In USD)	Changes in equity share capital during the period ended 5th August, 2020 (In USD)	Balance as at 5th August, 2019 (In USD)
-	-	-	-	-

### B – Other Equity

Particulars	Retained Earnings (in USD)	Other Comprehensive Income (in USD)	Total (in USD)
Balance as at 1st April, 2018	(9,749.75)	-	(9,749.75)
Total Comprehensive Income for the year ended 31st March, 2019	(984.40)	-	(984.40)
Balance as at 31st March, 2019	(10,734.15)	-	(10,734.15)
Balance as at 1st April, 2019	(10,734.15)	-	(10,734.15)
Total Comprehensive Income for the year ended 31st March, 2020	(119.80)	-	(119.80)
Balance as at 5th August, 2019	(10,853.95)	-	(10,853.95)

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

As per our report of even date attached

For Gorav Bansal & Co.  
Chartered Accountants  
FRN024688N



Gorav Bansal  
Proprietor  
M.No. 521161

Place: New Delhi  
Dated: 30<sup>th</sup> April, 2020

For and on behalf of  
Jindal Intellicom LLC

*Shikha*  
Shikha Aggarwal  
Manager

# Jindal Intellicom LLC

## Statement of Cash Flows for the period ended 5<sup>th</sup> August, 2019

(In USD)

Particulars	For the period ended		For the year ended	
	5th August, 2019		31st March, 2019	
<b>A. CASH INFLOW / (OUTFLOW) FROM THE OPERATING ACTIVITIES</b>				
<b>NET PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS</b>		(119.80)		(984.40)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		(119.80)		(984.40)
Adjustments for:				
Increase/(decrease) in trade payable		-	600.00	600.00
Income tax paid		(119.80)		(384.40)
<b>NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES (A)</b>		(119.80)		(384.40)
<b>B. CASH INFLOW/(OUTFLOW) FROM INVESTMENT ACTIVITIES</b>		-		-
<b>C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>		-		-
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS (A + B + C)</b>		(119.80)		(384.40)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		465.85		850.25
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		346.05		465.85

**NOTES:**

1. Figures in brackets indicate cash out flows.
2. The above Cash Flow Statement has been prepared under the indirect method set out in IND AS-7 'Cash Flow Statements'.

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

As per our report of even date attached

For Gorav Bansal & Co.  
Chartered Accountants  
FRN024688N



Gorav Bansal  
Proprietor  
M.No. 521161

Place: New Delhi  
Dated: 30<sup>th</sup> April, 2020

For and on behalf of  
Jindal Intellicom LLC

*Shikha*  
Shikha Aggarwal  
Manager

# Jindal Intellicom LLC

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## Notes to the financial statements

### 1- Corporate and general information

Jindal Intellicom LLC ("the Company") is a limited liability company domiciled and incorporated in USA under the provisions of the New York Limited Liability Company Law, having its registered office at 120, Bethpage Road, Suite 304, Hicksville, NY 11801. The parent of the Company is Jindal Intellicom Limited, parent's parent is JITF Shipyard Limited and ultimate parent is Jindal Saw Limited.

### 2- Basis of preparation

The financial statements comply in all material aspects with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act 2013, (the Act), Companies (Accounts) Rule (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. 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 3.0 of the notes to the financial statements.

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note 4.0 on significant 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:

- certain financial assets and liabilities
- defined benefit plans – plan assets, if any, measured at fair value
- derivative financial instruments

The financial statements are presented in United States Dollar ("USD"), which is the Company's functional and presentation currency and all amounts are rounded to the two decimals place, except as stated otherwise.

## **3.2- Cash and cash equivalents**

Cash and cash equivalents include cash in 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 bank overdrafts which are considered an integral part of the cash management of the Company.

## **3.3- Foreign currency reinstatement and translation**

### **(a) Functional and presentation currency**

Financial statements have been presented in United State Dollar ('USD), which is the functional and presentation currency of the Company.

### **(b) Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the yearend exchange rates are recognised in profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. Exchange gain and loss on debtors, creditors and other than financing and investing activities on a net basis are presented in the statement of profit and loss, as other expenses / other income. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/ (losses).

Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit and loss are recognised in profit and loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

## **3.4- 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**

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.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies debt investments when and only when its business model for managing these assets changes.

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.

## **Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

## **Trade receivables**

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

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

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

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

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

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

## **De-recognition of financial asset**

A financial asset is derecognized only when

- The company has transferred the rights to receive cash flows from the financial asset, or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

## **b) Financial liabilities**

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

### **i) Financial liabilities at fair value through profit or loss**

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

### **ii) Financial liabilities measured at amortised cost**

#### **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. 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. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as finance costs.

The fair value of the liability portion of an optionally convertible bonds is determined using a market interest rate for an equivalent non-convertible bonds. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently re-measured.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. 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 gains/(losses).

Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

#### **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.

#### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## **3.5- Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

## **3.6- Taxation**

The Income tax expenses or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate, the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, minimum alternative tax (MAT) and previous year tax adjustments.

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.

The current Income tax charge or credit is calculated on the basis of the tax law enacted after considering allowances, exemptions and unused tax losses under the provisions of the applicable Income Tax Laws. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred Income tax liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. 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. MAT credit is adjusted against the current tax liability on utilisation of MAT credit.

### **3.7- Provisions and contingencies**

#### **(a) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### **(b) Contingencies**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are neither recognised nor disclosed in the financial statements. 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.

### **3.8- Current versus non-current classification**

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

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.

# Jindal Intellicom LLC

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All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## **4.0-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 statements:

### **(a) Intangibles**

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

### **(b) Income tax**

Management judgment is required for the calculation of provision for income tax and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets and liabilities. 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.

### **(c) 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.

### **(d) 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.

# Jindal Intellicom LLC

## 5.0-Cash and Cash Equivalents

(In USD)

Particulars	As at 5th August, 2019	As at 31st March, 2019
Balances with banks in current accounts	346.05	465.85
<b>Total</b>	<b>346.05</b>	<b>465.85</b>

Cash is at free disposal of the Company.

## 6.0- Other Equity

### a) Retained Earnings

(In USD)

Particulars	As at 5th August, 2019	As at 31st March, 2019
Balance as per last financial statements	(10,734.15)	(9,749.75)
Add: Profit/(loss) after tax transferred from Statement of Profit and Loss	(119.80)	(984.40)
<b>Closing Balance</b>	<b>(10,853.95)</b>	<b>(10,734.15)</b>

Retained earnings represent the undistributed profits of the Company.

### b) Other Comprehensive Income (OCI) Reserve

(In USD)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance as per last financial statements	-	-
Add: Addition during the year	-	-
<b>Closing Balance</b>	<b>-</b>	<b>-</b>
<b>Total - Other Equity</b>	<b>(10,853.95)</b>	<b>(10,734.15)</b>

## 7.0-Borrowings

### Unsecured

(In USD)

Particulars	As at 5th August, 2019	As at 31st March, 2019
Unsecured, payable on demand		
- Others	1,000.00	1,000.00
	<b>1,000.00</b>	<b>1,000.00</b>

# Jindal Intellicom LLC

Unsecured short-term borrowing is payable on demand.

## 8.0-Trade Payables

(In USD)		
Particulars	As at 5th August, 2019	As at 31st March, 2019
Trade Payables (including acceptances)		
- Micro, small and medium enterprises	-	-
- Others	10,200.00	10,200.00
<b>Total</b>	<b>10,200.00</b>	<b>10,200.00</b>

## 9.0-Other expenses

(In USD)		
Particulars	Period ended 5th August, 2019	Year ended 31st March, 2018
Professional fees	-	500.00
Bank Charges	-	359.40
Audit fee	-	100.00
Miscellaneous expenses	119.80	25.00
<b>Total</b>	<b>119.80</b>	<b>984.40</b>

## 10.0- Related party transactions

In accordance with the requirements of Ind AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are:

### Related party name and relationship

#### 1- Key Management personnel

1	Shikha Aggarwal	Chief Finance Officer
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# Jindal Intellicom LLC

## 2- Entities where control exists – Parent, subsidiary and fellow subsidiaries a) Parent, subsidiary and fellow subsidiaries

S No	Particulars	Relationship
1	Jindal Saw Limited	Ultimate parent company
2	JITF Shipyards Limited	Parent's parent company
3	Jindal Intellicom Limited	Parent company
4	ICom Analytics Limited	Fellow subsidiary
5	Jindal ITF Limited	Fellow subsidiary
6	IUP Jindal Metals & Alloys Limited	Fellow subsidiary
7	S. V. Trading Limited	Fellow subsidiary
8	Quality Iron and Steel Limited	Fellow subsidiary
9	Ralael Holdings Limited	Fellow subsidiary
10	Jindal Tubular (India) Limited	Fellow subsidiary
11	Jindal Saw Holdings FZE	Fellow subsidiary
12	Green Ray Holdings	Fellow subsidiary
13	Jindal Quality Tubular Limited	Fellow subsidiary
14	Sulog Transhipment Services Limited	Fellow subsidiary
15	Jindal Saw USA LLC	Subsidiary of fellow subsidiary
16	World Transload & Logistics LLC	Subsidiary of fellow subsidiary
17	5101 Boone LLP	Subsidiary of fellow subsidiary
18	Drill Pipe International LLC	Subsidiary of fellow subsidiary
19	Tube Technologies Inc.	Subsidiary of fellow subsidiary
20	Helical Anchors Inc.	Subsidiary of fellow subsidiary
21	Boone Real Property Holding LLC	Subsidiary of fellow subsidiary
22	Jindal Saw Italia S.P.A. (Up to 12th February, 2019)	Subsidiary of fellow subsidiary
23	Jindal Saw Middle East FZC	Subsidiary of fellow subsidiary
24	Jindal Saw Gulf LLC	Subsidiary of fellow subsidiary
25	Jindal International FZE	Subsidiary of fellow subsidiary
26	Derwant Sand SARL	Subsidiary of fellow subsidiary

## b) Associates/Joint Venture

1	Jindal Fittings Limited	JV of Ultimate parent company
2	Jindal MMG, LLC	JV of Parent company

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

As per our report of even date attached


For Gorav Bansal & Co.  
Chartered Accountants  
FRN024688N



Gorav Bansal  
Proprietor  
M.No. 521161

Place: New Delhi  
Dated: 30<sup>th</sup> April, 2020

For and on behalf of  
Jindal Intellicom LLC

  
Shikha Aggarwal  
Manager