JINDAL

JINDAL SAW LTD.

22nd May, 2019

BSE Limited
Corporate Relation Department
1st Floor, New Trading Ring
Rotunga Building P. J. Towers
Dalal Street,
Mumbai - 400 001
Stock code: 500378

National Stock Exchange of India Limited,
Listing Department,
Exchange Plaza,
Bandra Kurla Complex
Bandra (East)
Mumbai – 400 051
Stock code: JINDALSAW

Sub: Information pursuant to Regulations 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

Dear Sir,

This is with reference to the captioned subject, we wish to inform you that pursuant to Regulation 30(2) read with Schedule III Part A Para A and Regulation 33 of the Listing Regulations, please find enclosed herewith the Audited Financial Results (Standalone & Consolidated) of the Company for the 4th quarter/ year ended 31st March, 2019 along with the Audit Report thereon by Price Waterhouse Chartered Accountants LLP, Statutory Auditors.

The Board Meeting commenced at 12.30 p.m. and concluded at 6.00 p.m.

This is for your information and record please.

Thanking you,

Yours faithfully,
For JINDAL SAW LIMITED

JINDAL SAW LIMITED NEW DELHI

SUNIL K. JAIN
COMPANY SECRETARY
FCS- 3056

Price Waterhouse Chartered Accountants LLP

Independent auditor's report

To the Members of Jindal Saw Limited

Report on the audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Jindal Saw Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with 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 Act 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.

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

4.1 **Assessment of the carrying value of investment in and loans granted to its subsidiary, Jindal ITF Limited**

[Refer to note 3.6 and note 57 to the financial statements]

Description of Key Audit Matter

The Company has an investment of Rs. 36,336.47 lakhs and advanced loans aggregating Rs. 83,908.81 lakhs to its subsidiary, Jindal ITF Limited ('subsidiary'). The subsidiary has a contract with a Public Sector Undertaking ('PSU') for transporting imported coal to one of their power generating stations. The contract was for a period of seven years and the subsidiary was the sole transporter and accordingly, had made significant investments to develop the facility. The contract had a clause for compensation in case the supply was lesser than the minimum guaranteed quantity ('MGQ') mentioned in the contract and had specific clauses to be adhered to by both the parties before terminating the contract.

The PSU stopped taking the supplies during the first year of operation and refused to pay compensation towards MGQ and terminated the agreement subsequently. The matter was referred to arbitration where the arbitrator had awarded interim award amounting to Rs. 35,631.18 lakhs relating to first 2 years of MGQ which was paid subsequently.
During the current year, the Arbitrator has issued the final order where it has decided the case in favour of the subsidiary awarding Rs. 189,108 lakhs plus interest and applicable taxes. The PSU has gone for appeals against the said order. The Management has assessed that there will not be any negative impact on carrying amount of investments and loans given by the Company to the subsidiary is recoverable.

This is a key audit matter since the investment made and loans granted by the Company to the subsidiary are material to the financial statements and the subsidiary is currently not having any operations. Further, the recovery of investment and loan granted depends on the ultimate recovery of the aforesaid compensation from the PSU by the subsidiary.

How our audit addressed the key audit matter

a) Discussed the matter with the management and obtained an understanding of the matter.

b) Reviewed the agreement between the subsidiary and the customer to corroborate the matters stated in the appeal and details of the claim filed by the subsidiary with the Arbitration Tribunal.

c) Performed test of controls over recoverability of the investment and the loans given to the subsidiary with specific focus on whether an impairment provision needs to be recognized.

d) Examined the arbitration orders (final and interim orders) decided in favour of the subsidiary and evaluated the recoverability of the said loans and investments, considering the said award.

e) Discussed the matter with the Company's external counsel and evaluated the legal opinion issued by them which supports the subsidiary's position.

As a result of our audit work, the management's assessment of the carrying value of the investment and loans was considered to be reasonable.

4.2 **Appropriateness of assessment of Impairment in the carrying value of investment and recoverability loan to wholly owned subsidiary, Jindal Saw Holdings FZE**

[Refer to note 3.6 and note 58 to the financial statements]

The Company had made investments of Rs. 10,270.09 Lakhs and also advanced loans aggregating Rs. 13,252.40 Lakhs to Jindal Saw Holdings FZE ('Subsidiary') as at March 31, 2019. The Subsidiary is incurring losses and the net worth is lower than the cost of investment. This is an indicator of potential impairment in the investment and the loans.

This is a key audit matter since, the investment made and the loans granted to the Subsidiary is material to the financial statements of the Company and significant judgement is required in forecasting the discount rate, the growth rates and terminal value used in estimating the discounted cash flows used by the Management's expert to support the carrying value.

The Board of Directors of the Company have assessed that a provision for impairment is not required towards the carrying value of investment and the loans to the Subsidiary are recoverable.

How our audit addressed the key audit matter

a) Obtained an understanding, evaluating and testing the operating effectiveness over the Company's controls over monitoring the performance of the Subsidiary and performing an impairment assessment.

b) Understood the operating performance and met the management experts to understand the assumptions, including the discount rate and the growth rates, used in the forecast.

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Gurugram

c) Compared the growth rates used in the forecast with the current market position relating to demand and supply of the product.

d) Examined the discount rate and terminal value of the Subsidiary used in the valuation report of the Management's expert.

e) Performed sensitivity tests over the key assumptions and considered then to be within a reasonable and foreseeable range.

f) Assessed the historical accuracy of the forecasts by comparing the forecast used in the prior year valuation with the actual performance in the current year. In case the actual performance was lower than the forecast, we obtained the reasons thereof from the management.

g) Tested the mathematical accuracy of the underlying calculations.

As a result of the above audit procedures, the Management's assessment of impairment in the carrying value of investment and recoverability of the loan was considered to be appropriate.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report and management discussion analysis, but does not include the financial statements and our auditor's report thereon.

6. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

7. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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.

9. 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 responsibilities for the audit of the financial statements

10. 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.

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

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

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

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

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

Report on other legal and regulatory requirements

15. 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 B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



16. As required by Section 143(3) of the Act, we report that:

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

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

c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

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

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 48 to the financial statements;

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 derivative contracts – Refer Note 36 to the financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except in respect of dividend amounting to Rs. 227.73 lakhs which has been kept in abeyance pursuant to court order.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sougata Mukherjee
Partner
Membership Number 057084
Place: New Delhi
Date: May 22, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 16(f) of the Independent Auditors' Report of even date to the members of Jindal Saw Limited on the standalone financial statements for the year ended March 31, 2019

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Jindal Saw Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 considering the essential 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 deemed to be prescribed under section 143(10) of the Act 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Annexure A to Independent Auditors' Report

Referred to in paragraph 16(f) of the Independent Auditors' Report of even date to the members of Jindal Saw Limited on the standalone financial statements for the year ended March 31, 2019

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential 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.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sougata Mukherjee
Partner
Membership Number 057084
Place: New Delhi
Date: May 22, 2019

Annexure B to Independent Auditors' Report

Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of Jindal Saw Limited on the standalone financial statements as of and for the year ended March 31, 2019

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 5 on fixed assets to the financial statements, are held in the name of the Company other than those disclosed in the said note.

ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has granted unsecured loans, to 5 companies covered in the register maintained under Section 189 of the Act.

a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.

b) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

c) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.

iv. 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 in respect of the loans and investments made, and guarantees and security provided by it.

v. During the year, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits accepted from the public in earlier years and remaining unclaimed as at March 31, 2019. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, professional tax, duty of customs, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 48 to the financial statements regarding management's assessment on certain matters relating to provident fund.

b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and stamp duty as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:



Name of the statute	Nature of dues	Amount (in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Custom Act, 1962	Custom Duty	538.00	2008-09	High Court of Gujrat, Ahmedabad
Custom Act, 1962	Custom Duty	174.67	2014-15	CESTAT, Mumbai
Custom Act, 1962	Custom Duty	12.50	2009-10	CESTAT, Mumbai
Bombay Stamp Duty, 1958	Stamp Duty	1.20	2013-14	High Court of Gujarat, Ahmedabad
Central Excise Act, 1944	Excise	141.43	2007-08 to 2009-10	Gujarat High Court
Central Excise Act, 1944	Excise	159.97	2008-09 & 2009-10	CESTAT, Ahmedabad
Finance Act, 1994	Service Tax	70.27	December-2012 to February-2014	CESTAT Ahmedabad
Finance Act, 1994	Service Tax	167.59	2012-13 to 2015-16	Commissioner (A), Rajkot
Central Excise Act, 1944	Excise	32.21	August-2004 to March-2008	CESTAT, Ahmedabad
Central Excise Act, 1944	Excise	11.47	2004-05	CESTAT Ahmedabad
Finance Act, 1994	Service Tax	6.17	2007-08	Commissioner (A), Lucknow
Central Excise Act, 1944	Excise	2.00	2009-10	CESTAT, Mumbai
Central Excise Act, 1944	Excise	24.07	2007-08 to 2009-10	CESTAT, Ahmedabad
Central Excise Act, 1944	Excise	59.82	December 2010 to July 2011	CESTAT, Bangalore (South Zonal Bench)
Central Excise Act, 1944	Excise	22.26	February 2011 to June 2012	CESTAT, Bangalore (South Zonal Bench)
Central Excise Act, 1944	Excise	28.25	2003-04	CESTAT, Ahmedabad
Finance Act, 1994	Service Tax	3.13	2008-09	CESTAT, Mumbai
Finance Act, 1994	Service Tax	2.82	2008-09	Commissioner (A), Nashik
Finance Act, 1994	Service Tax	2.00	2012-13 & 2015-16	Commissioner (A), Gujarat
Finance Act, 1994	Service Tax	1.42	2013-14 & 2015-16	Commissioner (A), Gujarat
Finance Act, 1994	Service Tax	0.10	2012-13	Commissioner (A), Gujarat
Finance Act, 1994	Service Tax	0.22	2014-15	Commissioner (A), Lucknow
Finance Act, 1994	Service Tax	0.16	2014-15	Commissioner (A), Lucknow
Finance Act, 1994	Service Tax	10.09	2013-14 & 2014-15	Assistant Commissioner (Audit) , LTU Delhi
Finance Act, 1994	Service Tax	0.17	2012-13 to 2015-16	Commissioner (A), Gujarat
Finance Act, 1994	Service Tax	20.64	2015-16	Commissioner (A), Gujarat
Finance Act, 1994	Service Tax	0.40	2015-16	Commissioner (A), Gujarat
Central Excise Act, 1944	Excise	65.91	February 2010 to March 2012	Commissioner (A), New Delhi
VAT Act, Rajasthan	Entry Tax	267.95	2011-12 to 2015-16	High Court of Rajasthan, Jodhpur
VAT Act, Uttar Pradesh	Sales Tax	17.50	1996-97	High Court of Allahabad
VAT Act, Uttar Pradesh	Sales Tax	2.40	2004-05	High Court of Allahabad
VAT Act, Uttar Pradesh	Sales Tax	1.42	1991-92	High Court of Allahabad
VAT Act, Uttar Pradesh	Sales Tax	3.12	1995-96	High Court of Allahabad
VAT Act, Andhra Pradesh	Sales Tax	1.09	2010-11	Hon'ble Tribunal.
VAT Act, Rajasthan	Sales Tax	6.92	2012-13	Deputy Commissioner (A), Ajmer



Name of the statute	Nature of dues	Amount (in lakhs)	Period to which the amount relates	Forum where the dispute is pending
VAT Act, Rajasthan	Sales Tax	16.00	2015-16	Assistant Commissioner, Commercial Tax, Bhilwara
VAT Act, Rajasthan	Sales Tax	202.33	2014-15	Rajasthan Tax Board
Income Tax Act, 1961	Income tax	89.38	2016-17	CPC- New Delhi
Income Tax Act, 1961	Income tax	11.45	2011-12	ITAT, New Delhi
Income Tax Act, 1961	Income tax	24.29	2008-09	ITAT, New Delhi
Income Tax Act, 1961	Income tax	8.11	2004-05	ITAT, New Delhi
Income Tax Act, 1961	Income tax	363.73	2011-12	ITAT, New Delhi
Income Tax Act, 1961	Income tax	172.78	2010-11	ITAT, New Delhi
Income Tax Act, 1961	Income tax	404.91	2009-10	ITAT, New Delhi
Income Tax Act, 1961	Income tax	130.56	2008-09	ITAT, New Delhi
Income Tax Act, 1961	Income tax	176.79	2007-08	ITAT, New Delhi
Income Tax Act, 1961	Income tax	835.37	2000-01	High Court (Subsequent to year end decided in favour of Company)
Income Tax Act, 1961	Income tax	26.91	1994-95	High Court

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

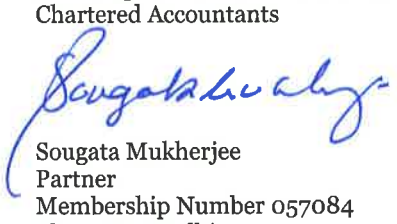
xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.



xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants



Sougata Mukherjee
Partner
Membership Number 057084
Place: New Delhi
Date: May 22, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Jindal Saw Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Jindal Saw Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint venture (refer Note 3.3 and Note 49 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income) , the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2019, of consolidated total comprehensive income (comprising profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Qualified Opinion included in Auditors' report of a Subsidiary Company

3. The audit report on the financial statements of DERWENT SAND SARL, a subsidiary of the Company, issued by an independent firm of Chartered Accountants vide its Report dated May 20, 2019 contains the following qualification, which is reproduced by us as under:

   "Using more, we found that the Company has 3/4th of its capital. This directly impacts the business continuity principle of the Company. The latter must comply with the applicable regulations in force, mainly article 589 of the Commercial Code.
   Handle the other remarks mentioned in the technical report."

   The above qualification, as included in the subsidiary auditors' reports', does not impact our opinion on the consolidated financial statements as the assets and liabilities of this subsidiary are classified and disclosed as held for sale in the consolidated financial statements and there is no further impact of this matter on the consolidated financial statements.



4. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 17 of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Key Audit Matters stated below are reproduced from the report on the audit of standalone financial statements of the Holding Company and are in addition to the matter described in the Basis for Qualified Opinion included in Auditors' report of the Subsidiary Company. The Investments and Loans stated in the Key Audit Matters provided below are eliminated on consolidation and therefore, not appearing in the Consolidated Financial Statements.

5.1 Assessment of the carrying value of investment in and loans granted to its subsidiary, Jindal ITF Limited

(Refer to note 3.6 and note 57 to the standalone financial statements of the Holding Company)

Description of Key Audit Matter

The Company has an investment of Rs. 36,336.47 lakhs and advanced loans aggregating Rs. 83,908.81 lakhs to its subsidiary, Jindal ITF Limited ('subsidiary'). The subsidiary has a contract with a Public Sector Undertaking ('PSU') for transporting imported coal to one of their power generating stations. The contract was for a period of seven years and the subsidiary was the sole transporter and accordingly, had made significant investments to develop the facility. The contract had a clause for compensation in case the supply was lesser than the minimum guaranteed quantity ('MGQ') mentioned in the contract and had specific clauses to be adhered to by both the parties before terminating the contract.

The PSU stopped taking the supplies during the first year of operation and refused to pay compensation towards MGQ and terminated the agreement subsequently. The matter was referred to arbitration where the arbitrator had awarded interim award amounting to Rs. 35,631.18 lakhs relating to first 2 years of MGQ which was paid subsequently.

During the current year, the Arbitrator has issued the final order where it has decided the case in favour of the subsidiary awarding Rs. 189,108 lakhs plus interest and applicable taxes. The PSU has gone for appeals against the said order. The Management has assessed that there will not be any negative impact on carrying amount of investments and loans given by the Company to the subsidiary is recoverable.

This is a key audit matter since the investment made and loans granted by the Company to the subsidiary are material to the financial statements and the subsidiary is currently not having any operations. Further, the recovery of investment and loan granted depends on the ultimate recovery of the aforesaid compensation from the PSU by the subsidiary.



How our audit addressed the key audit matter

a) Discussed the matter with the management and obtained an understanding of the matter.

b) Reviewed the agreement between the subsidiary and the customer to corroborate the matters stated in the appeal and details of the claim filed by the subsidiary with the Arbitration Tribunal.

c) Performed test of controls over recoverability of the investment and the loans given to the subsidiary with specific focus on whether an impairment provision needs to be recognized.

d) Examined the arbitration orders (final and interim orders) decided in favour of the subsidiary and evaluated the recoverability of the said loans and investments, considering the said award.

e) Discussed the matter with the Company's external counsel and evaluated the legal opinion issued by them which supports the subsidiary's position.

As a result of our audit work, the management's assessment of the carrying value of the investment and loans was considered to be reasonable.

5.2 **Appropriateness of assessment of Impairment in the carrying value of investment and recoverability of loan to wholly owned subsidiary, Jindal Saw Holdings FZE**

(Refer to note 3.6 and note 58 to the standalone financial statements of the Holding Company)

Description of Key Audit Matter

The Company had made investments of Rs. 10,270.09 Lakhs and also advanced loans aggregating Rs. 13,252.40 Lakhs to Jindal Saw Holdings FZE ('Subsidiary') as at March 31, 2019. The Subsidiary is incurring losses and the net worth is lower than the aggregate of the cost of investment. This is an indicator of potential impairment in the investment and the loans.

This is a key audit matter since, the investment made and the loans granted to the Subsidiary is material to the financial statements of the Company and significant judgement is required in forecasting the discount rate, the growth rates and terminal value used in estimating the discounted cash flows used by the Management's expert to support the carrying value.

The Board of Directors of the Company have assessed that a provision for impairment is not required towards the carrying value of investment and the loans to the Subsidiary are recoverable.

How our audit addressed the key audit matter

a) Obtained an understanding, evaluating and testing the operating effectiveness over the Company's controls over monitoring the performance of the Subsidiary and performing an impairment assessment.

b) Understood the operating performance and met the management experts to understand the assumptions, including the discount rate and the growth rates, used in the forecast.

c) Compared the growth rates used in the forecast with the current market position relating to demand and supply of the product.

d) Examined the discount rate and terminal value of the Subsidiary used in the valuation report of the Management's expert.

e) Performed sensitivity tests over the key assumptions and considered then to be within a reasonable and foreseeable range.



f) Assessed the historical accuracy of the forecasts by comparing the forecast used in the prior year valuation with the actual performance in the current year. In case the actual performance was lower than the forecast, we obtained the reasons thereof from the management.

g) Tested the mathematical accuracy of the underlying calculations.

As a result of the above audit procedures, the Management's assessment of impairment in the carrying value of investment and recoverability of the loan was considered to be appropriate

Other Information

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report and Management Discussion Analysis, but does not include the consolidated financial statements and our auditor's report thereon.

7. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

8. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 17 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

9. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its Associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and jointly controlled entities 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 Group or to cease operations, or has no realistic alternative but to do so.



11. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.



14. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

17. We did not audit the financial statements of 26 subsidiaries, and 1 joint venture whose financial statements reflect total assets of Rs 545,268.43 lakhs and net assets of Rs 118,035.26 lakhs as at March 31, 2019, total revenue of Rs. 277,393.67 lakhs, total comprehensive income (comprising of loss and other comprehensive income) of Rs (19,751.47) Lakhs and net cash flows amounting to Rs 1,816.46 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of Rs. Nil and Rs. (0.35) Lakhs for the year ended March 31, 2019 as considered in the consolidated Ind AS financial statements, in respect of 1 associate company and 1 joint venture respectively, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associate company and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors.

In respect of a subsidiary, auditor's report of the subsidiary has been translated in English by the management and furnished to us by the management.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

18. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.



(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, its associates and joint ventures– Refer Note 47 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2019 – Refer (a) Note 37 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and joint ventures and (b) the Group's share of net profit/loss in respect of its associates.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and associate companies incorporated in India except in respect of dividend amounting to Rs. 227.73 lakhs which has been kept in abeyance pursuant to court order.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2019.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sougata Mukherjee
Partner
Membership Number 057084
Place: New Delhi
Date: May 22, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 18(f) of the Independent Auditors' Report of even date to the members of Jindal Saw Limited on the consolidated financial statements for the year ended March 31, 2019

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Jindal Saw Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary companies and its associate companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "internal control over financial reporting criteria established by the Company considering the essential 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 the respective 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 Act.

Auditor's Responsibility

3. 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") issued by the ICAI and the Standards on Auditing 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.

4. 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 judgement , 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Annexure A to Independent Auditors' Report

Referred to in paragraph 18(f) of the Independent Auditors' Report of even date to the members of Jindal Saw Limited on the consolidated financial statements for the year ended March 31, 2019

Meaning of Internal Financial Controls Over Financial Reporting

5. 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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

6. 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

7. In our opinion, the Holding Company, its subsidiary companies and its associate company, which are companies incorporated in India, have, 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential 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.

Other Matters

8. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 9 subsidiary companies and 1 associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sougata Mukherjee
Partner
Membership Number 057084
Place: New Delhi
Date: May 22, 2019

JINDAL SAW LIMITED

Regd. Off.: A-1, UPSIDC Indl. Area, Nandgaon Road, Kosi Kalan, Distt. Mathura (U.P.)-281403
Corp. Office: Jindal Centre, 12, Bhikaiji Cama Place, New Delhi- 110066
CIN: L27104UP1984PLC023979

Standalone and Consolidated Audited financial results for the quarter and year ended March 31, 2019

(₹ Crores)

S. No.	Particulars	Standalone					Consolidated	
		Quarter Ended			Year Ended		Year Ended	
		31.03.2019 Refer Note 9	31.12.2018 Unaudited	31.03.2018 Refer Note 9	31.03.2019 Audited	31.03.2018 Audited	31.03.2019 Audited	31.03.2018 Audited
A	**Continuing operations :-**							
I	**Income**							
	Revenue from operations	2,844.26	2,349.56	2,456.99	9,829.49	7,363.25	12,117.00	8,564.33
	Other income	59.98	49.22	31.73	221.10	192.58	146.17	127.74
	Total income from continuing operations (I)	**2,904.24**	**2,398.78**	**2,488.72**	**10,050.59**	**7,555.83**	**12,263.17**	**8,692.07**
II	**Expenses**							
	Cost of materials consumed	1,488.40	1,465.07	1,426.98	5,914.89	4,505.32	7,090.18	5,146.20
	Purchases of Stock-in-Trade	249.48	174.19	-	469.77	-	483.91	11.88
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	118.94	(204.98)	57.89	(113.99)	(225.48)	(108.12)	(257.88)
	Employee benefits expense	140.96	144.75	135.11	577.17	513.36	914.17	757.27
	Finance costs	122.49	81.53	125.34	496.11	415.11	615.23	579.15
	Depreciation and amortisation expense	71.06	72.67	65.86	281.42	256.17	396.28	363.48
	Excise duty	-	-	-	-	53.36	-	57.71
	Other expenses	474.07	449.32	432.75	1,686.22	1,449.60	2,261.81	1,804.31
	Total expenses of continuing operations (II)	**2,665.40**	**2,182.55**	**2,243.93**	**9,311.59**	**6,967.44**	**11,653.46**	**8,462.12**
III	**Profit/(loss) from continuing operations before share of profit/(loss) of joint venture and associate, exceptional items and tax (I-II)**	**238.84**	**216.23**	**244.79**	**739.00**	**588.39**	**609.71**	**229.95**
IV	Exceptional items- income/(expense) (refer Note 5)	-	-	-	-	-	377.90	(90.81)
V	Share of profit/(loss) of joint venture and associate #	-	-	-	-	-	-	(5.40)
VI	**Profit/(loss) from continuing operations before tax (III+IV+V)**	**238.84**	**216.23**	**244.79**	**739.00**	**588.39**	**987.61**	**133.74**
VII	**Tax expense:**							
	Current tax	69.62	62.15	40.84	221.08	118.25	256.61	130.23
	Deferred tax	16.64	3.92	45.60	19.83	75.84	(44.99)	2.89
	Total tax expense	**86.26**	**66.07**	**86.44**	**240.91**	**194.09**	**211.62**	**133.12**
VIII	**Net profit/(loss) from continuing operations after tax (VI-VII) (A)**	**152.58**	**150.16**	**158.35**	**498.09**	**394.30**	**775.99**	**0.62**
B	**Discontinued operations:-**							
	Profit/(loss) from discontinued operations	0.05	0.25	(3.05)	3.05	(40.47)	(11.21)	(43.55)
	Tax credit/(expense) of discontinued operations	(0.02)	(0.09)	10.12	(1.07)	31.96	(1.07)	31.96
	Profit/(loss) from discontinued operations after tax (B)	**0.03**	**0.16**	**7.07**	**1.98**	**(8.51)**	**(12.28)**	**(11.59)**
C	**Profit/(loss) for the year/period (C=A+B)**	**152.61**	**150.32**	**165.42**	**500.07**	**385.79**	**763.71**	**(10.97)**
	Attributable to:							
	Owners of the Parent						850.16	178.51
	Non-controlling interest						(86.45)	(189.48)
D	**Other Comprehensive Income (OCI):**							
	a. Items that will not be reclassified to profit or loss:							
	(i) Re-measurement gains/(losses) on defined benefit plans	(9.46)	2.60	12.05	(2.05)	2.84	(2.17)	2.65
	(ii) Share of joint venture and associate of re-measurement gains/(losses) on defined benefit plans $						-	-
	(iii) Equity instruments through Other Comprehensive Income #						-	(8.68)
	(iv) Income tax effect on above items	3.31	(0.91)	(4.18)	0.72	(0.99)	0.75	(0.94)
	b. Items that will be reclassified to profit or loss:							
	(i) Exchange differences in translating the financial statements of a foreign operation						(26.36)	(23.30)
	(ii) Debt Instruments through Other Comprehensive Income						(1.73)	0.73
	(iii) Income tax effect on above items						0.39	(0.17)
	Total other comprehensive income for the year/period (D)	**(6.15)**	**1.69**	**7.87**	**(1.33)**	**1.85**	**(29.12)**	**(29.71)**
	Attributable to:							
	Owners of the Parent						(17.21)	(28.77)
	Non-controlling interest						(11.91)	(0.94)
E	**Total Comprehensive Income for the year/period (E=C+D)**	**146.46**	**152.01**	**173.29**	**498.74**	**387.64**	**734.59**	**(40.68)**
	Attributable to:							
	Owners of the Parent						832.95	149.74
	Non-controlling interest						(98.36)	(190.42)
F	**Earnings per equity share of ₹ 2/- each**							
	For continuing operation (₹):							
	(i) Basic	4.77	4.70	4.95	15.58	12.33	26.97	5.91
	(ii) Diluted	4.77	4.70	4.95	15.58	12.33	26.97	5.91
		not annualised	not annualised	not annualised				
	For discontinued operation (₹):							
	(i) Basic	0.00	0.00	0.22	0.06	(0.27)	(0.38)	(0.36)
	(ii) Diluted	0.00	0.00	0.22	0.06	(0.27)	(0.38)	(0.36)
		not annualised	not annualised	not annualised				
	For discontinued & continuing operations (₹):							
	(i) Basic	4.77	4.70	5.17	15.64	12.06	26.59	5.55
	(ii) Diluted	4.77	4.70	5.17	15.64	12.06	26.59	5.55
		not annualised	not annualised	not annualised				
G	**Networth**							
	(i) Paid-up equity share capital (₹ 2 per share)	63.95	63.95	63.95	63.95	63.95	63.95	63.95
	(ii) Reserves/other equity				6,301.56	5,849.07	6,218.41	5,432.45
	(iii) Debenture Redemption Reserve (included in (ii) above)				78.81	83.98	78.81	83.98
	(iv) Net worth				6,365.51	5,913.02	6,282.36	5,496.40
H	**Ratios:**							
	(i) Debt Equity Ratio				0.65	0.75		
	(ii) Debt Service Coverage Ratio				2.09	1.49		
	(iii) Interest Service Coverage Ratio				3.06	2.94		
	(iv) Asset Coverage for NCDs				3.22	2.92		

Formulae for computation of Ratios are as follows :
(i) Debt Equity Ratio : Total Debt/ Net Worth
Total Debt : Secured Loans + Unsecured Loans - Liquid Investments - Finance Lease obligations
Net Worth : Equity Share Capital + Reserves (Excluding Revaluation Reserve) + Compulsorily Convertible Debentures
(ii) Debt Service Coverage Ratio : EBDIT / (Financial costs + Principal repayment during the period)
(iii) Interest Service Coverage Ratio : EBDIT / Financial costs
EBDIT : Profit before Taxes + Depreciation + Financial costs
Asset Coverage for NCDs : Net fixed assets including CWIP- Finance Lease assets/ Long term loans and NCDs having first pari-passu charge on fixed assets
Amount below rounding off norms for current year.
$ Amount below rounding off norms.

JINDAL SAW LIMITED

Statement of Audited Standalone and Consolidated Assets and Liabilities

(₹ Crores)

S. No.	Particulars	Standalone		Consolidated	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
	ASSETS				
(1)	**Non-Current Assets**				
	(a) Property, plant and equipment	5,690.84	5,633.53	7,153.90	7,112.61
	(b) Capital work-in-progress	230.59	107.75	259.78	126.38
	(c) Intangible assets	6.30	4.02	8.88	7.58
	(d) Financial assets				
	(i) Investments	664.73	648.62	188.62	108.90
	(ii) Trade receivables	7.97	7.26	7.97	12.62
	(iii) Loans	385.01	207.69	507.58	274.93
	(iv) Other financial assets	58.92	48.34	198.94	189.79
	(e) Deferred tax assets (net)			389.58	327.43
	(f) Other non-current assets	23.79	22.80	26.05	24.73
(2)	**Current Assets**				
	(a) Inventories	2,746.37	1,951.04	3,187.49	2,463.11
	(b) Financial assets				
	(i) Investments			1.77	1.34
	(ii) Trade receivables	1,862.24	1,642.57	2,212.61	1,929.79
	(iii) Cash and cash equivalents	61.28	9.26	144.25	71.91
	(iv) Bank balances other than (iii) above	49.89	32.81	87.27	71.78
	(v) Loans	1,080.27	1,065.24	115.99	191.72
	(vi) Other financial assets	32.53	31.05	25.89	33.15
	(c) Contract Assets	7.50	-	15.03	-
	(d) Current tax assets (Net)	41.86	54.54	63.46	73.43
	(e) Other current assets	356.81	314.54	559.16	474.53
	(f) Assets held for sale	-	1.76	16.83	28.21
	TOTAL ASSETS	**13,306.90**	**11,782.82**	**15,171.05**	**13,523.94**
	EQUITY AND LIABILITIES				
	Equity				
	(a) Equity share capital	63.95	63.95	63.95	63.95
	(b) Other equity	6,301.56	5,849.07	6,218.41	5,432.45
	(c) Non-Controlling Interest			(382.25)	(296.40)
	Liabilities				
(1)	**Non-Current Liabilities**				
	(a) Financial liabilities				
	(i) Borrowings	1,618.77	1,796.03	2,633.12	3,311.46
	(ii) Trade payables				
	(A) total outstanding dues of micro enterprises and small enterprises; and			-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises			-	49.74
	(iii) Other financial liabilities	29.52	29.52	29.52	29.52
	(b) Provisions	94.95	91.44	105.96	100.09
	(c) Deferred tax liabilities (net)	545.29	459.30	583.38	496.04
	(d) Other non-current liabilities	112.47	109.81	120.41	117.73
(2)	**Current Liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	2,322.92	2,422.49	2,683.87	2,725.53
	(ii) Trade payables				
	(A) total outstanding dues of micro enterprises and small enterprises; and	4.14	9.43	5.47	9.88
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	1,568.45	369.45	1,798.29	556.40
	(iii) Other financial liabilities	414.07	389.98	606.48	481.92
	(b) Other current liabilities	198.73	161.75	605.55	363.28
	(c) Provisions	12.75	10.48	18.20	14.76
	(d) Current tax liabilities (net)	19.33	20.12	41.15	29.40
	(e) Liabilities associated with assets held for sale			39.54	38.19
	TOTAL EQUITY AND LIABILITIES	**13,306.90**	**11,782.82**	**15,171.05**	**13,523.94**

JINDAL SAW LIMITED
AUDITED STANDALONE AND CONSOLIDATED SEGMENT INFORMATION FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019

(₹ Crores)

S. No.	Particulars	Consolidated	
		Year Ended	
		31.03.2019 Audited	31.03.2018 Audited
1	**Segment Revenue**		
	a) Iron & Steel		
	a. continuing operations	12,011.65	8,508.75
	b. discontinuing operations	-	-
	b) Waterways Logistics		
	a. continuing operations	17.93	24.90
	b. discontinuing operations	-	5.05
	c) Others	88.12	32.14
	Sub Total	**12,117.70**	**8,570.84**
	Less: Inter-segment Revenue	0.70	1.46
	Total	**12,117.00**	**8,569.38**
2	**Segment Results**		
	Profit/(loss) before finance costs, exceptional items and tax		
	a) Iron & Steel		
	a. continuing operations	1,166.96	846.77
	b. discontinuing operations	(10.59)	0.50
	b) Waterways Logistics		
	a. continuing operations	(66.84)	(122.32)
	b. discontinuing operations	3.05	(11.49)
	c) Others	9.08	(1.17)
	Total segment profit/(loss) before finance costs, exceptional items and tax	**1,101.66**	**712.29**
	Finance costs	(618.90)	(582.76)
	Unallocable corporate income	115.74	85.99
	Profit/(loss) before tax and exceptional items	**598.50**	**215.52**
	Exceptional items-Iron & Steel continuing operations	377.90	-
	Exceptional items- Ocean Waterways:		
	a. continuing operations	-	(90.81)
	b. discontinuing operations	-	(29.12)
	Share of profit/(loss) of associate	-	(5.40)
	Profit/(loss) before tax	**976.40**	**90.19**
	Less: Tax expense	212.69	101.16
	Profit/(loss) after tax	**763.71**	**(10.97)**
3	**Segment Assets**		
	a) Iron & Steel	13,189.64	11,776.79
	b) Waterways Logistics	645.16	712.14
	c) Others	50.43	26.14
	d) Unallocated	1,285.82	1,008.87
	Total Segment Assets	**15,171.05**	**13,523.94**
4	**Segment Liabilities**		
	a) Iron & Steel	2,485.88	1,233.32
	b) Waterways Logistics	408.76	204.82
	c) Others	19.90	9.06
	d) Unallocated	6,356.40	6,876.74
	Total Segment Liabilities	**9,270.94**	**8,323.94**

Notes:

1. In arbitration proceedings initiated by Jindal ITF Limited, the subsidiary of the Company for disputes with one of its customers, the final award has been pronounced by the Hon'ble Arbitral Tribunal in favour of the subsidiary allowing various claims to the tune of ₹ 1,89,108 lakhs plus interest and applicable taxes. The counter claims of customer were disallowed by the Hon'ble Tribunal in entirety. The award amount includes claim for Minimum Guarantee Quantity of 1st year and 2nd year towards which the subsidiary has already received ₹ 35,631.18 lakhs on submission of equivalent amount of bank guarantees pursuant to two earlier interim awards. Based on the current status of the matter and the legal advice obtained, the Company is of the view that the final outcome of the dispute resolution process would not have any negative impact on carrying amount of investments and loans & advances in Jindal ITF Limited and consequently no adjustment has been made on the carrying amount of investments and loans.

2. Revenue from operations and excise duty for the year ended March 31, 2018 are not comparable with current periods since sales for current period is net of GST whereas revenue was inclusive of excise duty during April 1, 2017 to June 30, 2017.

3. The Company has one primary business segment i.e. Iron & Steel products on standalone basis.

4. The Board of Directors has recommended payment of dividend @ ₹ 2 per equity share of ₹ 2 each for the year ended March 31, 2019, aggregating to ₹ 63.95 crores.

5. On 29 January 2019, Ralael Holdings Limited, subsidiary of the Company entered into a share transfer agreement and sold 81% of its shareholding in its subsidiary Jindal Saw Italia S.p.A., to its related company Anbeeco Investments Limited, for a total consideration of €37,422,000. The sale proceeds have been settled through a set off with the loan principal and interest payable to Anbeeco Investments Limited. On 13 February 2019 the transfer of shares was completed. In the consolidated financial statement, gain arising out of the difference between aforesaid loan including interest payable and the net assets of Jindal Saw Italia S.p.A. transferred has been presented as exceptional items.

6. The domestic Credit Ratings for Long Term Debt/ Facilities/NCDs has been upgraded to CARE AA (stable outlook) revised from CARE AA- (positive outlook) and ratings for the Short Term Debt/ Facilities has been reaffirmed as CARE A1(+), by CARE ratings on March 13, 2019.

7. The details of secured non-convertible debentures are as follows:

S. No.	Particulars of NCDs	Previous Due Dates		Next Due Dates			
		Principal	Interest	Principal		Interest	
				₹ Crores		₹ Crores	
1(a)	10.50% NCDs (issued on 07.09.2012) - Series I	12-09-2018	12-09-2018				
(b)	- Series II	None	12-09-2018	30	12-09-2019	3.15	12-09-2019
(c)	- Series III	None	12-09-2018	40	12-09-2020	4.20	12-09-2019
2	10.38% NCDs (issued on 24.12.2012)	None	26-12-2018	125	26-12-2021	6.47	26-06-2019
3	10.73% NCDs (issued on 24.12.2012)	None	26-12-2018	125	26-12-2021	6.69	26-06-2019

The Principal and Interest due on previous dates has been paid.

Non-Convertible Debentures are secured by first pari-passu charge by way of English mortgage on the Company's specific immovable properties located in the state of Gujarat and by way of equitable mortgage of Company's other immovable properties and hypothecation of movable fixed assets both present and future in favour of Debenture Trustees.

8. Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the modified retrospective approach on date of transition which is applied to contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 is not material on the financial results.

9. The figures of the quarter ended March 31, 2019 and March 31, 2018 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto third quarter of the respective financial year.

10. Previous quarter/periods figures have been regrouped/rearranged, wherever considered necessary to conform to current quarter and year ended classification.

11. The Company is identified as a Large Corporate as per the applicability criteria given under the SEBI Circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 and has submitted the required disclosure to stock exchange.

S. No.	Particulars	Details
1.	Name of the Company	Jindal SAW Limited
2.	CIN	L27104UP1984PLC023979
3.	Outstanding borrowing of Company as on March 31, 2019 (in ₹ Crores)	*₹ 1,852.29 Crores (Includes Finance Lease Obligation of ₹ 27.95 Crores)
4.	Highest Credit Rating During the previous F.Y. along with name of the Credit Rating Agency	CARE AA ; Stable For long term banking facilities and outstanding NCDs
5.	Name of the Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	National Stock Exchange of India Limited

* Note: The amount of outstanding borrowing stated is as per the definition laid down under para 2.2 (ii) of SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018.

12. These results are reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on May 22, 2019.

By Order of the Board
For JINDAL SAW LIMITED

Sminu Jindal
Managing Director
DIN : 00005317

Place: New Delhi
Date: May 22, 2019