

Building a Stainless India





Aerial View of Jindal Stainless (Hisar) Ltd., Hisar, Haryana

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VISION

Improving lives
through trustworthy
and innovative
stain-less solutions



Improving Lives

We will strive to improve lives of all our stakeholders (customers, suppliers, employees, shareholders and communities) and environment



And Innovative

We will always work towards innovating for better, be it processes, practices, solutions, delivering value added and innovative solutions to the world in our areas of work



Stain-less Solutions

We will strive to provide total solutions to our customers with reliable pre and post sale services and advisory. We will educate communities on properties (strong, versatile, corrosion resistant) and use of stainless steel and encourage downstream industries

MISSION

To be a leading stainless steel company in the world

Forging reliable relationships with customers, suppliers, employees and all other stakeholders

Building strong capabilities driving innovative practices, high quality and competitive solutions

Leading Stainless Steel Company in the World

We will strive to be amongst the top stainless steel players in the world by increasing our capacity and its utilization resulting in revenue and net profit growth

Reliable Relationships with Customers, Suppliers and all other Stakeholders

We will build long lasting relationships and uphold our commitment to the highest standards thereby becoming the preferred choice for our customers, suppliers and stakeholders

Strong Capabilities

We will build or buy appropriate technology, focus on research & development and enhance people capabilities

Innovative Practices

We will evolve best in-class innovative practices (business, manufacturing and people) to help our customers, suppliers, employees, shareholders and communities

High Quality

We will strive to offer stainless steel products and services of the highest quality that is required

Competitive Solutions

We will strive to provide agile, cost competitive and efficient stainless steel solutions to our customers, giving us an edge over our competitors

FOUNDING PRINCIPLES



Shri O.P. Jindal

August 7, 1930 - March 31, 2005
Founder - O.P. Jindal Group

हाँ! एक सपना देखा था

देश की आज़ाद हवा में, बसा तिरंगा देखा था,
अपने बल पर उड़ान भरता, एक परिंदा देखा था,
सुगम, सुरक्षित और बलवान, ऐसा विश्वास देखा था,
सफल उद्योगों से सुसज्जित, शिक्षित समाज देखा था,
हर परिवार का आँगन, खुशियों से महकता देखा था,
युवा का कौशल-विशाल, सोने सा दमकता देखा था,

आज सितारों से दिखता, तिरंगा जो लहराया है,
नींव जो रखी थी मज़बूत, आज बनी देश की काया है,
बहुत सही मेहनत की धूप, तब मिली सुकून की छाया है,
आज होगा नाज़ उन्हें, सपना जो सच हो आया है!



Smt. Savitri Devi Jindal
Chairperson Emeritus

**“ Alone, we can do so little;
together, we can do so much ”**

—Helen Keller

It brings me immense pleasure to share with you an all-round view of the developments that took place in Jindal Stainless (Hisar) Limited (JSHL) in the last year. Our incessant commitment towards inclusive growth and development in a sustainable manner has been effective by conducting our operations through the prism of 'Going Beyond Business'. On this note, I express my deepest gratitude to each and every one of you for positing your faith in our institution.

At JSHL, we recognized at the onset of our endeavors that the need for connecting with our communities is as fundamental as the need for air, water and food. To ensure an equitable and hospitable future, it is imperative that as a company, we give back to the community at large. We sought to create a responsible company that

had equal concerns for the environment as well as the society at large. The company's commitment to earth-friendly practices has been a constant theme throughout the last year.

Our approach has taken a much more ambitious and strategic view on CSR and sustainability, focusing on empowering communities to generate a positive impact financially, socially and environmentally. I am glad to share that this year the company responded promptly to the distress calls of those affected by the devastating floods in Kerala, thereby resonating with our overarching vision statement of "Improving Lives through Trustworthy and Innovative Stainless Solutions".

Apart from this, our existing empowerment programs not only

strengthened, but also paved ways for us to expand opportunities into different sectors. The innovative projects around education and skill development have provided equal access to knowledge and learning for many marginalized sections of society. The CSR team's effective interventions in communities helped in strengthening existing structures such as women self help groups, which are currently engaged in micro-credit activities and are taking loans from large and small banks. The growth of Stainless Skill Training Institute has given a voice to the rural women and showcases their prowess in entrepreneurial development. Such case studies and stories need to be shared and replicated across geographies.

Working with the farming community at close quarters has been especially rewarding, as we have been able to witness their trajectory of growth and development. Our concern remains on how to increase the incomes of farmers by providing adequate linkages and opportunities for them to connect with markets across geographies and we are relentlessly working on the same.

Towards education and health care, JSHL has opened non-formal education centres for children by running computer literacy programs. Towards health, JSHL has mobile clinics and programs addressing issues around relevant topics such as female feticide. A well designed HIV and AIDS program has been extremely beneficial to Hisar, especially to the trucker community.

I am confident that with the aim of pursuing excellence and the overarching vision of 'Improving Lives', Jindal Stainless (Hisar) Limited will continue to grow from strength to strength and will exceed expectations in terms of being a Socially Responsible Corporate.

CHAIRMAN SPEAKS



Ratan Jindal
Chairman

As we enter the semi-centennial year of our inception in 2019, I can proudly say that we have been successful in harvesting our glorious legacy at Jindal Stainless (Hisar) Limited (JSHL) as India's pioneering stainless steel manufacturing company. Over the last five decades, we have practiced and inspired excellence to lead India's stainless steel industry with pride.

I will begin by complimenting the JSHL team, which has delivered a steady performance despite tough and challenging market conditions. The Company's FY18-19 performance is reflective of the hard work and perseverance of our home team, and I take immense pride in being a part of this passionately progressive workforce.

Globally, the stainless steel industry registered a modest growth of 5.5% in stainless steel melt production, continuing to be one of the fastest growing metals in the world. However, worldwide trade in the past financial year was slightly constrained. Volatile commodity prices, grave effects of geopolitical trade war, and undue exploitation of trade agreements in the Asian region had imprints on the overall global trade, thereby changing the rules of doing business in today's world. In defiance, the domestic industry was able to increase its share of market and maintain operational stability.

Your Company, besides recording a financial profit in FY18-19, received a rating upgrade from 'BBB+' to 'A-' by the ratings agency, CARE. This underlines the consistent profitability and a stable balance sheet, along with a strong operational performance by your Company.

Our world-class intellectual R&D capital has again demonstrated excellence by developing customized and value-added products in defence, nuclear and white goods segments in FY18-19. This has allowed us to develop a strong product portfolio and strengthen our presence across applications. We have further streamlined our operations through internal process improvements, like our casting and rolling parameters, which has resulted in a higher yield. I am glad to share that your Company has embraced automation and digitization across its business processes. JSHL's digital supremacy can be illustrated from the fact that it has acquired leadership status in transforming the manufacturing industry by implementing the latest and most efficient data analysis program, BW/4 HANA by SAP – the fastest data warehouse and reporting system.

Your Company has steadily invested to create superior value for its customers. We have made concentrated efforts by introducing cross-functional customer visits, and have initiated segment-

specific customer meets to grind out specific issues. To ensure transparency with customers, we are now affiliated with technologies like C4C (Cloud for Customer) and the SAP Hybris e-commerce module that have enhanced customer satisfaction.

Your Company's performance manifests both challenges and opportunities facing the domestic stainless steel industry. Economies across the world have been fragile as increased protectionism has led to disruptions in global trade. Consequentially, India remains a soft target with a high potential market for dumping of stainless steel products. Domestic stainless steel industry is saddled by a glut of imports, especially from the ASEAN countries, under the Free Trade Agreements (FTAs). Rampant imports from countries like Indonesia, Korea, and Japan under FTAs have resulted in a huge trade imbalance, defying the underlying intent of such FTAs. Moreover, imposition of trade remedial measures by the government like Anti-Dumping Duty (ADD) and Countervailing Duty (CVD) on stainless steel flat products has led to trade diversion. As a result, Chinese imports are being re-routed through ASEAN countries in order to circumvent the CVD. The stainless steel industry is also burdened by the high cost of key raw materials like Ferro-Nickel and stainless steel scrap, both of which are unavailable domestically, due to an import tax of 2.5%. In view of this macroeconomic situation, the Indian stainless steel industry has urged the government to initiate measures to protect the domestic manufacturing industry through imposition of ADDs. I am sure the government will take necessary steps to safeguard the interests of the domestic players.

As we prepare for the next phase of growth, I am confident that your Company will emerge stronger with a vigorous and agile workforce, driven by passion and strong values. It gives me immense pleasure to mention here that your Company is now a significant contributor to infrastructural and transport development in India. JSHL remains steadfast in its commitment to nation building and the government's *Make in India* initiative. I also assure you that your Company will continue to contribute in transforming the social and economic landscape of the country. Before I conclude, I would like to extend my gratitude to all our stakeholders for their continued commitment. I thank all our shareholders, board of directors, customers, bankers, and my team at JSHL for their seamless contribution and I look forward to your continued support in all our future endeavors.

FROM THE MANAGING DIRECTOR'S DESK



Abhyuday Jindal
Managing Director

A wave unleashed by technology and innovation is transforming businesses across the globe. Disruptive ideas and easy access to information are empowering communities like never before. Businesses continue to transform and adopt new roles in order to stay relevant in this evolving marketplace, in an undying pursuit to deliver their best. I am happy to share that Jindal Stainless (Hisar) Limited (JSHL) is a perfect citation in this case. Your Company has not only emerged as one of the eminent stainless steel producers in the world, but has been a luminary in the stainless steel industry, ever-evolving and outshining itself, since its inception.

I am pleased to share that your Company achieved profit yet again in the financial year 2018-19. All our key parameters point to the healthy financial picture of your Company and its subsidiaries. Your Company registered a consolidated Profit after Tax (PAT) of Rs. 396 crore. Total consolidated revenue in FY18-19 stood at Rs. 10,289 crore. Total sales volume for JSHL was maintained at 666,807 MT (consolidated). EBITDA was recorded at Rs. 1,039 crore.

On the operational front, I am glad that significant operational improvements, like de-bottlenecking of Z2 and Z5 Mills, and successful completion of Bright Bar (Phase I), have improved our productivity level. As the largest speciality stainless steel producer in India, JSHL achieved the highest-ever production in the Specialty Products Division in FY18-19, along with the highest dispatch reported at 30,964 MT. We are now planning to enhance the production capacity of this division. This

will not only enable us to expand our product portfolio in the speciality segment, but also grow our footprint in new markets.

JSHL further strengthened its foray into Defence and Aerospace segment and is continuously working to develop and supply special alloys for various strategic applications viz. Submarine Rocket Launchers, Armored Vehicles, Mine Trawls etc. JSHL recently received a prestigious order of special steel sheets from ISRO for Rocket Motor Booster Application (Satellite Launch Vehicle). This is the first time in India when ISRO has procured from an indigenous source, which involves rigorous qualification processes. Our consistent efforts to increase our share in the railway segment are yielding promising results. We are now keen to enter railway infrastructure modernisation in a big way through foot-over and road-over bridges.

The subsidiaries of JSHL, JSL Lifestyle Limited (JSLL) and Jindal Stainless Steelway Limited (JSSL) continued to cater to end-users through customized and retail product offerings. JSSL put up a good growth performance in line with the Company's strategy to grow end-consumer facing business. Artt'd'inox, the flagship brand of JSSL for aesthetic and high-end residential solutions, launched several new designs in stainless steel tableware and home décor products range. As the service centre arm for JSHL, JSSL kept its promise of offering value-added, convenient, customized, just-in-time services to the doorsteps of its customers.

It is noteworthy that this performance was achieved despite global trade challenges

and unstable raw material prices. On the whole, the stainless steel industry remained under the stress of subsidized imports, adversely impacting the existence of several MSMEs in the industry. Steep capacity ramp-up by Indonesian mills, driven by Chinese investment, and compounded by zero duty imports from ASEAN countries, posed a threat to Indian stainless steel makers.

At this juncture, our strategy requires a new paradigm against the backdrop of newly emerging business challenges. To align our goals with future business needs, and to provide sustainable and cost-efficient solutions to a modern India, we have adopted a new business structure in the organization. The domestic sales team will be accountable for developing new stainless steel applications by conversion from other materials. They will also drive the replication of global and Indian success stories in other segments, and focus on increasing the share of business with existing and prospective customers.

We are also proactively embracing technology, which is fundamentally re-shaping the way we conduct our business. Be it auto-packaging systems, SAP HANA cloud, master data management, material procurement comparative, or digitized logistics processes and tracking, all our digitisation efforts are now enabling better decision making and reducing manual interference.

Challenges bring out the best in us and allow us to conquer our fears. It is with this confidence that I underline the bright future of stainless steel, despite a challenging year ahead amid growing trade protectionism. The growth in the Architecture, Building, and Construction (ABC) segment, along with railways, white goods, and process industries, looks promising, given the expected 8-9% CAGR of stainless steel in the coming years. The developmental efforts with all three production units of Indian Railways, as well as regional workshops to promote stainless steel conversion are bringing good results. Our team is closely working with all major automobile players for furnishing products compliant with BS VI norms which will be effective from next year. This year, for the first time, we have launched a co-branding scheme for more than 60 of our MoU Pipe & Tube customers. Moreover, we have aggressively planned promotional activities through various media campaigns and training programs to create a difference and add value in the supply chain.

I am confident that your Company will grow responsibly by creating and delivering value for all stakeholders as it has in the past, both economically and socially. Before I conclude, I would reiterate that our success is entirely credited to the passionate and hard-working team at JSHL. With this team, I am sure that we will be at the forefront of transformation. I extend my thanks to all our stakeholders – customers, shareholders, bankers, employees, and business associates. I look forward to your participation and support in the future too.

NEW PRODUCT DEVELOPMENTS

Baking Applications - Development of Bread Mould in Stainless Steel



Bread Moulds are traditionally made from mild steel and aluminium, but when baked at a temperature of 210-240 Deg C, a thick coating of white flour and oil gets stuck to the mould and causes the mould to turn black in colour. With bread moulds made out of stainless steel of ferritic grade 430, continuous trials were carried out on a set of

50 moulds and the results were breath-taking! Baking was achieved with the same parameters and moulds could be cleaned well, making it more hygienic and safe in comparison to the moulds used at present. Jindal Stainless (Hisar) Limited looks forward to the potential usage of stainless steel in the baking industry.

Electric Rickshaws – A new trend to build a green environment



With a lot of focus on electric vehicles globally, many companies are working on and coming up with new e-vehicles. In India, one such initiative – the electric battery rickshaws – has been developed and is running for the last 5 years. These rickshaws are used for last mile connectivity mainly from Metro Stations in various cities in the country. All structural frames were developed in mild steel including the chassis of the rickshaw.

Jindal Stainless (Hisar) Limited (JSHL) used the 200 series of stainless steel structural and decorative pipes to build the e-rickshaw. The floor and seats of the rickshaw were also built in stainless steel and laser cut designs were used to improve the aesthetics of the vehicle. Using stainless steel helped in reducing the weight of the rickshaw and increased the core strength of the vehicle. With these changes, JSHL is expecting a double the life cycle of rickshaws in the country.

Fish Rearing Cage



Fish rearing cages, usually made from mild steel and wooden structures, are used to store fishes in ponds and oceans. These structures float in the sea and over a period of time, get rusted or weaken and break due to the salty or high moisture content. A stainless steel cage

made from austenitic 304 grade has increased the life cycle of the structure by 3 times and has reduced corrosion on the structure, thereby adding to safety for the fishermen.

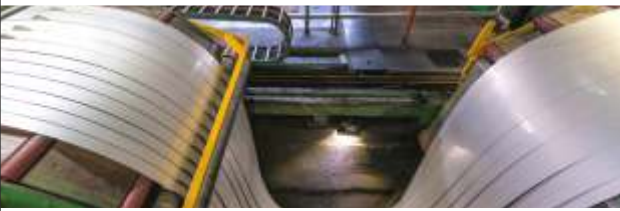
Display and Training Vehicle



Jindal Stainless (Hisar) Limited (JSHL) developed 2 display vans of stainless steel to tour across the country. These vans showcase the usage of stainless steel in household products such as kitchen utensils, water tanks and many more. All these applications were displayed in the mobile van comprising of a 21-foot display area and this van is also equipped with welding

and finishing tools to train fabricators on-site. The vans are being extensively used for training and display purposes and are also becoming a part of various exhibitions and conferences. JSHL has trained more than 8000 fabricators in 87 cities across the Indian subcontinent in the last 2 years.

PRODUCT BASKET



Stainless steel (SS) is a generic term for a family of corrosion resistant alloy steels containing 10.5% or more chromium. All stainless steels have a tremendous resistance to corrosion. This resistance is due to the naturally occurring chromium-rich oxide film formed on the surface of the steel. Although extremely thin, this invisible, inert film is tightly adherent to the metal and extremely protective in corrosive environment. The film is expeditiously self repairing in nature, and the indentation due to abrasion, cutting or machining is hastily repairable in the presence of oxygen. In addition, stainless steel

objects rarely become waste at the end of their useful life as this metal is 100% recyclable. Qualities like low lifecycle cost, high strength to weight ratio, aesthetic brilliance and easy clean ability make SS the wonder metal for various applications.

Jindal Stainless (Hisar) Limited (JSHL) is India's first integrated stainless steel manufacturer with a capacity of 0.8 million tons per annum. JSHL is world's largest producer of stainless steel strips for razor blades and India's largest producer of coin blanks, serving mints worldwide. The Specialty Product Division caters to high end precision and specialty stainless steel requirements across the globe. JSHL's product range includes Slabs & Blooms, Hot Rolled Coils, Strips, Plates, Coin Blanks, Precision Strips and Cold Rolled Coils.

Slab

Product	Max Width (mm)	Thickness (mm)
Slab	1280	200

Plates

Product	Max Width (mm)	Thickness (mm)	
		Minimum	Maximum
Plates/ Sheets	1250	2.0	80



HR Coil

Product	Max Width (mm)	Thickness (mm)	
		Minimum	Maximum
Hot Rolled Coil	1270	2.0	12.0
HRAP Coil	1270	2.5	8.0



CR Coil

Product	Max Width (mm)	Thickness (mm)	
		Minimum	Maximum
CRAP Coil	1000	0.5	3.15
	1250	0.5	3.15



Precision Strips

The Precision Strips are rolled up to 0.05 mm in thickness. These strips are often the starting material for industries like Automotive, Electronics and Telecommunication, Health & Hygiene, Consumer Durables and Petrochemical Industry and exported as well. The customized chemical composition, extraordinary mechanical properties and precise dimensional and shape tolerance makes JSHL Precision Strips special.



Blade Steel (Razor Blade)

The razor blade cold rolled strips of up to 0.076 mm thickness are produced in Specialty Products Division (SPD) division at JSHL and supplied to leading Indian and international razor



Coin Blanks

JSHL has been supplying stainless steel coins blanks to the Indian government mint and foreign mints for making coins. The company has the capability of producing high quality stainless steel and non-ferrous coin blanks. The present installed capacity for coin blanking is 10,000 metric tons per annum.

STAINLESS STEEL APPLICATIONS

Stainless Steel Usages



Architecture Building Construction

Decorative and colour coated stainless steel | Street furniture | Escalators, Elevators | Claddings | Railings | Gates | Decorative panels | SS Roofing sheets | Railway station upgradation | Commercial complexes | Sculptures & designer items | Home furniture



Automobile Railway Transport

Bus bodies | Exhaust systems, auto chassis, trims, suspension parts, fuel tanks, catalytic convertors | Railway wagons and coaches | Metro coaches



Process & Engineering

Nuclear grade SS for fuel containment and waste handling | Super critical boilers in power plants | Water treatment and drinking water supply | Desalination applications | Chemicals, petro-chemical & fertilizer plants



Consumer Durables

Washing machine | Microwave | Refrigerator | Components thereof



Stainless Steel in Plumbing

Stainless steel pipes are being increasingly used for plumbing because stainless steel offers wide range of benefits, with particular importance attached to its hygienic properties, its resistance to corrosion, long life and low maintenance. It does not require painting and blends smoothly with modern interior design. It is also fully recyclable.

Stainless steel often enjoys life cycle cost advantages compared to other materials. Even though the initial costs may be marginally higher for stainless steel plumbing materials, the gap in installed cost is reduced by a fast and more efficient method of jointing. Low maintenance, low system downtime and replacement costs and long life makes stainless steel the most attractive metal when compared to other materials.



Stainless Steel in Chemical Industry

Probably the most demanding industries that use stainless steels are the chemical, processing and oil and gas industries. They have created a large market for stainless tanks, pipes, pumps and valves. One of the first major success stories for 304/316 stainless steel was the storage of dilute nitric acid as it could be used in thinner sections and was more robust than other materials.

SS pipes and tubes exhibit superior corrosion resistance, heat resistance and low-temperature properties and have been used as raw materials that can withstand harsh environments as seen in petroleum, brewery, sugar, refining, oil and gas industries.



Stainless Steel in Beverage, Dairy and Food Preparation and Processing

Materials for beverage, dairy and food preparation, processing and storage are required to maintain the integrity of the structure (i.e. to be corrosion resistant and sufficiently robust to withstand their service environment) and to be inert (i.e. to impart neither colour nor flavour to food or beverages). Stainless steel is widely used in these applications because it is resistant to corrosion, inert, easily cleaned and sterilised without loss of properties, and can be readily fabricated by a variety of techniques.

Stainless Steels for Application in Automotive and Transport Sectors

Automotive and Transport sectors are making increasing use of stainless steel to reduce weight, improve aesthetics, enhance safety and minimize life cycle cost. Characterized by superior fire and corrosion resistance, they ensure safety and reliability. Since stainless steel exhibits superior combination of high strength, ductility, formability and toughness compared to other metals and alloys, the intrinsic weight of vehicle decreases and its load carrying capacity and fuel efficiency increases. Maintenance cost is naturally lower and stainless steel components at the end of their long life are easily recycled.



Govett-Brewster Art Gallery / Len Lye Centre

Stainless Steel In Architecture, Building & Construction

Stainless steel has been used in architecture, building and construction since its invention. Stainless Steel provides tremendous design flexibility to high profile projects while its strength and resistance to corrosion, wear and fire make it a practical long lasting choice for public and industrial buildings.

Worldwide stainless steels are being used for structural applications ranging from cutting edge architecture to infrastructure. Exceptional examples of historical structures include the stainless steel concrete reinforcing bar in Yucatan, Mexico's Progreso Pier (1945); St. Louis, USA's Gateway Arch (1965); and the Louvre Pyramid in Paris, France (1989).

HARNESSING THE POWER OF IT



Technology is redefining business in every sense and Jindal Stainless (Hisar) Limited (JSHL) has witnessed major transformation in the digital space in the last couple of years. Here at JSHL, we are continuously implementing the best manufacturing processes by harnessing the strength of technology and data processing. In times of 'disrupt or be disrupted', JSHL is embracing new technology and has emerged as the frontrunners in this digital transformation journey.

In the manufacturing ecosystem, JSHL is the first company in the world to migrate to cloud-based BW/4HANA which is SAP's fastest data warehousing and reporting system. We have acquired the leadership status in transforming the manufacturing industry by implementing the latest and most efficient data analysis programme. This has reduced the time taken for real-time inventory reporting from 30 minutes to just one minute. SAP BW/4HANA is the next generation data warehouse that enables advanced real-time analysis and transactions on current as well as legacy data. It boasts of extremely high speed and efficiency as compared to the traditional BW (business information warehouse). The integrated data management strategy with the help of BW/4HANA has enabled reporting and planning using current, historical and external data sources from various applications leading to efficient real-time decision making.

We have realized the growing importance of Information

Technology in empowering our Human Resources function. We have IT-enabled our HR processes by focusing on employee lifecycle management, learning and development and social collaboration using SAP's Success Factor platform.

Coming to business processes, digitization and automation are the cornerstones of a smart business. Another initiative in the digital transformation journey of JSHL was the digitization of logistics processes. Efficiency, optimization, speed and timing have always been crucial in logistics and transportation. At JSHL, we have developed and deployed customized SAP solutions to cater to the changing business scenarios. Now, the planning, placement and tracking of outbound vehicles is executed through SAP, which has significantly improved our operational efficiency. The company has also developed a process where complete mapping from bill submission to payments is done through SAP. This digitization has broken down silos by eliminating manual processes and has ensured a free-flow of real-time information to everyone involved in the supply chain.

Today, technology is the prime differentiator between a market leader and a follower. By embracing these aforementioned technological advancements, the Company is cementing its position as a market leader. The most important element in this transformation is the Company's IT team, whose unflinching dedication and zest are the reason behind the success of our digitization endeavours.

AWARDS & ACCOLADES 18-19

**National Award
for Excellence in Energy Management 2018**
for Energy Efficient Unit



**SEEM Energy Management
Platinum Award in Iron
& Steel sector**
for Energy Efficient Unit



SAP ACE Award
for SAP HANA initiative



1 Excellence & 6 PAR
Excellence Awards in
NCQC 2018



13 Gold, 9 Silver &
03 Bronze Awards in
CCQC 2018

UNLEASHING PEOPLE POWER



“ They build our company from the ground up each day. They are the pillars of our progress. ”

– Abhyuday Jindal

The HR department is a catalyst for constant learning and development in the organization. Our human capital strategy is simple – we recognize our employees as the 'source' rather than a 'resource' of immense potential. We have focused on attracting, developing and nurturing the best talent available to make a strong 5,500 employee workforce. Our constant endeavor at Jindal Stainless (Hisar) Limited (JSHL) is to create a conducive and positive organizational culture which enables the employees to maximize their performance and fulfill them as an individual.

One of the key initiatives in this direction during FY 18-19 was to implement SAP Success Factors as our Human Resource Management System across the entire organization (including subsidiaries). The entire project was implemented successfully in a short span of 6 months. It has helped us to not only streamline employee experience and deliver HR services effectively but also offer a unique digital experience via a mobile interface.

With a keen focus on creating avenues for effective two-way communication, our Communications team undertook several initiatives. Our intranet (internal internet) platform, Pulse, forms the lifeline of the organization, catalysing employee engagement. This year, we even introduced an online town-hall model called Sampark which enables the senior leadership to get connected with employees across all locations. This allows employees to ask questions and provide suggestions as well as solutions to the senior leadership

directly. This is in addition to the interactions that our Managing Director has with employees in small groups at different locations on a regular basis. Multiple campaigns through emails and Whatsapp kept employees informed and inspired through the year. Our engagement with employees also continues via year long events centered on well-being and team-bonding.

With our workforce becoming increasingly diverse, we understand and accept value differences and strive to build an inclusive and holistic work environment. As a step in this direction, JSHL has launched STRIDE – an inclusion & diversity initiative with a series of ongoing programs and interventions. We revised our Prevention of Sexual Harassment policy (POSH) by reiterating our commitment as a 'zero tolerance organization' against sexual harassment of women at workplace.

We continually refresh our talent by hiring fresh engineering and diploma graduates every year from leading colleges across India, selecting the crème de la crème, after rigorous online assessments and face-to-face interviews. Going forward, the graduate engineering trainees (GET) will go through our flagship year long program – ARISE which “Shapes Stainless Engineers” of the future, preparing them for the transition from the academic to the corporate world. Industry-academia partnership through our MOUs with IIT Bhubaneswar, polytechnics, and ITIs also help us to build an industry-ready workforce.

Our focus on investing in talent development continues with over 1,27,626 learning hours clocked in FY 18-19.

To build the future leadership pipeline at JSHL, we launched a flagship leadership development program called Masterful Management for middle managers. It is a 12-month development journey which focuses on leadership capabilities for the continuously changing business landscape.

We help hone the skills of our senior leaders through focused coaching and leadership development programs from leading management institutes. The capability of our workmen is also enhanced continually with various technical programs as well as Pratigyan – an attitudinal development program.

Our robust Performance Management System focuses on both the 'What' (the goal) as well as the 'How' (competencies required) to facilitate a high performance work culture. The Balanced Score Card approach of setting and monitoring goals helps us align with the overall organization strategy and aids in sustaining our collective efforts to reach the targets.

Our efforts to retain world class employees have been recognized by the industry with several awards in FY 18-19 such as The Exceed Award 2018, Manufacturing Today Award 2018 for Training Excellence, as well as numerous accolades in Regional Work Skills Competition and Quality Circle Competitions.

The HR team plays a critical role in enabling an agile organization and we hope to strengthen it with effective policies and measures, and adopting a right attitude towards every employee.



SUSTAINABLE INITIATIVES



Philosophy of Sustainable Development

CSR Vision

'Corporate Social Responsibility (CSR) is the direct connect between the head and the heart. It becomes impactful only when one speaks the language of the heart.'

Aligning with the vision of Improving Lives Through Trustworthy and Innovative Stain-less Solutions, Jindal Stainless has continuously engaged itself in improving the lives of people in and around the manufacturing facilities. CSR is the strategic approach toward sustainable community development and the key to inclusive growth. This includes the 'Beyond Business' activities that are focused on the communities that cross the path of Jindal Stainless. These programmes are focused around the needs of the local communities at the bottom of the pyramid, aimed at empowering them with employable skills and giving them a voice to deal with domestic violence and engage in other social issues. At Jindal Stainless, employees are encouraged to volunteer in community work and engage in eradicating social evils of society. Jindal Stainless has undertaken a number of CSR initiatives like skill training and education, integrated preventive health, rural development, livelihood generation, women empowerment and entrepreneurship, human rights and business and advocacy.





Jindal Stainless Foundation

JSL Foundation is a registered society under the Registrar of Societies, established to work for the greater good of society. Our aim is to focus 'Beyond Business Responsibilities', stressing on the importance of seeing a change in lives of communities around our Plant locations as well as other geographies. Our key focus areas are Women Empowerment, Education and Skill Development, Integrated Health Care, Environment Sustainability, Community Development, and Integrated Farming.

Under the able guidance of our Chairperson, Mrs Deepikka Jindal, our team of seasoned CSR professionals implements the entire gamut of initiatives through national and international civil societies and non-government organizations. Under the aegis of JSL Foundation, it is our earnest endeavor to uplift our surrounding communities and transform the lives of people who cross our path.



Aim

Mainstreaming communities at the bottom of the pyramid



Philosophy

To address key social developmental issues and encourage all stakeholders to get engaged through focused sustainable interventions with the aim of achieving the overall vision of JSL of improving lives through trustworthy and innovative stain-less solutions

XVI



Objectives

- To work towards social advancement of all stakeholders including communities and their families
- To work with farming communities towards doubling their incomes through technology based solutions and promoting climate adaptation practices
- Empower Rural Youth and Women through skill enhancement and promote entrepreneurship
- Provide basic amenities to rural communities living around our areas of operations i.e. primary health, basic education etc.
- To work towards environmental protection
- To provide an enabling environment and promote best practices
- To ensure a proper reporting structure

CSR ACTIVITIES



Deaf School Empowerment project – NAI DISHA

The school empowerment project in partnership with Noida Deaf Society at Welfare Centre for Hearing & Speech Impairment (WCHSI), Hisar and Sonipat focuses on developing the skills of deaf students. This initiative has coached 160 students to learn Indian Sign language, Basic English Communication, Value education and Computer as per the NDS curriculum. Beside academic classes, sports such as cricket, badminton and football are also majorly emphasized upon in the schools.

Smart class project

Smart Class Systems were installed in partnership with Next Education India Pvt. Ltd. at Govt. Sec. Secondary School, Model Town and Defence Public School, Shyam Vihar for improving the teaching practices through visual learning. Around 570 students from both locations are benefiting from the program.

Stainless Skill Training Institute – PRERNA

Stainless Skill Training Institute functions as a platform for building the skills and knowledge of girls & women to develop their skills and secure a financial livelihood. The

institute offers courses in the areas of Dress Designing & Fashion Technology and Beauty Culture. There is an emphasis on both theory & practicals with well equipped labs in the facility. Prior to admission, community mobilizations are held in both urban and rural areas. 164 students (84 Students of Dress Designing and 80 of Beauty Culture) completed the course and 87 students are still pursuing the courses. More than 50% of the trained students are now financially independent.

Empowering people through 'Theatre for a cause' In partnership with the Abhinaya Rang Manch, Hisar, an awareness project on women empowerment, violence against women and health & hygiene was executed. The shows were performed in 38 locations in 6 states namely Haryana, Rajasthan, Uttarakhand, Uttar Pradesh, Himachal Pradesh, Madhya Pradesh. The program touched the lives of around 36,850 students and school staff.

Girls from many schools got an opportunity and platform to express themselves and share their experiences through theatre. A follow-up on the impact of last year's shows revealed that approximately 80% of the students and teachers were aware of the messages delivered through the initiative last year. People expressed that the show created a platform for the students to become more open in sharing their views with their teachers.



Women on Wings Foundation

JSHL and Women on Wings Foundation collaborated on a skill-building project to create awareness in the community around menstrual hygiene. A series of behavior-change campaigns were executed along with creating opportunities for women entrepreneurs to earn

a sustainable livelihood from the sale of social-impact products. More than 50 women entrepreneurs were identified and trained in villages across the manufacturing facility to earn a sustainable livelihood by selling sanitary pads, induction cook-tops, and solar lights. More than 100 sessions were held impacting around 3000 women and adolescent girls.



O P Jindal Vikas Kendra – UNNATI

O P Jindal Vikas Kendra focuses on training women residing in and around the plant location in the skills of stitching and tailoring. The courses are designed in two modules i.e. Basic and Advance and each module is for

a period of 6 months. Apart from the course curriculum, the students also get exposure to embroidery, handicrafts items, and regular health awareness sessions. More than 132 students were trained last year and awarded certificates by the Jindal Stainless Foundation.

Maintenance & Restoration of O P Jindal Memorial Park

The restoration and maintenance of O P Jindal Memorial Park has been implemented in partnership with Prabhaav Foundation. Spread over 26 acres of land, several activities related to its beautification were extensively carried out. A major attraction is the green wall that was installed at the entrance of the park. New benches, slides & swings, and dustbins were installed. The water harvesting structure was renovated and the irrigation system was replaced. Plantation of the seasonal flowers and maintenance of lawns is done on a regular basis.



Save the Girl Child project - JEEVAN JYOTI

In Partnership with Childreach India, the Save the Girl Child project is being implemented in three locations namely Shiv Colony, Surya Nagar and Satrod Khurd. The project aims to create awareness & sensitize the community on the importance of girl child, health & hygiene, gender equality, and hazards of unsafe abortions. The social activators deputed on ground are engaged with 811 Currently Married Women (CMW) to counsel them on various issues related to reproductive and child health such as immunization, institutional delivery, family planning, girl child education, regular check-ups etc. Meetings with community stakeholders

such as males, mothers, CMWs, teachers, and medical practitioners are held to sensitize them and ensure their involvement in the project. 247 institutional deliveries were recorded, among which 125 were boys and 122 were girls. The community resource centre established in the project area also helps adolescent girls by imparting training on Computer Basics, Stitching & Tailoring and Self defense.

Improving Maternal & Child Health project - MIRA Channel

A project for 'Improving Maternal & Child Health' has been undertaken in the village of Satrod Kalan in partnership with ZMQ Development. The project introduces a mobile application by ANM & ASHA for recording pregnant cases in the locality and provides them with timely & appropriate information on maternal & child health. 110 pregnant women and 140 children have been successfully registered on this app and are receiving regular counseling.

Mobile Health Dispensary- SEWA

The Mobile Health Dispensary project, in collaboration with NC Jindal Hospital, caters to the medical needs of the people residing in 10 villages around Hisar. Each village is visited twice a month. During the financial year, the mobile unit conducted 235 visits and 7047 patients were treated. The medical team also sensitised around 1012 people about various diseases due to agriculture (like asthma and other respiratory diseases), and early detection of Cancer and water-borne diseases.

Cancer Screening & Detection Camps in Rural Areas

The medical team of N C Jindal Hospital, in collaboration with Roko Cancer Charitable Trust, organized medical camps for creating awareness amongst the communities on Breast, Cervical & Oral Cancer and screening patients for early signs. The project also offered Tobacco Cessation Counseling for tobacco users. A total of 1612 people were registered in 12 camps in the villages near Hisar. Among the females registered, mammograms and Pap Smear tests were done for high risk patients of Cervical Cancer.

Developing linkages and improving the farmers' incomes

In partnership with Gram Unnati Foundation, a project on improving the farmers' incomes has been implemented in and around Pataudi and Nuh (districts Gurugarm & Mewat). This programme supports the development of a holistic and sustainable agricultural ecosystem around farmers, with the focus being on market linkages and market-linked production. Village contact drive was conducted and 10 villages were finalized for the 1st year's intervention. Initially to understand the ground



realities with focus on the prevailing agricultural practices, baseline survey was conducted and around 500 farmers were reached. Among them, 97 farmers were identified for engagement with the project. Interactive meetings were held with the farmers and technical inputs for the betterment of yield in terms of organic cultivation, marketing, disease & pest control, soil and water testing etc were shared. The project is also exploring tie-ups with other institutional buyers in Delhi NCR to present farmers the opportunity to access a larger market.

Solar Water Pump project

To promote water lifting technology in the area of agriculture sector, a partnership was entered with CLARO Energy Pvt. Ltd and 2 solar water pumps were installed in the respective farms of the villages Umra & Sultanpur. Around 35 acres of agricultural land is irrigated in both rabi & kharif season with this new technology. This has helped the farmers in eliminating the cost of diesel and dependency on electricity for operating the water pumps.

Chairperson Emeritus

Mrs. Savitri Devi Jindal

Chairman

Mr. Ratan Jindal

Managing Director

Mr. Abhyuday Jindal

Whole Time Director

Mr. Jagmohan Sood

Directors

Mrs. Deepika Jindal

Maj. Gen. Kanwaljit Singh Thind , VSM (Retd)

Mr. Girish Sharma

Mr. Nirmal Chandra Mathur

Mrs. Arti Luniya

Chief Financial Officer

Mr. Ramnik Gupta

Company Secretary

Mr. Bhartendu Harit

Working Capital Bankers

Axis Bank

Bank of Baroda

Canara Bank

ICICI Bank

Punjab National Bank

State Bank of India

Standard Chartered Bank

Statutory Auditors

M/s Lodha & Co.

Chartered Accountants

M/s S.S. Kothari Mehta & Co.

Chartered Accountants

Secretarial Auditors

M/s Vinod Kothari & Co.

Practicing Company

Secretaries

Cost Auditors

M/s Ramanath Iyer & Co

Cost Accountants

Registered Office

O.P.Jindal Marg

Hisar – 125005 (Haryana)

Manufacturing Facilities

Hisar (Haryana)

Kothavalasa (Andhra Pradesh)

NOTICE

JINDAL STAINLESS (HISAR) LIMITED

(CIN: L27205HR2013PLC049963)

Regd. Office: O.P. Jindal Marg, Hisar – 125 005 (Haryana), India

Phone No. (01662) 222471-83, Fax No. (01662) 220499

Corporate Office: Jindal Centre, 12, Bhikaiji Cama Place, New Delhi– 110066.

Phone No. (011) 26188345-60, 41462000, Fax No. (011) 41659169, 26101562

Email Id.: investorcare.jshl@jindalstainless.com; Website: www.jshlstainless.com

NOTICE is hereby given that the **6th Annual General Meeting** of members of **Jindal Stainless (Hisar) Limited** will be held on **Wednesday, the 11th day of September, 2019 at 12:00 Noon at Registered Office** of the Company at O.P. Jindal Marg, Hisar – 125005 (Haryana) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt
 - a. the audited standalone financial statements of the Company for the financial year ended on 31st March, 2019, the Reports of Board of Directors and Auditors thereon, and
 - b. the audited consolidated financial statements of the Company for the financial year ended on 31st March, 2019 and the reports of the Auditors thereon.
2. To appoint a Director in place of Mr. Abhyuday Jindal (DIN: 07290474), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTIONS:

3. AS A SPECIAL RESOLUTION:

REAPPOINTMENT OF MR. GIRISH SHARMA AS AN INDEPENDENT DIRECTOR.

"RESOLVED that pursuant to the provisions of Sections 149, 152 and all other applicable provisions, if any, and Schedule IV to the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Girish Sharma (DIN: 05112440), who was appointed as an Additional Director (Independent) w.e.f. 1st May, 2019 by the Board of Directors upon recommendations of the Nomination and Remuneration Committee of the Company ("Committee") after satisfying the criteria laid down by the Committee, be and is hereby reappointed as an Independent Director of the Company, whose office shall not be liable to retire by rotation, to hold office for a term of three consecutive years w.e.f. 1st May, 2019 till 30th April, 2022."

4. AS A SPECIAL RESOLUTION:

REAPPOINTMENT OF MR. NIRMAL CHANDRA MATHUR AS AN INDEPENDENT DIRECTOR.

"RESOLVED that pursuant to the provisions of Sections 149, 152 and all other applicable provisions, if any, Schedule IV to the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 16 & 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all other applicable provisions, including any statutory modification(s) or re-enactment thereof, and on the basis of recommendation of the Nomination and Remuneration Committee consent of the Members of the Company be and is hereby accorded to reappoint Mr. Nirmal Chandra Mathur (DIN: 00004527) who will attain the age of 75 years on 11th September, 2019, as an Independent Director of the Company, whose office shall not be liable to retire by rotation, to hold office for a term of three consecutive years w.e.f. 5th August, 2019 till 4th August, 2022."

5. AS AN ORDINARY RESOLUTION:

RATIFICATION OF REMUNERATION PAYABLE TO M/S RAMANATH IYER & CO., COST ACCOUNTANTS, AS COST AUDITORS OF THE COMPANY, FOR THE FINANCIAL YEAR 2019-20.

"RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹1,92,500 (Rupees One Lakh Ninety Two Thousand Five Hundred only) fixed by the Board of Directors of the Company payable to M/s Ramanath Iyer & Co., Cost Accountants (FRN: 000019) as Cost Auditors, appointed by the Board of Directors of the Company on recommendation of the Audit Committee for conducting audit of cost accounting records of the Company for the financial year 2019-20, be and is hereby ratified."

"RESOLVED FURTHER that Board of Directors be and is hereby authorized to do all acts, deeds, matters and things as may be necessary to give effect to this resolution."

NOTICE

6. AS AN ORDINARY RESOLUTION:

AUTHORITY TO ENTER INTO MATERIAL RELATED PARTY CONTRACTS/ ARRANGEMENTS / TRANSACTIONS.

"RESOLVED that subject to the provisions of Section 177, 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of The Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and all other applicable provisions of law, the approval of the Company be and is hereby accorded to the Board of Directors, to enter into one or more contracts / arrangements / transactions with the following related party for the amounts stated hereunder:

Sl. No.	Name of the party	Amount
1.	Jindal Stainless Limited ("JSL")	Rs.2,200 Crore

during the financial year 2019-20 on such terms and conditions as may be mutually agreed upon between the Company and JSL."

"RESOLVED FURTHER that the Board of Directors be and is hereby authorized to decide upon the nature and value of the products, goods, materials or services etc. to be transacted with JSL within the aforesaid limits."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby also authorized to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution."

Registered Office:

O.P. Jindal Marg
Hisar-125005, Haryana.
August 8, 2019

By order of the Board

Bhartendu Harit
Company Secretary
Membership No. A15123

NOTICE

NOTES:

- At the 2nd AGM, M/s. Lodha & Co. (Firm Regn. No. 301051E) and M/s. S.S. Kothari Mehta & Co. (Firm Regn. No. 000756N) were appointed as Joint Statutory Auditors of the Company and M/s. N. C. Aggarwal & Co. (Firm Regn. No. 003273N) were appointed as Branch Auditor for Visakhapatnam division of the Company for a term of five years until the conclusion of 7th AGM of the Company.
The ratification of their appointment, pursuant to Section 139 of the Companies Act, 2013, is not required, in terms of Notification No. S.O. 1833(E) dated May 7, 2018, issued by the Ministry of Corporate Affairs and accordingly, the item has not been included in the Ordinary Business of this AGM Notice.
- An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to special business to be transacted at the meeting is annexed hereto.
The relevant details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2") of the persons seeking re-appointment / appointment as Directors are also attached. The Company has received relevant disclosures / consents from the Directors seeking re-appointment / appointment.
- A member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company.**
Pursuant to Section 105 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 a person shall not act as proxy for more than fifty (50) members and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
- The Attendance Slip and Proxy Form with clear instructions for filling, stamping, signing and / or depositing the Proxy Form are enclosed.
- The instrument appointing the proxy should be deposited at the registered office of the Company not less than 48 hours before the commencement of the AGM.
- Corporate Members intending to send their authorized representatives to attend the AGM are requested to send to the Company / Link Intime India Private Limited, Company's Registrar and Share Transfer Agent ('Registrar'), in advance, a duly certified copy of the relevant Board Resolution / Letter of Authority / Power of Attorney, together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the meeting.
- Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer books of the Company will remain closed from Wednesday, August 28, 2019 to Thursday, August 29, 2019 (both days inclusive) for the purpose of 6th AGM of the Company.
- Route map and details of prominent land mark of the venue of meeting is annexed with this Notice.
- The Securities and Exchange Board of India ('SEBI') has mandated submission of Permanent Account Number ('PAN') by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar.**
- As per SEBI mandate requests for effecting transfer of securities, except in case of transmission or transposition of securities, are not being processed effective from April 1, 2019, unless the securities are held in dematerialized form with a depository. Hence, the Members holding shares in physical form are requested to convert their holdings to dematerialized form at the earliest.**
- Under the 'Green Initiative' of the Ministry of Corporate Affairs, Notice of AGM is being sent to the members who have registered email ids, through email and to all other members by Regd. Post. Members who have not registered their email addresses with the Company can now register the same by submitting a duly filled-in request form with the Registrar. Members holding shares in demat form are requested to register their email addresses with their Depository Participant(s) only.
- All documents referred to in the accompanying Notice and the Explanatory Statement are open to inspection by the members at the registered office and corporate office of the Company on all working days up to the date of AGM between 11.00 A.M. and 5.00 P.M.
- The business of the meeting may be transacted by the members through remote electronic voting system. Members who do not have access to remote e-voting facility have the option to request for physical copy of the Ballot Form by sending an e-mail to investorcare.jshl@jindalstainless.com by mentioning their Folio / DP ID and Client ID No. or download from Company's website www.jshlstainless.com. However, the duly completed Ballot Form should reach the registered office of the Company not later than 10th day of September, 2019 (5.00 p.m.). A Member can opt for only one mode of voting i.e. either through remote e-voting or by Ballot. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot shall be treated as invalid.
- The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date 4th September, 2019 and as per the Register of Members of the Company. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
- In case of joint holders attending the Meeting, only the Member whose name appears first will be entitled to vote.

NOTICE

16. Any Member, who has already exercised his votes through remote E-voting, may attend the Meeting but is prohibited to vote at the meeting and his vote, if any, cast at the meeting shall be treated as invalid.
17. At the end of the discussion of the resolution on which voting is to be held at the AGM, the Chairman shall with the assistance of the Scrutinizer allow voting for all those Members who are present but have not cast their vote electronically using the remote E-voting facility.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 3

In terms of Section 149 of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors), Rules 2014, the Independent Directors shall hold office for a period of up to 5 consecutive years and shall not be liable to retire by rotation. They may be appointed for a maximum of two consecutive terms of up to 5 years each. Further, in terms of Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the tenure of independent directors shall be in accordance with the Companies Act, 2013 and rules made thereunder, in this regard, from time to time.

Mr. Girish Sharma (DIN: 05112440) had joined the Board of Directors of the Company on 1st May, 2016 as a Non-Executive Independent Director. He was appointed as an Independent Director for a term of 3 years commencing from 1st May, 2016. His appointment was approved by the Shareholders at the 3rd Annual General Meeting of the Company held on 30th September, 2016. The 1st term of his appointment was upto 30th April, 2019.

The Board of Directors, on recommendations of Nomination and Remuneration Committee, re-appointed him as an Additional Director (Independent) with effect from 1st May, 2019 to hold office till the conclusion of the ensuing Annual General Meeting of the Company.

Further, the Board of Directors, on recommendations of the Nomination and Remuneration Committee and keeping in view his performance, skills, experience and contributions, approved seeking the consent of Members for his reappointment as an Independent Director for a further period of three years with effect from 1st May, 2019, whose office shall not be liable to retire by rotation.

In the opinion of the Board, his continued association would be of immense benefit to the Company. Mr. Girish Sharma fulfills conditions of appointment as Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. The Company has also received declaration from him that he meets the criteria of Independence as prescribed under Section 149(6) of the Act and Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. He is also not debarred from holding the office of a director by virtue of any Order of SEBI or any other authority.

His brief resume, educational and professional qualifications, nature of his work experience etc. are given under the head "Additional Information".

Your Directors recommend the resolution set out at Item No. 3 as a Special Resolution for your approval.

Mr. Girish Sharma is interested in the resolution set out at Item No. 3 of this Notice with regard to his re-appointment. His relatives may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the above referred resolution.

Item No. 4

In terms of Section 149 of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors), Rules 2014, the Independent Directors shall hold office for a period of up to 5 consecutive years and shall not be liable to retire by rotation. They may be appointed for a maximum of two consecutive terms of up to 5 years each. Further, in terms of Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the tenure of independent directors shall be in accordance with the Companies Act, 2013 and rules made thereunder, in this regard, from time to time.

The Board of Directors had appointed Mr. N.C. Mathur as Independent Director with effect from 5th August, 2016. His appointment as an Independent Director was approved by the Shareholders at the 3rd Annual General Meeting held on 30th September, 2016 for a period of 3 consecutive years i.e. from 5th August, 2016 till 4th August, 2019.

In terms of Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

The Board of Directors, on recommendations of Nomination and Remuneration Committee, re-appointed him as an Additional Director (Independent) with effect from 5th August, 2019 to hold office till the conclusion of the ensuing Annual General Meeting of the Company.

Further, the Board of Directors, on recommendations of the Nomination and Remuneration Committee and keeping in view his performance, skills, experience and contributions, approved seeking the consent of Members for his reappointment as an Independent Director for a further period of three years with effect from 5th August, 2019, whose office shall not be liable to retire by rotation.

In the opinion of the Board, his continued association would be of immense benefit to the Company. Mr. Mathur fulfills conditions of appointment as Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. The Company has also received declaration from him that he meets the criteria of Independence as prescribed under Section 149(6) of the Act and Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. He is also not debarred from holding the office of a director by virtue of any Order of SEBI or any other authority.

NOTICE

His brief resume, educational and professional qualifications, nature of his work experience etc. are given under the head "Additional Information".

The Board recommends the resolution set out at Item No. 4 as a Special Resolution to the Members for their approval. Mr. N.C. Mathur, being concerned, along with his relatives may be deemed to be interested in the resolution.

None of the other Directors or key managerial personnel of the Company or their relatives is in any way concerned or interested, financially or otherwise, in the above referred resolution.

Item No. 5

Pursuant to Section 148 of the Companies Act 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditors should be ratified by the shareholders of the Company. The Board of Directors, in its meeting held on May 24, 2019, on the basis of recommendations of the Audit Committee appointed M/s. Ramanath Iyer & Co., Cost Accountants, as Cost Auditors to conduct audit of cost records of the Company for the financial year 2019-20 and subject to ratification by Members, fixed their remuneration at ₹ 1,92,500 (Rupees One Lakh Ninety Two Thousand Five Hundred only).

Your Directors recommend the resolution set out at Item No. 5 as an Ordinary Resolution for your approval.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise in this resolution.

Item No. 6

The Company in the ordinary course of its business and on arm's length basis enters into transactions for sale / purchase of goods / services / allocating common corporate expenditure with related parties including Jindal Stainless Limited ("JSL").

JSL is 'Related Party' of the Company in terms of the provisions of Section 2(76) of the Companies Act, 2013 ("the Act").

The value of the transactions proposed, which will be on an arm's length basis, are based on the Company's estimated transaction value for FY 2019-20 arrived at on the basis of the value of transactions with such related parties during the financial year 2018-19.

Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") provides that all material related party transactions shall require approval of the shareholders through ordinary resolution. The explanation to Regulation 23(1) of the SEBI Regulations provides that a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

Further, in terms of first proviso to Section 188 of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, the contracts or arrangements exceeding the sums as may be prescribed, shall be approved by the shareholders of the Company. The above mentioned contracts between the Company and the 'Related Party' are likely to exceed the thresholds of materiality limits as defined under the SEBI Regulations / Act / Rules and the Policy on dealing with Related Party Transactions of the Company.

Your Directors recommend the resolution set out at Item No. 6 as an Ordinary Resolution for your approval.

Mr. Ratan Jindal, Chairman and Managing Director of Jindal Stainless Limited and Mr. Abhyuday Jindal who is Managing Director of Jindal Stainless Limited along with their relatives are interested in the resolution set out at Item No. 6 of this notice to the extent of their shareholding interest, if any, in the Company.

The other Directors/ Key Managerial Personnels of the Company/ their relatives are not concerned or interested, financially or otherwise, in the above referred resolution, except to the extent of their shareholding interest, if any, in the company.

Information required under the Companies Act, 2013 read with Rule 15 (3) of the Companies (Meetings of Board and its Powers) Rules, 2014 for Item No. 6:

S. No.	Particulars	Information
1.	Name of Related Party	Jindal Stainless Limited ("JSL")
2.	Name of Director or Key Managerial Personnel who is related, if any	Mr. Ratan Jindal, Chairman of the Company is also Chairman and Managing Director of JSL. Mr. Abhyuday Jindal, Managing Director of the Company is also Managing Director of JSL.
3.	Nature of relationship	JSL is an Associate company of the Company. Mr. Ratan Jindal, Chairman of the Company is also Chairman and Managing Director of JSL. Mr. Abhyuday Jindal, Managing Director of the Company is also Managing Director of JSL.
4.	Nature, material terms, monetary value and particulars of the contract or arrangement	As specified in the resolution at Item No. 6 of this Notice.
5.	Any other information relevant or important for the members to take a decision on the proposed resolution	The transactions will be at arm's length basis and in the ordinary course of business

NOTICE

Additional Information as required in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India for Item Nos. 2 to 4.

Brief Profile of directors, being appointed/ re-appointed and the director, in respect of whom proposal is there for payment of remuneration:

Name of Director	Mr. Abhyuday Jindal
DIN	07290474
Brief Resume	<p>A Boston University graduate in Economics and Business Management. Mr. Abhyuday Jindal has a wide ranging experience in the areas of the project management, supply chain systems and strategic & general management.</p> <p>Mr. Abhyuday Jindal started his career with the JSW Group. There, he played a prominent role in the stake acquisition of Ispat Industries and the post acquisition integration of JSW and Ispat. He then moved on to the Boston Consulting Group, where he managed project consultancy for diverse industries, including cement, steel, wind turbines and auto components.</p> <p>Having gained a deep understanding of the industrial manufacturing arena, Mr. Abhyuday Jindal entered the USD 3 billion Jindal Stainless Group as a Management Trainee. Driven by the ambition to go beyond the ordinary, Mr. Abhyuday Jindal took multiple strides in improving supply chain and operational efficiencies. Today, he is shaping the Company into a far more dynamic, responsive, predictive and solution-based organization. Currently, he is also the Managing Director of Jindal Stainless Limited. He personifies open and participative management, a consistent culture of dialogue and feedback, and a relentless march towards continuous improvement.</p> <p>Strongly rooted in the Indian soil, Mr. Abhyuday Jindal community-centric transformational approach has led to the development and sustenance of several empowerment initiatives in and around the Company's production facilities. His signature style has entered him further among employees. He further personifies open and participative management, a consistent culture of dialogue and feedback, and a relentless march towards continuous improvement.</p> <p>Mr. Jindal also serves as the Vice President of the Infrastructure Industry and Logistics Federation of India, endeavouring to forge stronger and wider public-private partnerships.</p>
Date of Birth (Age in years)	April 4, 1989 (30)
Qualification	Boston University graduate in Economics and Business Management
Experience and expertise in specific functional area	Business management
Terms and conditions of appointment	The present resolution seeks approval of the Members for re-appointment of Mr. Abhyuday Jindal as a Director liable to retire by rotation. Terms and condition of his appointment and remuneration have already been approved by the members at 5th AGM held on 27th September, 2018.
Details of remuneration and remuneration last drawn	Details mentioned in Corporate Governance Report.
Date on which first appointed on the Board	November 2, 2015
Details of shareholding in the Company	22,180 equity shares of ₹ 2 each
Relationship with other Directors/ Key Managerial Personnel (if any)	Mr. Abhyuday Jindal is the son of Mr. Ratan Jindal, Chairman and Mrs. Deepika Jindal, Director of the Company.
Number of Board Meetings attended during the year	4
Details of Directorships / Committee Chairmanship and Memberships in other companies	As detailed herein below

Type of Company	Directorship held	Committee Membership	Committee Chairmanship
Listed company	Jindal Stainless Limited	Stakeholders' Relationship Committee	Risk Management Committee; Share Transfer Committee; Sub Committee

NOTICE

Name of Director	Mr. Girish Sharma
DIN	05112440
Brief Resume	<p>Mr. Girish Sharma, IRS (Retd.) is a Commerce Graduate from Delhi University and has completed his Masters in Marketing and Business Management from the Faculty of Management Studies, Delhi University.</p> <p>Mr. Sharma served in the Indian Revenue Service (IRS) in various capacities (retired as Chief Commissioner of Income Tax, Delhi), looking after Tax Administration, Analysis /Monitoring of Revenue planning and enhancement, Investigation and laying parameters for monitoring of financial system. During his service, he was also on deputation as Director with the Ministry of Chemicals & Fertilizers handling Corporate Affairs, Disinvestment of Public Sector Undertakings (PSUs). He had hands on experience with corporate management functions as a Director on the Board of a few PSUs and as Chairman & Managing Director, Pyrites Phosphates and Chemicals Ltd.</p> <p>Post retirement, Mr. Sharma advised a large Indian Corporate, on implementing systems for re-orientation of business and assist people achieve goals / improve performance. Putting in place an organizational structure capable of handling strategic business growth and bring about systems and procedures whereby quality of the business is improved.</p>
Date of Birth (Age in years)	December 19, 1951 (67)
Qualification	Commerce Graduate from Delhi University; and Masters in Marketing and Business Management from the Faculty of Management Studies, Delhi University.
Experience and expertise in specific functional area	Tax Planning and administration
Terms and conditions of appointment	The details of terms and conditions of appointment of Mr. Girish Sharma are available on website of the Company and shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Sunday.
Details of remuneration and remuneration last drawn	Mr. Girish Sharma is Non-Executive Director. He was paid only sitting fee for the financial year 2018-19.
Date on which first appointed on the Board	May 1, 2016
Details of shareholding in the Company	Nil
Relationship with other Directors/ Key Managerial Personnel (if any)	He is not related to any other Director or KMP of the Company.
Number of Board Meetings attended during the year	4
Details of Directorships / Committee Chairmanship and Memberships in other companies	As detailed herein below

Type of Company	Directorship held	Committee Membership	Committee Chairmanship
Listed company	Hexa Tradex Limited	Audit Committee; Stakeholders Relationship Committee; Corporate Social Responsibility Committee	Nomination & Remuneration Committee
Listed company	Jindal Saw Limited	Audit Committee	-
Listed company	JITF Infralogistics Limited	Audit Committee	-
Unlisted company	Jindal Fittings Limited	Audit Committee; Nomination & Remuneration Committee	-
Unlisted company	Hexa Securities and Finance Company Limited	Audit Committee; Nomination & Remuneration Committee	-

NOTICE

Name of Director	Mr. Nirmal Chandra Mathur
DIN	00004527
Brief Resume	<p>Mr. Mathur, a Graduate with B. Tech (Hons.) from India's leading University – Birla Institute of Technology and Science (BITS), Pilani, has worked in India with leading Industrial Houses for over 50 years and has been associated with Stainless Steel Industry for more than 40 years.</p> <p>He has been invited to speak in global Stainless Steel, Nickel and Ferro Alloys Conferences worldwide since 1994. Presented papers in over 40 International events organized by Metal Bulletin, CRU, SMR, Stainless Steel Associations in China, Russia, Japan, S. Korea UK, EU, USA, Brazil, Australia, Thailand, Malaysia, Singapore, and South Africa.</p> <p>He has been the President of Indian Stainless Steel Development Association (ISSDA) and Chairman of Steel Furnace Association of India (SFAI). He has been associated for 11 years with the "Market Development Committee" as well as "Economics & Statistics Committee" of ISSF (International Stainless Steel Forum), a global Stainless Steel Industry Association based in Brussels, Europe.</p>
Date of Birth (Age in years)	September 11, 1944 (74)
Qualification	B. Tech (Hons.)
Experience and expertise in specific functional area	Expertise in Stainless Steel industry
Terms and conditions of appointment	The details of terms and conditions of appointment of Mr. Mathur are available on website of the Company and shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Sunday.
Details of remuneration and remuneration last drawn	Mr. Mathur is Non-Executive Director. He was paid only sitting fee for the financial year 2018-19.
Date on which first appointed on the Board	August 5, 2016
Details of shareholding in the Company	955 equity shares of ₹ 2 each
Relationship with other Directors/ Key Managerial Personnel (if any)	He is not related to any other Director or KMP of the Company.
Number of Board Meetings attended during the year	4
Details of Directorships / Committee Chairmanship and Memberships in other companies	As detailed herein below

Type of Company	Directorship held	Committee Membership	Committee Chairmanship
Unlisted company	Jindal Stainless Steelway Limited	Audit Committee	Nomination and Remuneration Committee; Corporate Social Responsibility Committee

Registered Office:

O.P. Jindal Marg
Hisar-125005, Haryana.
August 8, 2019

By order of the Board

Bhartendu Harit
Company Secretary
Membership No. A15123

NOTICE

Instructions for E-voting:

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide remote E-Voting facility as an alternate for Shareholders of the Company to enable them to cast their votes electronically on the resolutions mentioned in the Notice of the 6th Annual General Meeting of the Company to be held on Wednesday, the 11th day of September, 2019. For this purpose, necessary arrangements have been made with the Central Depository Services (India) Limited ("CDSL") to facilitate e-voting. E-voting is optional to the shareholders. Members may cast their votes using an electronic voting system from a place other than the venue of the meeting ("remote e-voting"). The Company has appointed Mr. Kamal Gupta, Advocate, as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. The list of shareholders/ beneficial owners shall be reckoned on the equity shares as on 4th September, 2019.

Process and Manner for Shareholders opting for e-voting is as under: -

- (i) The remote e- voting period begins on 8th September, 2019 at 9.00 a.m. and ends on 10th September, 2019 at 5.00 p.m. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form as on the cut-off date 4th September, 2019, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders"/ "Members".
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) * Members who have not updated their PAN with the Company/Depository Participant are requested to use the Sequence number which is printed on Attendance Slip annexed with the Annual Report in loose leaf.
Dividend Bank Details / Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy) as recorded in your demat account or in the company records for the said demat account or folio. If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v)

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN of Jindal Stainless (Hisar) Limited on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

NOTICE

- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non-Individual Shareholders & Custodians:
- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com as well as Company Secretary at O.P. Jindal Marg, Hisar or email at investorcare.jshl@jindalstainless.com.

NOTICE

FOR ATTENTION OF SHAREHOLDERS

1. The register of members and share transfer books of the Company will remain closed from Wednesday, 28th, August, 2019 to Thursday, 29th, August, 2019 (both days inclusive).
2. Members are requested to immediately notify to the Registrar any change in their address, in respect of equity shares held in physical mode and to their depository participants (DPs) in respect of equity shares held in dematerialised form.
3. As per provisions of the Companies Act, 2013 read with relevant Rules thereof, facility for making nominations is available to individuals holding shares in the Company. Members holding shares in physical form may obtain Nomination Form No. SH-13 from the Company's RTA. Members holding shares in electronic form are required to approach their DPs for the nomination.
4. The Company's equity shares are compulsorily traded in dematerialised form by all investors Shareholders are requested to get the shares dematerialised in their own interest.
5. The Company has created an Email Id. 'investorcare.jshl@jindalstainless.com', which is being used exclusively for the purpose of redressing the complaints of the investors.
6. Members should quote their Folio No. / DP Id-Client Id, email addresses, telephone / fax numbers to get a prompt reply to their communications.
7. Members desiring any information/clarification on the accounts are requested to write to the Company at least seven days in advance, so as to enable the management to keep the information ready at the AGM.
8. As a measure of economy, copies of the Annual Report will not be distributed at the meeting. Members are requested to bring along their copies.
9. Members/proxies are requested to bring the attendance slip, duly filled in.
10. The annual accounts and other related documents of the subsidiaries are available at the website of the Company and will be made available to any member of the Company who may be interested in obtaining the same. The consolidated financial statements of the Company include the financial results of all the subsidiary companies. The members, if they desire, may write to the Secretarial Department of the Company at O.P. Jindal Marg, Hisar – 125 005 (Haryana) to obtain the copy of the annual report of the subsidiary companies.

The annual accounts of the subsidiary companies would be open and accessible for inspection by shareholders at registered office and corporate office of the Company during business hours on all working days except Saturdays, Sundays and public holidays upto the date of AGM.

11. Members attending the AGM and desiring to go round the factory, are requested to inform a week in advance so that necessary arrangements are made.
12. Mandatory updating of PAN and Bank details against your physical holding

The Securities and Exchange Board of India (SEBI) vide its circular SEBI/HO/DOP1/CIR/ P/2018/73 dated 20th April, 2018 mandated that the companies through their Registrar and Transfer Agents ("RTA") should take special efforts for collecting copies of PAN and bank account details for the security of the holders holding securities in physical form. Those security holders whose folio(s) do not have complete details relating to their PAN and Bank Account, or where there is any change in the bank account details provided earlier, have to compulsorily furnish the details to RTA/ Company for registration /updating. You are therefore requested to submit the following to update the records:

NOTICE

Action required from you:

- KYC Format duly filled in and signed by all the shareholders.
- Self-attested copy of PAN Card of all the holders of the security
- Cancelled Cheque leaf with name (if name is not printed, self-attested copy of the pass book showing the name of the account holder) of the first holder.
- Address proof (self-attested Aadhaar card) of the first holder.
- Any change in the name of the holders.

Note: You are requested to Ignore this communication if you have already updated you details with RTA / Company.

DIRECTORS' REPORT

TO

THE MEMBERS,

Your Directors have pleasure in presenting the 6th Annual Report on the business and operations of your Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2019.

FINANCIAL RESULTS

Your Company's performance for the financial year ended 31st March, 2019 is summarized below:

(₹ in Crore)

Sl. No.	Particulars	For the financial year ended (Standalone)		For the financial year ended (Consolidated)	
		31.3.2019	31.3.2018	31.3.2019	31.3.2018
I	Revenue from operations	8,956.40	9,450.23	10,288.86	10,563.30
II	Other Income	95.67	112.20	102.11	116.05
III	Total Income	9,052.07	9,562.43	10,390.97	10,679.35
IV	Total Expenses	8,680.13	8,972.79	9,906.53	10,025.12
V	EBITDA*	899.61	1,139.49	1038.74	1,230.64
VI	Profit before exceptional Items, share of profit of an associate and tax	371.94	589.64	484.44	654.23
VII	Share of Profit from Associates	-	-	51.66	147.31
VIII	Exceptional items - Gain	31.81	18.44	33.71	19.56
IX	Profit after exceptional items but before tax	403.75	608.08	569.81	821.10
X	Tax expense	142.10	212.38	173.61	233.45
XI	Net Profit for the year	261.65	395.70	396.20	587.65
XII	Total Other Comprehensive Income	(0.95)	(1.75)	(1.93)	3.50
XIII	Total Comprehensive Income for the year (comprising Profit and other Comprehensive Income for the year)	260.70	393.95	394.27	591.15

*EBITDA = Earnings before Interest, Tax, Depreciation & Amortization and Other Income

FINANCIAL HIGHLIGHTS

Financial Year ended 31st March, 2019 posed various challenges before the global stainless steel industry in terms of growing trade tensions between various countries resulting into demand contraction and fall in Nickel prices for consecutive seven months. Indian Stainless Steel primary producers faced further challenges due to higher imports from FTA countries and softening of demand in certain sectors. All these together put pressure on the financial performance of the company. Your Company however, could partially mitigate the full adverse impact of the above due to its operational capabilities, leadership position and continuous focus on value added products.

During the year, the revenue from operations of your Company on standalone basis stood at ₹ 8,956.40 Crore as compared to ₹ 9,450.23 Crore during previous financial year 2017-18. The Profit before other income, Finance Cost, Exceptional Items, Tax, Depreciation & Amortisation (EBITDA) on standalone basis stood at ₹ 899.61 Crore as compared to ₹ 1,139.49 Crore during previous year. The Net profit on standalone basis stood at ₹ 261.65 Crore as compared to a net profit of ₹ 395.70 Crore during previous year.

Further, during the year, the consolidated revenue from operations of your Company stood at ₹ 10,288.86 Crore as compared to ₹ 10,563.30 Crore during previous financial year 2017-18. Consolidated Profit before other income, Finance Cost, Exceptional Items, Tax Depreciation & Amortization (EBITDA) stood at ₹ 1038.74 Crore as compared to ₹ 1,230.64 Crore during previous year. The Net profit on consolidated basis stood at ₹ 396.20 Crore as compared to ₹ 587.65 Crore during previous year.

OPERATIONS

Hisar Division:

Your Company performed commendably during the year in spite of very challenging global as well as Indian business scenario. Company did particularly well in its value added segment with increase in volume of its Blade Steel, Precision Strips, Coin Blanking & CRAP Products.

Precision strips volume for the year 15,622 Tons which was 13% higher than previous year (13,821MT). Blade steel volume for the year was 15,250 Tons which was 8% higher than previous year(14,135 MT) .Coin Blanking division produced a volume of 4,789 Tons which was almost 50% higher than previous year numbers (3,210 MT).

DIRECTORS' REPORT

Your Company undertook various capacity enhancement & efficiency improvement initiatives during the year. These initiatives would not only assist in increasing our volumes of value added products but would also help in optimizing cost of operations. These initiatives should help company in accentuating its growth journey.

Your Company continued to focus on different products in Stainless Steel and successfully managed to consolidate its recently added Long product portfolio globally. We also managed to add various new customers for our Special Product Division ("SPD") products.

To reduce costs and improve productivity, we continued to innovate and digitize our operations. During the year, the Company took various benchmark initiatives to fast track its digitization journey. The company migrated to BW4 HANA, which greatly increased the processing speed of its ERP systems thereby enabling real time data extraction & analysis. The Company was duly awarded for this commendable initiative with SAP ACE award.

The Company continued its tradition of Excellent Quality and was duly recognized by the industrial bodies for the same. The National "PAR EXCELLENCE AWARD" was given to your Company in Quality circle front by NCQC (National Convention on Quality Circles).

The Company continued to exceed on various fronts and was duly recognized for the same by being awarded National Award for "Excellence in Energy Management". Company also received platinum award in Iron & steel Sector from "SEEM".

The Company continued to meet global benchmarks and was duly recognized for the same by being certified as 'ISO 50001 -2018 for energy management, Norsok certification for key grades & various other certifications.

The Company continued to put a paramount focus on Safety and undertook various training initiatives for it. Company is following zero tolerance policy on safety issues and have greatly improved its scores on various indicators.

Vizag Division:

Vizag Division produces High Carbon Ferro Chrome ("HCFC") with annual capacity of 40,000 MT.

Vizag Division uses Chrome Ore purchased from Odisha Mining Corporation Ltd./ Tata Steel Limited & others and transfers output to Hisar Plant and exports also. The Unit produced 27,547 MT of HCFC during F.Y. 2018-19 as compared to 28,433 MT during F.Y. 2017-18. Also it could recover a quantity of 2,833 ton by processing of 1,80,355 ton of Ferro Chrome slag through 50TPH Crushing unit & 40TPH Tenova Delkor Jig Machine during F.Y. 2018-19 with recovery of 1.56%. During F.Y. 2017-18, the Unit could recover a quantity of 216 MT of HCFC by processing of 10,846 MT of Ferro Chrome Slag, as plant was commissioned in January, 2018 and run for 2 months on trial basis.

The Vizag Division dispatched 23,303 ton HCFC to Hisar plant and exported 5,063 ton during F.Y. 2018-19 as compared to 29097 ton during F.Y. 2017-18.

REVISION IN CREDIT RATING

Your Company received a rating upgrade from CARE, to 'A-' from 'BBB+' on July 25, 2018, reflecting Company's enhanced profitability and robust balance sheet, along with superior operational performance.

DIVIDEND AND TRANSFER TO RESERVES

In terms of the Dividend Distribution Policy, as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, equity shareholders of the Company may expect dividend if the Company is having surplus funds and after taking into consideration the relevant internal and external factors as mentioned in the said Policy. Accordingly, considering the cash position, fund requirements for growth of business of your Company and agreement with the Lenders, the Board of Directors has not recommended any dividend for the financial year ended 31st March, 2019. Accordingly, no amount is also proposed to be transferred to the reserves of your Company. The Dividend Distribution Policy is available on Company's website at the following link:

www.jshlsteel.com/pdf/Dividend-Distribution-Policy2018.pdf

SHARE CAPITAL

As on 31st March, 2019, paid up share capital of the Company was ₹ 47,18,69,370 divided into 23,59,34,685 equity shares of ₹ 2/- each. There was no change in share capital of the Company during the Financial Year 2018-19.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") forms part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

In terms of the provisions of Regulation 34 of SEBI LODR, top five hundred listed entities based on market capitalization as on 31st March of every financial year is required to prepare and present a Business Responsibility Report ('BRR') in the prescribed format to the shareholder. Since your Company does not fall in this category as on March 31, 2019, this regulation is not applicable to the Company.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year, there was no unclaimed amount required to be transferred to Investor Education and Protection Fund of Government of India.

EMPLOYEES STOCK OPTION SCHEME

Since the Company has not issued any stock options, the requirement of disclosure under Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 is not applicable to the Company.

DIRECTORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013, SEBI LODR and Ind-AS-110 on Consolidated Financial Statements read with Ind-AS-28 on investments in Associates and Ind-AS-31 on interests in Joint Ventures, the Audited Consolidated Financial Statements for the financial year ended 31st March, 2019 are provided in the Annual Report.

SUBSIDIARY COMPANIES / JOINT VENTURES / ASSOCIATE COMPANIES

As on 31st March, 2019, your Company has five subsidiaries, namely (i) JSL Lifestyle Limited, (ii) Jindal Stainless Steelway Limited, (iii) Green Delhi BOS Limited, (iv) JSL Media Limited and (v) JSL Logistics Limited and two associate companies namely (i) Jindal Stainless Limited; and (ii) Jindal Stainless Corporate Management Services Private Limited. There is no joint venture of the Company. Jindal Stainless Steelway Limited is material subsidiary of your Company.

The Financial Statements of Subsidiary Companies are kept open for inspection by the shareholders at the Registered Office and Corporate Office of the Company during business hours on all days except Saturdays and Sundays and public holidays up to the date of Annual General Meeting (AGM) as required under Section 136 of the Companies Act, 2013. The members, if they desire, may write to the Company Secretary at O.P. Jindal Marg, Hisar – 125005 (Haryana) to obtain the copy of the financial statement of the subsidiary companies. The Financial Statements including the Consolidated Financial Statements and all other documents required to be attached with this Report have been uploaded on the website of your Company viz. www.jshlsteel.com.

A statement containing the salient features of the financial statement of the subsidiaries and associate companies in the prescribed Form AOC-1 is attached alongwith financial statement. The statement also provides the details of performance, financial position of each of the subsidiary company.

Your Company has framed a "Policy for determining Material Subsidiary" in terms of Regulation 16(1)(c) of SEBI LODR. The said Policy may be accessed on the Company's website at the link:

<http://www.jshlsteel.com/pdf/Policy%20for%20determining%20material%20subsidiaries.pdf>

DIRECTORS & KEY MANAGERIAL PERSONNEL

The Board appointed Mr. Abhyuday Jindal as the Managing Director and Key Managerial Personnel of the Company w.e.f. 26th April, 2018 for a period of three years. Prior to his appointment as the Managing Director, Mr. Abhyuday Jindal was Non-Executive Vice-Chairman of your Company. Further, the Board had inducted Mr. Jagmohan Sood as an Additional Director on the Board of Directors w.e.f. 15th May, 2018 and appointed him as Whole Time Director and Key Managerial Personnel of the Company w.e.f. the said date for a period of three years. The resolutions for appointment of Mr. Abhyuday Jindal as Managing Director, Mr. Jagmohan Sood as a Director and Whole Time Director were passed by the Members at the 5th Annual General Meeting.

Mr. Ankur Agrawal has ceased to be Chief Financial Officer w.e.f. 27th April, 2018. Mr. Ajay Goyal, who was already working with the Company as General Manager (Finance & Accounts) was designated to act as interim Chief Financial Officer w.e.f. 30th October, 2018. On 30th January, 2019, the Board appointed Mr. Ramnik Gupta as Chief Financial Officer and Mr. Ajay Goyal relinquished the position of Chief Financial Officer of the Company.

Mr. Ashok Kumar Gupta ceased to be Whole Time Director w.e.f. 15th May, 2018 and Mr. Arunendra Kumar ceased to be Director w.e.f. 3rd October, 2018. The Board of Directors places on records its appreciation for the valuable contribution made by them during their tenure on the Board of Directors.

The Board of Directors has approved appointment of Mr. Girish Sharma, whose 1st term was upto 30th April, 2019, as a non-executive Independent Director, to hold office for a 2nd term of 3 (three) years w.e.f. 1st May, 2019, subject to approval of members in the ensuing Annual General Meeting.

Mr. Abhyuday Jindal, as a Director retires by rotation at the ensuing AGM under the provisions of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

Brief resumes of the abovementioned Directors being appointed / re-appointed, nature of their expertise in specific functional areas, details of Directorship in other companies, membership / chairmanship of committees of the board and other details, as stipulated under Regulation 36(3) of SEBI LODR and Secretarial Standard - 2 issued by The Institute of Company Secretaries of India, are given in the Notice forming part of the Annual Report.

All Independent Directors have given declaration to the Company that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI LODR. Further, all the Directors have also confirmed that they are not debarred to act as a Director by virtue of any SEBI order or any other statutory authority.

Your Company has also devised a Policy on Familiarization Programme for Independent Directors which aims to familiarize the Independent Directors with your Company, nature of the industry in which your Company operates, business operations of your Company etc. The said Policy may be accessed on your Company's website at the link:

<http://jshlsteel.com/pdf/Policy%20on%20familiarisation%20programme%20for%20independent%20directors-%20JSHL.pdf>

BOARD EVALUATION

An annual performance evaluation of all Directors, the Committees of Directors and the Board as a whole was carried out during the year. For the purpose of carrying out performance evaluation, assessment questionnaires were circulated to all Directors and their feedback was obtained and recorded.

DIRECTORS' REPORT

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION POLICY

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report.

The NRC considers the best remuneration practice in the industry and while fixing the appropriate remuneration package and for administering the long-term incentive plans. Further, the compensation and packages of the Directors, key Managerial Personnel, Senior Management and other employees is designed in terms of remuneration policy framed by the NRC. The remuneration policy of your company can be viewed at the following link:

www.jshlstainless.com/pdf/Remuneration%20Policy.pdf

FIXED DEPOSITS

Your Company has not accepted any deposit from the public. Hence, no information is required to be appended to this report.

PARTICULARS REGARDING THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as Annexure – 'I' forming part of this Report.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Annual Report.

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of the Annual Report.

Having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office and Corporate Office of the Company during normal business hours on working days upto the date of this AGM and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

STATUTORY AUDITORS AND AUDITORS' REPORT

M/s. Lodha & Co. and M/s. S.S. Kothari Mehta & Co., Joint Statutory Auditors of the Company and M/s. N.C. Aggarwal & Co., Branch Auditors of Vishakhapatnam Division of the Company, were appointed by the Shareholders at the 2nd Annual General Meeting of the Company held on 30th December, 2015, for a period of five consecutive years i.e. until the conclusion of the 7th Annual General Meeting of the Company. The ratification of their appointment, pursuant to Section 139 of the Companies Act, 2013, is not required, in terms of Notification No. S.O. 1833(E) dated May 7, 2018, issued by the Ministry of Corporate Affairs and accordingly, the item has not been included in the Ordinary Business of the AGM Notice forming part of this Annual Report. The Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark. During the year under review, the Statutory Auditors have not reported any incident related to fraud to the Audit Committee or the Board under section 142 (12) of the Act.

COST AUDITORS

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, your Company is required to get its cost accounting records audited by a Cost Auditor. The Company has appointed M/s. Ramanath Iyer & Co., Cost Accountants, for this purpose for FY 2019-20. The Company maintains cost records as specified under Section 148 of the Companies Act, 2013 and gets them audited. The Cost Audit Report for the FY 2017-18 given by the Cost Auditors does not contain any qualification, reservation or adverse remark.

The remuneration of the Cost Auditors shall be placed for ratification by members in terms of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

SECRETARIAL AUDITORS

The Board had appointed M/s Vinod Kothari & Co., Practicing Company Secretaries to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith marked as Annexure – II(a) to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Jindal Stainless Steelway Limited, material subsidiary of your Company, has undertaken its secretarial audit for the financial year ended 31st March, 2019 by M/s Khadriya & Co., Practicing Company Secretaries, which is annexed herewith marked as Annexure – II(b). The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

RISK MANAGEMENT

Though the Regulation 21 of the SEBI LODR, as amended, is not applicable to the Company based on the market capitalisation as on 31st March, 2019, it has voluntarily constituted a Risk Management Committee which has been entrusted inter alia with the following functions: (a) Framing of Risk Management Plan and Policy; (b) Overseeing implementation / Monitoring of Risk Management Plan and Policy; (c) Identifying emerging risks and reviewing risk mitigation strategies; and (d) Formulating a cyber security plan and overseeing its implementation. Your Company has laid down procedures to inform Board members about risk assessment and minimization strategy.

INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

DIRECTORS' REPORT

AUDIT COMMITTEE

The Audit Committee comprises of the four Directors out of which three are Independent Directors:

Sl. No.	Name of Director*	Status	Category
1	Mr. Girish Sharma	Chairman	Independent Director
2	Mr. Jagmohan Sood ¹	Member	Whole Time Director, Non-Independent
3	Mr. Kanwaljit Singh Thind	Member	Independent Director
4	Mrs. Arti Luniya ²	Member	Independent Director

1 Mr. Jagmohan Sood was inducted as Member of the Audit Committee w.e.f. 15th May, 2018.

2 Mrs. Arti Luniya was inducted as Member of the Audit Committee w.e.f. 30th October, 2018.

* Mr. Arunendra Kumar ceased to be member of the Audit Committee w.e.f. 3rd October, 2018. Mr. Ashok Kumar Gupta ceased to be member of the Audit Committee w.e.f. 15th May, 2018.

All the recommendations made by the Audit Committee during the financial year 2018-19 were accepted by the Board.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee ("CSR Committee") has formulated and recommended to the Board, a Corporate Social Responsibility Policy ("CSR Policy") indicating the focus areas of Company's CSR activities.

In line with the CSR philosophy and all the focus areas, your Company has planned interventions in the fields of education & vocational training, integrated health care, women empowerment, social projects, rural infrastructure development, environment sustainability, sports, preservation of art and culture.

The Disclosure as per Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this Report at Annexure-III.

The CSR Policy can be accessed on the Company's website at the link:

<http://jshlsteel.com/pdf/JSHL%20CSR%20Policy.pdf>

CSR COMMITTEE

The CSR Committee comprises of the three Directors out of which one is Independent Director:

Sl. No.	Name of Director*	Status	Category
1	Mrs. Deepika Jindal	Chairperson	Non-Executive Director, Non Independent
2	Mr. Kanwaljit Singh Thind	Member	Non- Executive, Independent Director
3	Mr. Jagmohan Sood ¹	Member	Executive, Non Independent

1. Mr. Jagmohan Sood was inducted as Member of Corporate Social Responsibility Committee w.e.f. 15th May, 2018.

* Mr. Ashok Kumar Gupta ceased to be Member of the Committee w.e.f. 15th May, 2018

POLICY ON PREVENTION OF SEXUAL HARASSMENT

Your Company has in place a policy on prevention of sexual harassment at work place in accordance with the provisions of Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace Act, 2013. The policy aims at prevention of harassment of women employees and lays down the guidelines for identification, reporting and prevention of sexual harassment. There is an Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy.

During the year, one complaint was received and the same has been closed within the stipulated time limits and in accordance with the law. There are no pending complaints either at the beginning or end of the financial year. To create awareness and sensitivity among employees of all genders, the Company has been extensively undertaking induction and POSH Training programmes on a continuous basis.

STOCK EXCHANGES WHERE THE SHARES ARE LISTED

National Stock Exchange of India Limited ("NSE"),
Exchange Plaza, 5th Floor, Plot No. C/1,
G – Block, Bandra-Kurla Complex,
Bandra (E), Mumbai – 400 051

BSE Limited ("BSE")
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai – 400 001

The annual listing fee was paid to both the stock exchanges. No shares of the Company were delisted during the financial year 2018-19. The Global Depository Shares ("GDS") are listed on Luxembourg Stock Exchange.

EXTRACT OF ANNUAL RETURN

The extract of annual return in Form MGT-9 in terms of the provisions of Section 92 (3) of the Companies Act, 2013 is annexed herewith as Annexure –IV' and is also posted on the website of your Company which can be accessed at the link: <http://jshlsteel.com/annualreports.html>

DIRECTORS' REPORT

NUMBER OF BOARD MEETINGS

The Board of Directors met four times during the financial year ended on 31st March, 2019. The details of Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report forming part of this Annual Report.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI LODR, your Company has a Vigil Mechanism namely, Whistle Blower Policy for directors, employees and business partners to report genuine concerns about unethical behavior, actual or suspected fraud or violation of your Company's code of conduct or ethics policy. The Whistle Blower Policy can be accessed on the Company's website at the link:

<http://jshlstainless.com/pdf/Whistle%20Blower%20Policy-JSHL.pdf>

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of loans, guarantees or investments by the Company under Section 186 of the Companies Act, 2013 are stated in Notes to Accounts, forming part of the Annual Report.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered and executed during the year under review were at arms' length basis. As per the provisions of Section 188 of the Companies Act, 2013 and Rules made thereunder read with Regulation 23 of SEBI LODR, your Company had obtained approval of the Audit Committee under omnibus approval route and / or under specific agenda before entering into such transactions.

Particulars of contracts or arrangements entered into by the Company with the related parties referred to in Section 188(1) of the Companies Act, 2013, in prescribed form AOC-2, is attached as Annexure – V to this Report.

Your Directors draw attention of the members to Notes to the financial statements, which inter alia set out related party disclosures. The Policy on materiality of related party transactions and dealing with related party as approved by the Board may be accessed on your Company's website at the link:

<http://www.jshlstainless.com/pdf/Policy%20on%20dealing%20with%20Related%20Party%20Transactions%20JSHL.pdf>

In terms of Regulation 23 of the SEBI LODR, approval of the members for all material related party transactions will be taken at the ensuing AGM. During the Financial year 2018-19, there was no transaction with person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company.

THE CHANGE IN THE NATURE OF BUSINESS, IF ANY

There has been no change in the nature of Company's business during the financial year ended on 31st March, 2019.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which this financial statement relates on the date of this report.

ANY SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the financial year, there were no such significant material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit and loss of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

DIRECTORS' REPORT

- (d) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.
- (e) the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

A separate section on Corporate Governance and certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, form part of the Annual Report.

ACKNOWLEDGEMENT

Your Directors would like to express their gratitude for the valuable assistance and co-operation received from shareholders, banks, government authorities, customers and vendors. Your Directors also wish to place on record their appreciation for the committed services of all the employees of the Company.

For and on behalf of the Board of Directors

Place : New Delhi
Date : 24 May 2019

Abhyuday Jindal
Managing Director
DIN: 07290474

Jagmohan Sood
Whole Time Director
DIN: 08121814

Annexure - I to Directors Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014.

(A) CONSERVATION OF ENERGY

(a) The steps taken or impact on conservation of energy

- Implementation of ISO 50001:2018 (Energy Management System) to improve the Energy performance of plant.
- Installation of VFD Screw compressor at Air plant.
- Installation of air pre heater at boiler to reduce the fuel consumption.
- Installation of capacitors bank to improve the power factor
- Synchronize and automate billet transfer mechanism between PHF and WBF to reduce fuel consumption.
- Installation of energy efficient pump in sections to reduce power consumption
- Conventional lights changed with high efficient LED lights at SMS,HRM & CRM
- Improvement in thermal insulation of WBF to reduce radiation leakages.
- Arresting air leakages in sections to reduce the compressor specific power consumption.
- Discontinue of hot well cooling tower & Installation of new tower to reduce power consumption.
- Installation of descaling pump at strip mill to reduce the power consumption under progress.

(b) The steps taken by the Company for utilising alternate sources of energy

- Use of Bio fuel (Green fuel) in walking beam furnace.
- Mini Bio gas plant at Cafeteria.
- Solar energy at roof top and sheds.
- Energy efficient pumps and compressors installation in year 2018-19.
- Planning for Utilization of waste heat at AP4 by installing boiler.

(c) The capital investment on energy conservation equipments

- Installed VFD screw compressor at cost of- ₹ 211 Lakhs
- High energy efficient Pumps- ₹ 47 Lakhs
- Installed hot well cooling tower- ₹ 44 Lakhs
- Installed LED lights at SMS & HRM- ₹ 134 Lakhs
- Installation of descaling pump at strip mill- ₹ 228 Lakhs

(B) TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption; and the benefits derived like product improvement, cost reduction, product development or import substitution.

Development of new products to diversify product mix:

- Modified IRSM-44 grade with higher strength for Railway Foot over bridge application.
- Manufacturing and supply of 15CDV6 plates to ISRO for the first time.
- Development of electrode quality grade EQ24.13LNb for precision strip application.
- Development of AUS-18 grade with improved corrosion resistance as compared to JSL AUS.
- Development of non-magnetic stainless alloy for snap-button application. The material shows non magnetic behaviour after cold rolling.
- Development of ultra high strength (Tensile strength > 1500MPa) low alloy steel JD1 in 1600 mm width suitable for ballistic application.
- Development of 430 grade of modified chemical composition for improved corrosion resistance designed for white good application.
- Development of clean austenitic stainless steel grade 321H for precision tube application.
- Development of 347 grade with higher YS for structural application.

Benefits derived:

Process Improvement

- Reduction of roll pick-up problem in high Chromium (>17%) ferritic grades
- Minimization of lamination problem in 904L grade through optimization of casting parameters.
- Improvement in the yield of EQ 309LNb grade through minimization of edge crack during hot rolling
- Quality improvement of martensitic stainless steel through microstructural optimization
- Improvement of the quality of large size ingots of super-duplex UNS S32750 grade through modification of casting practice.

Annexure - I to Directors Report

Cost Reduction

- Optimization of processing route for 904L grade to improve cost competitiveness.
- Improved Cr recovery in Electric Arc Furnace using 30% Al-mix

Benefits derived:

- Enhancing Company's Image as a versatile Producer of Stainless Steel with a wide range of Products.
- Increased Foothold in fast Growing Market segments of defence, long products, nuclear segment
- Cost reduction through different in-house initiatives.
- More value added grades in the product mix.

Future plan of action:

- Indigenous development of High Aluminium (>4%) Ferritic Stainless Steels.
- Manufacturing of shaft and disc of HNS grade using ingot forging route.
- Maximize cost reduction through optimization of raw material.

ii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

During the period from 2016 to 2019:

1. Additional capacities of 20 Hi Mill, Bright Annealing lines, Slitting line were mainly imported. All these lines have been installed at Cold Rolling Division, having combined additional CRAP production capacity of 7,500 MT per month.
2. One Traverse Spooling line & One Laser welding machine have been installed in SPD, thereby giving more flexibility in customer service /product basket.
3. Laminar cooling system & de-scaling system has been added at Hot strip mill to enhance the quality of Blade Steel Strips.
4. CNC roll grinder for Steckel Mill in HR division was installed for risk mitigation.
5. Bright bar peeling machine has been added to have penetration in long product market.

All the above technologies have been fully absorbed.

(iii) Expenditure incurred on Research and Development (R&D)

(₹ in Crore)

		2018-19	2017-18
a)	Capital	0.04	Nil
b)	Revenue	17.09	7.92
	Total	17.13	7.92
c)	Total R&D expenditure as a percentage of turnover	0.19%	0.08%

Foreign Exchange Earnings & Outgo

(₹ in Crore)

	2018-19
Foreign Exchange Earnings	1237.54
Foreign Exchange Outgo	1534.63

Annexure - II (a) to Directors Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Jindal Stainless (Hisar) Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Jindal Stainless (Hisar) Limited** (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period, covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made there under including any re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
6. Laws specifically applicable to the industry to which the Company belongs, as identified and confirmed by the management, that is to say:
 - a. Payment of Wages Act, 1936;
 - b. The Payment of Undisbursed Wages (Mines) Rules, 1989;
 - c. Collection of Statistics Act, 2008

We have also examined compliance with the applicable clauses of the Secretarial Standards 1, 2 and 3 issued by the Institute of Company Secretaries of India;

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

Management Responsibility:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc;
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Recommendations as a matter of best practice:

In the course of our audit, we have made certain recommendations for good corporate practices to the compliance team, for its necessary consideration and implementation by the Company.

Annexure - II (a) to Directors Report

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Resolutions have been approved by majority while the dissenting members', if any, views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has not incurred any specific event / action listed below that can have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except as follows:

1. The Company by passing special resolution in its Extra Ordinary General Meeting held on February 01, 2019, altered the object clause of the Memorandum of Association of the Company by substituting the existing clause III(A)(4) by the following clause:

"To carry on all or any of the business of manufacturing, developing, assemblers, fitters, engineers, consultants, erectors, founders, smelters, refiners, makers, drawers, sinkers, miners, workers, repairers, hire purchase dealers, import and export agents, representatives, contractors and dealers of and in forging, casting of steel, stainless and special steels, alloys and ferrous and non-ferrous metals, auto parts, rail coach/ wagon/ locomotive assemblies/ components/ sub-assemblies/ sub-components, tools and implements, dies, jigs, laser cut/ press formed/ welded/roll formed parts/ components/ products, steel pipes and tubes and pipe fittings, iron and steel products, cast iron and steel and tubular structural."

The Certificate of registration of the special resolution confirming the alteration in object clause of the MOA was issued by Registrar of Companies NCT of Delhi and Haryana on February 05, 2019 under the provisions of section 13(9) of the Act.

For M/s Vinod Kothari & Company
Company Secretaries in Practice

Place: Delhi
Dated: May 21, 2019

Vinita Nair
Partner
Membership No: A31669
CP No.: 11902

ANNEXURE I

LIST OF DOCUMENTS

1. Corporate Matters
 - 1.1 Minutes books of the following meetings were provided in original
 - 1.1.1 Board Meeting;
 - 1.1.2 Audit Committee;
 - 1.1.3 Nomination and Remuneration Committee;
 - 1.1.4 Stakeholders Relationship Committee;
 - 1.1.5 Corporate Social Responsibility Committee;
 - 1.1.6 Sub-Committee of Board of directors meeting;
 - 1.1.7 General Meetings;
 - 1.1.8 Separate Meeting of Independent Directors;
 - 1.2 Annual Report 2017-18;
 - 1.3 Memorandum and Articles of Association;
 - 1.4 Disclosures under Act, 2013 and Listing Regulations;
 - 1.5 Policies framed under Act, 2013 and Listing Regulations;
 - 1.6 Documents pertaining to Listing Regulations compliance;
 - 1.7 Forms and returns filed with the ROC & RBI;
 - 1.8 Checklists duly filled for specific laws;
 - 1.9 Registers maintained under Act, 2013;
 - 1.10 Disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015
 - 1.11 Disclosures under SEBI (Substantial Acquisition & Shares Takeover) Regulations, 2011.

Annexure - II (b) to Directors Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Jindal Stainless Steelway Limited
Jindal Centre-12 Bhikaji Cama Place,
New Delhi-110066
CIN: U27109DL2004PLC128146

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Jindal Stainless Steelway Limited (hereinafter called "the Company"), having its Registered Office at Jindal Centre-12, Bhikaji Cama Place, New Delhi-110066. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the M/s Jindal Stainless Steelway Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s Jindal Stainless Steelway Limited ("the Company") for the financial year ended on March 31, 2019 according to the applicable provisions of:

- I. The Companies Act, 2013 & The Companies Act, 1956 ("the Acts") and the rules made there Under;
- II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines to the extent applicable as prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act)- Not applicable being an unlisted Company
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the following:

- I. Secretarial Standards issued by the Institute of Company Secretaries of India.
- II. The Company has not entered into listing Agreement with any of the Stock Exchange(s). Therefore, there is no listing agreement with the Company for any compliance therewith.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to following observations:

NIL

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executives Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Annexure - II (b) to Directors Report

Majority decision is carried through while the dissenting members' Views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has not undertaken such events as public or rights or preferential issue of shares, debentures or sweat equity; redemption or buyback of securities; major decisions by the Members in pursuance to Section 180 of the Companies Act, 2013; merger, amalgamation or reconstruction; Foreign Technical Collaboration or any other like event(s)/action(s) having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

FOR KHADRIYA & CO.
COMPANY SECRETARIES

(CS RAHUL KHADRIYA)
PROPRIETOR
M. NO. FCS- 8558
CP No. 10166

Place: New Delhi
Date: 20.05.2019

Note: This report is to be read with our letter of even date which is annexed as Annexure -A and forms an integral part of this report.

ANNEXURE -A TO THE SECRETARIAL AUDIT REPORT

To,
The Members,
Jindal Stainless Steelway Limited
Jindal Centre-12 Bhikaji Cama Place,
New Delhi-110066
CIN: U27109DL2004PLC128146

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards, is the responsibility of Management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

FOR KHADRIYA & CO.
COMPANY SECRETARIES

(CS RAHUL KHADRIYA)
PROPRIETOR
M. NO. FCS- 8558
CP No. 10166

Place: New Delhi
Date: 20.05.2019

Annexure - III to Directors Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

A brief outline of the Company's CSR Policy is given in the Directors' Report.

Web-link: <http://jshlsteel.com/pdf/JSHL%20CSR%20Policy.pdf>

2. The composition of the CSR Committee:

Mrs. Deepika Jindal - Chairperson of the Committee

Mr. Jagmohan Sood* - Member

Mr. Kanwaljit Singh Thind - Member

* Mr. Jagmohan Sood was inducted as member of CSR Committee w.e.f. 15th May, 2018. Mr. Ashok Kumar Gupta ceased to be Member of the Committee w.e.f. 15th May, 2018.

3. Average net profit ** of the company for last three financial years: ₹ 31,440.69 Lakhs
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 628.81 Lakhs
5. Details of CSR spent during the financial year.
 - a. Total amount to be spent for the financial year: ₹ 628.81 Lakhs
 - b. Total amount spent in the financial year: ₹ 644.22 Lakhs
 - c. Amount unspent, if any: Nil
 - d. Manner in which the amount spent during the financial year is detailed below:

(Amount in ₹)

1	2	3	4	5	6	7	8
S. No.	CSR project or activity indentified	Sector in which the project is covered	Projects or programs Local area or other Specify the state and district where projects or programs was undertaken	Amount actually outlay (budget) project or programs wise	Amount spent on the project or programs sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Digital Equaliser Programme: Smart Classes for schools; Early Childhood Education; Scholarship & fees assistance to needy persons; Village Library; Subject teachers for School; Computer Education; Deskit school bags for children; Skill Training - for local Youths in IT, Tractor Driving Course for women, Beauty & Wellness, Dress Designing & Fashion Technology Course / Sewing centers, Advance Electrical; Deaf School Empowerment; Sports Education Project; Educational theme based workshops & Studies, Support to Children Care Home.	Promoting Education & Enhancing Vocational Skills	Local area of District Jaipur of Odisha Local area of District Hisar & Sonapat of Haryana Local area of District Varanasi & Noida of Uttar Pradesh Local area of District Vizianagaram of Andhra Pradesh	3,63,12,935	3,77,48,689	4,91,08,972	Both Direct and through implementing Agency

Annexure - III to Directors Report

(Amount in ₹)

1	2	3	4	5	6	7	8
S. No.	CSR project or activity indentified	Sector in which the project is covered	Projects or programs Local area or other Specify the state and district where projects or programs was undertaken	Amount actually outlay (budget) project or programs wise	Amount spent on the project or programs sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
2	Women Self help Groups; Sanjivane Programme: Livelihood Promotion Activities (food processing, ASMITA Boutique, ASMITA Production centre, Sahaja Sanitary Napkin etc.); Tailoring Training Centres, Boutique centres, Farm income generating activities such as diary, goatery, sheepery, poultry, mushroom cultivation etc. are promoted; Create awareness on women's health and nutrition; Grassic Design project to promote traditional art & craft; Rural Entrepreneurs to improve access and adoption of socially relevant products; Project on Theatre addressing issues of Save the Girl Child, Domestic Violence, Health & Nutrition.	Promoting Gender Equality & Empowering Women	Local area of District Jajpur of Odisha Local areas of District New Tehri, Dharasu, Uttarkashi & Rishikesh of Uttarakhand Local areas of District Sampla, Pataudi, Rohad, Manesar, Hisar & Ambala of Haryana Local areas of District Gwalior, Bhopal & Teekamgarh of Madhya Pradesh Local areas of District Ajmer & Alwar of Rajasthan Local areas of District Bulandshahr, Aligarh, Mathura, Agra, Jhansi & Saharanpur of Uttar Pradesh Local areas of District Palampur, Dharamshala, Mandi & Pounta Sahib of Himachal Pradesh	59,77,238	61,11,066	1,03,64,092	Both Direct and through implementing Agency
3	Restoration and maintenance of park and other public places; support to the Gaushalas	Ensuring environmental sustainability, ecological balance and Animal welfare	Local area of District Hisar of Haryana	79,89,623	80,00,335	98,19,111	Both Direct and through implementing Agency
4	Static and Mobile Health Clinics with free dispense of medicines; Dental Care Units; Malaria Control Programme; Awareness on different other health issues: HIV/AIDS Prevention; Awareness & Early detection for cancer thru mobile unit; Save the Gil child , Improving Maternal & child Health care, Trainings & workshops , Assistance to the needy & Handicapped.	Promoting Health Care	Local area of District Jajpur of Odisha Local area of District Hisar of Haryana	65,63,666	68,86,115	94,74,392	Both Direct and through implementing Agency

Annexure - III to Directors Report

(Amount in ₹)

1	2	3	4	5	6	7	8
S. No.	CSR project or activity indentified	Sector in which the project is covered	Projects or programs Local area or other Specify the state and district where projects or programs was undertaken	Amount actually outlay (budget) project or programs wise	Amount spent on the project or programs sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
5	Farmers development project ;Renovation of Farmers incubation centre, Safe Drinking Project in schools, Solar water system for Agriculture Development Project	Rural Development Programme	Local areas of District Cuttack, Jajpur & Khurda of Odisha Local area of District Hisar & Gurugram of Haryana.	51,66,308	49,11,307	1,55,35,705	Both Direct and through implementing Agency
6	Administration Expenses	Admin. Overheads		8,71,230	7,64,739	18,56,147	Direct
Total				6,28,81,000	6,44,22,251	9,61,58,419	

6. In case the Company has failed to spend the two per cent of the average net profit of the last financial years or any part thereof, the reasons for not spending the amount in its Board Report: Not Applicable.
7. A responsibility statement of the CSR Committee of the Company that the implementation and monitoring of CSR Policy, is in compliance with the CSR Objectives and Policy of the Company: It is hereby stated that the implementation and monitoring of the CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

**** For the purpose of Section 135, " average net profit" has been calculated in accordance with the provisions of Section 198 of the Companies Act, 2013**

Annexure - IV to Directors Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	L27205HR2013PLC049963
(ii)	Registration Date	30th July, 2013
(iii)	Name of the Company	Jindal Stainless (Hisar) Limited
(iv)	Category / Sub-category of the Company	Public company limited by shares
(v)	Address of the Registered office and contact details	O.P. Jindal Marg, Hisar – 125005, Haryana Tel No.: (01662) 222471-83 Fax No.: (01662) 220499 Email: investorcare.jshl@jindalstainless.com
(vi)	Whether listed company Yes / No	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited Noble Heights, 1st Floor, Plot NH2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi – 110 058 Phone No. (011) 41410592/93/94 Fax No. (011) 41410591 Email : delhi@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the company
1.	Steel	2410	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl.	Name and address of the company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Jindal Stainless Steelway Limited Jindal Centre, 12, Bhikaji Cama Place, New Delhi – 110066	U27109DL2004PLC128146	Subsidiary	81.91	2(87)(ii)
2	JSL Lifestyle Limited 48th K.M. Stone, Delhi Rohtak Road, Village Rohad Tehsil Bahadurgarh Jhajjar, PIN: 124507	U74920HR2003PLC035976	Subsidiary	77.74	2(87)(ii)
3	Green Delhi BQS Limited Jindal Centre, 12, Bhikaji Cama Place, New Delhi – 110066	U45400DL2007PLC164938	Subsidiary	68.88	2(87)(ii)
4	JSL Media Limited 28, Najafgarh Road, New Delhi – 110015	U70102DL2007PLC170019	Subsidiary	99.94	2(87)(ii)
5	JSL Logistics Limited 28, Najafgarh Road, New Delhi – 110015	U63030DL2008PLC180599	Subsidiary	100.00	2(87)(ii)
6	Jindal Stainless Corporate Management Services Private Limited O.P. Jindal Marg, Hisar – 125005	U74140HR2013PTC049340	Associate	50	2(6)
7	Jindal Stainless Limited O.P. Jindal Marg, Hisar – 125005	L26922HR1980PLC010901	Associate	35.12	2(6)

Annexure - IV to Directors Report

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

i) Category-wise Share Holding (please refer notes)

	Category of Shareholders	No. of Shares held at the beginning of the year - 1st April, 2018 (Face value of ₹ 2/- each)				No. of Shares held at the end of the year - 31st March, 2019 (Face value of ₹ 2/- each)				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A.	Promoters									
(1)	Indian									
a.	Individual / HUF	668,767	-	668,767	0.29	637,469	-	637,469	0.28	0.01
b.	Central Govt.	-	-	-	-	-	-	-	-	-
c.	State Govt.(s)	-	-	-	-	-	-	-	-	-
d.	Bodies Corp.	56,891,250	-	56,891,250	24.11	56,891,250	-	56,891,250	24.11	-
e.	Banks / FI	-	-	-	-	-	-	-	-	-
f.	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (1)	57,560,017	-	57,560,017	24.40	57,528,719	-	57,528,719	24.39	0.01
(2)	Foreign									
a.	NRIs – Individuals	7,500,873	-	7,500,873	3.18	7,532,171	-	7,532,171	3.19	0.01
b.	Other – Individuals	-	-	-	-	-	-	-	-	-
c.	Bodies Corp.	56,760,440	-	56,760,440	24.06	56,760,440	-	56,760,440	24.06	-
d.	Banks / FI	-	-	-	-	-	-	-	-	-
e.	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (2)	64,261,313	-	64,261,313	27.24	64,292,611	-	64,292,611	27.25	0.01
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	121,821,330	-	121,821,330	51.64	121,821,330	-	121,821,330	51.64	-
B.	Public Shareholding									
(1)	Institutions									
a.	Mutual Funds	7,318,065	14,300	7,332,365	3.11	5,167,542	14,300	5,181,842	2.20	0.91
b.	Banks / FI	122,536	22,560	145,096	0.06	347,355	22,560	369,915	0.16	0.10
c.	Central Govt.	-	-	-	-	-	-	-	-	-
d.	State Govt.(s)	-	-	-	-	-	-	-	-	-
e.	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f.	Insurance Companies	182,745	-	182,745	0.08	-	-	-	-	0.08
g.	FIs/ Foreign Portfolio Investors	45,139,993	13,520	45,153,513	19.14	49,386,888	13,520	49,400,408	20.94	1.8
h.	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i.	Any Others	-	-	-	-	3,195,000	-	3,195,000	1.35	1.35
	Sub-total (B) (1)	52,763,339	50,380	52,813,719	22.39	58,096,785	50,380	58,147,165	24.65	2.26
(2)	Non-Institutions									
a.	Bodies Corp.									
(i)	Indian	13,727,818	61,091	13,788,909	5.84	10,381,932	61,091	10,443,023	4.43	1.41
(ii)	Overseas	-	1,690	1,690	0.00	-	1,690	1,690	0.00	-
b.	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 2 lakh	16,894,337	2,640,875	19,535,212	8.28	20,370,660	2,434,035	22,804,695	9.67	1.39
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	2,336,251	-	2,336,251	0.99	3,902,951	-	3,902,951	1.65	0.66
(iii)	Others	9,948,635	584,605	10,533,240	4.46	31,69,117	5,40,380	3,709,497	1.57	2.89
	Sub-total (B) (2)	42,907,041	3,288,261	46,195,302	19.57	37,824,660	3,037,196	40,861,856	17.32	2.25
	Total shareholding of Public (B) = (B)(1)+(B)(2)	95,670,380	3,338,641	99,009,021	41.96	95,921,445	3,087,576	99,009,021	41.96	-
C.	Shares held by Custodian for GDRs & ADRs									
	Promoter & Promoter Group	14,234,984	-	14,234,984	6.03	14,234,984	-	14,234,984	6.03	-
	Public	869,350	-	869,350	0.37	869,350	-	869,350	0.37	-
	Grand Total (A)+(B)+(C)	232,596,044	3,338,641	235,934,685	100	232,847,109	3,087,576	235,934,685	100	-

Annexure - IV to Directors Report

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	No. of Shares held at the beginning of the year - 1st April, 2018 (Face value of ₹ 2/- each)			No. of Shares held at the end of the year - 31st March, 2019 (Face value of ₹ 2/- each)			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Abhinandan Investments Limited	811,350	0.34	0.34	811,350	0.34	0.34	-
2	Abhyuday Jindal	22,180	0.01	-	22,180	0.01	-	-
3	Arti Jindal	14,390	0.01	-	14,390	0.01	-	-
4	Colarado Trading Co Ltd	2,074,930	0.88	0.88	2,074,930	0.88	0.88	-
5	Deepika Jindal	69,265	0.03	-	69,265	0.03	-	-
6	Ever Plus Securities & Finance Limited	1,157,835	0.49	0.49	1,157,835	0.49	0.49	-
7	Gagan Trading Company Limited	2,454,295	1.04	1.04	2,454,295	1.04	1.04	-
8	Goswamis Credits & Investments Ltd	877,795	0.37	0.37	877,795	0.37	0.37	-
9	Hexa Securities & Finance Co Ltd	4,931,175	2.09	2.09	4,931,175	2.09	2.09	-
10	Jindal Equipment Leasing And Consultancy Services Limited	5,735,555	2.43	2.43	5,735,555	2.43	2.43	-
11	JSW Holdings Limited	460,720	0.2	-	460,720	0.2	-	-
12	Nalwa Sons Investments Limited	347,945	0.15	-	347,945	0.15	-	-
13	Kamal Kishore Bhartia	2,050	0.00	-	2,050	0.00	-	-
14	Manjula Finances Ltd	1,012,080	0.43	0.43	1,012,080	0.43	0.43	-
15	Mansarover Investments Limited	3,797,210	1.61	1.61	3,797,210	1.61	1.61	-
16	Meredith Traders Pvt Ltd	422,210	0.18	-	422,210	0.18	-	-
17	Nalwa Engineering Co Ltd	747,290	0.32	0.32	747,290	0.32	0.32	-
18	Nalwa Investment Limited	1,707,110	0.72	0.72	1,707,110	0.72	0.72	-
19	Naveen Jindal	12,768	0.01	-	12,768	0.01	-	-
20	Naveen Jindal HUF	107,860	0.05	-	107,860	0.05	-	-
21	Parth Jindal	27,575	0.01	-	27,575	0.01	-	-
22	Prithvi Raj Jindal	31,298	0.01	-	31,298	0.01	-	-
23	P R Jindal HUF	58,290	0.02	-	58,290	0.02	-	-
24	Ratan Jindal	7,424,148	3.15	3.15	7,424,148	3.15	3.15	-
25	R K Jindal & Sons HUF	13,940	0.01	-	13,940	0.01	-	-
26	Renuka Financial Services Ltd	886,620	0.38	0.38	886,620	0.38	0.38	-
27	Rohit Tower Building Ltd	31,200	0.01	-	31,200	0.01	-	-
28	S K Jindal & Sons HUF	33,330	0.01	-	33,330	0.01	-	-
29	Sangita Jindal	94,658	0.04	-	94,658	0.04	-	-
30	Sarika Jhunjhunwala	76,725	0.03	-	76,725	0.03	-	-
31	Saroj Bhartia	40	0.00	-	40	0.00	-	-
32	Savitri Devi Jindal	88,573	0.04	-	88,573	0.04	-	-

Annexure - IV to Directors Report

S. No.	Shareholder's Name	No. of Shares held at the beginning of the year - 1st April, 2018 (Face value of ₹ 2/- each)			No. of Shares held at the end of the year - 31st March, 2019 (Face value of ₹ 2/- each)			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
33	Seema Jajodia	900	0.00	-	900	0.00	-	-
34	Sminu Jindal	43,875	0.02	-	43,875	0.02	-	-
35	Stainless Investments Limited	1,442,895	0.61	0.61	1,442,895	0.61	0.61	-
36	Sun Investments Private Limited	9,296,780	3.94	3.94	9,296,780	3.94	3.94	-
37	Tanvi Shethe	11,995	0.01	-	11,995	0.01	-	-
38	Tarini Jindal Handa	12,000	0.01	-	12,000	0.01	-	-
39	Tripti Jindal	12,175	0.01	-	12,175	0.01	-	-
40	Urvi Jindal	11,605	0.00	-	11,605	0.00	-	-
41	Vrindavan Services Private Limited	4,946,705	2.10	2.10	4,946,705	2.10	2.10	-
42	JSL Overseas Holdings Limited*	30,200,000	12.80	12.59	30,200,000	12.80	12.59	-
43	JSL Overseas Limited	26,560,440	11.26	11.26	26,560,440	11.26	11.26	-
44	Jindal Strips Limited	5,314,090	2.25	2.25	5,314,090	2.25	2.25	-
45	Siddeshwari Tradex Private Limited	2,755,890	1.17	1.17	2,755,890	1.17	1.17	-
46	Jindal Rex Exploration Private Limited	929,730	0.39	0.39	929,730	0.39	0.39	-
47	JSL Limited	2,374,620	1.01	1.01	2,374,620	1.01	1.01	-
48	Jindal Infrastructure and Utilities Limited	2,374,620	1.01	1.01	2,374,620	1.01	1.01	-
49	Sajjan Jindal (as a trustee for Sajjan Jindal Family Trust)	100	0.00	-	100	0.00	-	-
50	Sajjan Jindal (as a Trustee for Sajjan Jindal Lineage Trust)	100	0.00	-	100	0.00	-	-
51	Sajjan Jindal (as a Trustee for Sangita Jindal Family Trust)	100	0.00	-	100	0.00	-	-
52	Sajjan Jindal (as a trustee for Tarini Jindal Family Trust)	100	0.00	-	100	0.00	-	-
53	Sajjan Jindal (as a trustee for Tanvi Jindal Family Trust)	100	0.00	-	100	0.00	-	-
54	Sajjan Jindal (as a Trustee for Parth Jindal Family Trust)	100	0.00	-	100	0.00	-	-
	Total	121,821,330	51.63	50.57	121,821,330	51.63	50.57	-

* JSL Overseas Holdings Limited also holds 7,117,492 GDS representing 14,234,984 underlying equity shares of ₹ 2/- each.

Annexure - IV to Directors Report

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Name of Shareholders	As on 1.4.2018		As on 31.3.2019		Date wise increase / decrease in promoter shareholding during the year			
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	Date of issue of share/ disposed off	No of shares disposed off	No of shares acquired/ issue	No of shares at the end of the year
1	Abhinandan Investments Limited	811,350	0.34	811,350	0.34	-	-	-	811,350
2	Abhyuday Jindal	22,180	0.01	22,180	0.01	-	-	-	22,180
3	Arti Jindal	14,390	0.01	14,390	0.01	-	-	-	14,390
4	Colorado Trading Co Ltd	2,074,930	0.88	2,074,930	0.88	-	-	-	2,074,930
5	Deepika Jindal	69,265	0.03	69,265	0.03	-	-	-	69,265
6	Ever Plus Securities & Finance Limited	1,157,835	0.49	1,157,835	0.49	-	-	-	1,157,835
7	Gagan Trading Company Limited	2,454,295	1.04	2,454,295	1.04	-	-	-	2,454,295
8	Goswamis Credits & Investments Limited	877,795	0.37	877,795	0.37	-	-	-	877,795
9	Hexa Securities & Finance Co Ltd	4,931,175	2.09	4,931,175	2.09	-	-	-	4,931,175
10	Jindal Equipment Leasing And Consultancy Services Limited	5,735,555	2.43	5,735,555	2.43	-	-	-	5,735,555
11	JSW Holdings Limited	460,720	0.2	460,720	0.2	-	-	-	460,720
12	Nalwa Sons Investments Limited	347,945	0.15	347,945	0.15	-	-	-	347,945
13	Kamal Kishore Bhartia	2,050	0.00	2,050	0.00	-	-	-	2050
14	Manjula Finances Ltd	1,012,080	0.43	1,012,080	0.43	-	-	-	1,012,080
15	Mansarover Investments Limited	3,797,210	1.61	3,797,210	1.61	-	-	-	3,797,210
16	Meredith Traders Pvt Ltd	422,210	0.18	422,210	0.18	-	-	-	422,210
17	Nalwa Engineering Co Ltd	747,290	0.32	747,290	0.32	-	-	-	747,290
18	Nalwa Investment Limited	1,707,110	0.72	1,707,110	0.72	-	-	-	1,707,110
19	Naveen Jindal	12,768	0.01	12,768	0.01	-	-	-	12,768
20	Naveen Jindal HUF	107,860	0.05	107,860	0.05	-	-	-	107,860
21	Parth Jindal	27,575	0.01	27,575	0.01	-	-	-	27,575
22	Prithvi Raj Jindal	31,298	0.01	31,298	0.01	-	-	-	31,298
23	P R Jindal HUF	58,290	0.02	58,290	0.02	-	-	-	58,290
24	Ratan Jindal	7,424,148	3.15	7,424,148	3.15	-	-	-	7,424,148
25	R K Jindal & Sons HUF	13,940	0.01	13,940	0.01	-	-	-	13,940
26	Renuka Financial Services Ltd	886,620	0.38	886,620	0.38	-	-	-	886,620
27	Rohit Tower Building Ltd	31,200	0.01	31,200	0.01	-	-	-	31,200
28	S K Jindal & Sons HUF	33,330	0.01	33,330	0.01	-	-	-	33,330
29	Sangita Jindal	94,658	0.04	94,658	0.04	-	-	-	94,658
30	Sarika Jhunjunwala	76,725	0.03	76,725	0.03	-	-	-	76,725
31	Saroj Bhartia	40	0.00	40	0.00	-	-	-	40
32	Savitri Devi Jindal	88,573	0.04	88,573	0.04	-	-	-	88,573

Annexure - IV to Directors Report

S. No.	Name of Shareholders	As on 1.4.2018		As on 31.3.2019		Date wise increase / decrease in promoter shareholding during the year			
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	Date of issue of share/ disposed off	No of shares disposed off	No of shares acquired/ issue	No of shares at the end of the year
33	Seema Jajodia	900	0.00	900	0.00	-	-	-	900
34	Sminu Jindal	43,875	0.02	43,875	0.02	-	-	-	43,875
35	Stainless Investments Limited	1,442,895	0.61	1,442,895	0.61	-	-	-	1,442,895
36	Sun Investments Limited	9,296,780	3.94	9,296,780	3.94	-	-	-	9,296,780
37	Tanvi Shelthe	11,995	0.01	11,995	0.01	-	-	-	11,995
38	Tarini Jindal Handa	12,000	0.01	12,000	0.01	-	-	-	12,000
39	Tripti Jindal	12,175	0.01	12,175	0.01	-	-	-	12,175
40	Urvi Jindal	11,605	0.00	11,605	0.00	-	-	-	11,605
41	Vrindavan Services Private Limited	4,946,705	2.10	4,946,705	2.10	-	-	-	4,946,705
42	JSL Overseas Holdings Limited*	30,200,000	12.80	30,200,000	12.80	-	-	-	30,200,000
43	JSL Overseas Limited	26,560,440	11.26	26,560,440	11.26	-	-	-	26,560,440
44	Jindal Strips Limited	5,314,090	2.25	5,314,090	2.25	-	-	-	5,314,090
45	Siddeshwari Tradex Private Limited	2,755,890	1.17	2,755,890	1.17	-	-	-	2,755,890
46	Jindal Rex Exploration Private Limited	929,730	0.39	929,730	0.39	-	-	-	929,730
47	JSL Limited	2,374,620	1.01	2,374,620	1.01	-	-	-	2,374,620
48	Jindal Infrastructure and Utilities Limited	2,374,620	1.01	2,374,620	1.01	-	-	-	2,374,620
49	Sajjan Jindal (as a trustee for Sajjan Jindal Family Trust)	100	0.00	100	0.00	-	-	-	100
50	Sajjan Jindal (as a Trustee for Sajjan Jindal Lineage Trust)	100	0.00	100	0.00	-	-	-	100
51	Sajjan Jindal (as a Trustee for Sangita Jindal Family Trust)	100	0.00	100	0.00	-	-	-	100
52	Sajjan Jindal (as a trustee for Tarini Jindal Family Trust)	100	0.00	100	0.00	-	-	-	100
53	Sajjan Jindal (as a trustee for Tanvi Jindal Family Trust)	100	0.00	100	0.00	-	-	-	100
54	Sajjan Jindal (as a Trustee for Parth Jindal Family Trust)	100	0.00	100	0.00	-	-	-	100
	Total	121,821,330	51.63	121,821,330	51.63	-	-	-	121,821,330

* JSL Overseas Holdings Limited also holds 7,117,492 GDS representing 14,234,984 underlying equity shares of ₹ 2/- each.

Annexure - IV to Directors Report

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Name of Shareholder	As on 1.4.2018		As on 31.3.2019		Date wise increase / decrease in shareholding during the year			
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	Date	No of shares disposed off	No of shares acquired	No of shares at the end of the year
1	Hypnos Fund Limited	10,301,711	4.37	12,587,711	5.34	13.04.2018	-	200,000	12,587,711
						20.04.2018	-	1,371,000	
						27.04.2018	-	350,000	
						04.05.2018	-	365,000	
2	Reliance Capital Trustee Co. Ltd. A/C Reliance Power & Infra Fund	5,000,000	2.12	5,077,117	2.15	18.05.2018	-	860,000	5,077,117
						01.06.2018	353	-	
						21.09.2018	191,530	-	
						29.09.2018	500,000	-	
						08.03.2019	91,000	-	
3	Vinod Mohan Nair	7,735,011	3.28	0	0	06.04.2018	150,000	-	0
						13.04.2018	686,021	-	
						20.04.2018	3,405,371	-	
						27.04.2018	2,709,152	-	
						04.05.2018	784,467	-	
4	ELM Park Fund Limited	19,432,160	8.24	19,432,160	8.24	-	-	-	19,432,160
5	India Max Investment Fund Limited	3,882,980	1.65	3,882,980	1.65	-	-	-	3,882,980
6	SAL Real Estates Pvt. Ltd.	1,831,000	0.78	745,710	0.32	20.04.2018	78,000	-	745,710
						11.05.2018	213,946	-	
						18.05.2018	-	23,000	
						25.05.2018	188,190	-	
						01.06.2018	-	406,500	
						08.06.2018	50,000	-	
						15.06.2018	-	49,000	
						22.06.2018	200,000	-	
						06.07.2018	-	5,000	
						13.07.2018	56,000	-	
						03.08.2018	-	236,500	
						10.08.2018	-	83,000	
						24.08.2018	-	12,000	
						07.09.2018	-	10,000	
						14.09.2018	20,000	-	
						21.09.2018	-	242,500	
						29.09.2018	179,024	-	
						05.10.2018	524,971	-	
						19.10.2018	549,359	-	
						26.10.2018	100,000	-	
02.11.2018	-	61,000							
30.11.2018	161,000	-							
21.12.2018	-	180,700							
28.12.2018	-	3,000							
04.01.2019	3,000	-							
15.02.2019	169,000	-							
01.03.2019	-	95,000							
7	Albula Investment Fund Ltd.	3,609,070	1.53	3,609,070	1.53	-	-	-	3,609,070
8	Reliance Capital Trustee Co Ltd -Reliance Focused Equity Fund	2,302,700	0.98	0	0	27.04.2018	224,781	-	0
						04.05.2018	192,720	-	
						11.05.2018	304,851	-	
						18.05.2018	1,580,348	-	
9	Elara India Opportunities Fund Limited	2,865,000	1.21	6,775,000	2.87	20.04.2018	-	1,700,000	6,775,000
						27.04.2018	-	2,320,000	
						05.10.2018	55,000	-	
						26.10.2018	55,000	-	
10	Aggarwal Finlease Pvt Ltd	1,429,122	0.61	1,429,122	0.61	-	-	-	1,429,122

Annexure - IV to Directors Report

S. No.	Name of Shareholder	As on 1.4.2018		As on 31.3.2019		Date wise increase / decrease in shareholding during the year			
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	Date	No of shares disposed off	No of shares acquired	No of shares at the end of the year
11	Abakkus Growth Fund-1	0	0	2,700,000	1.14	29.09.2018	-	600,000	2,700,000
						05.10.2018	-	80,056	
						12.10.2018	-	34,151	
						19.10.2018	-	39,837	
						26.10.2018	-	152,086	
						02.11.2018	-	115,479	
						14.12.2018	-	78,391	
						08.02.2019	-	400,000	
						15.02.2019	-	182,000	
						22.02.2019	-	118,000	
						01.03.2019	-	200,000	
						15.03.2019	-	296,456	
						22.03.2019	-	100,000	
29.03.2019	-	303,544							
12	Sunil Kant Munjal	895,000	0.38	895,000	0.38	-	-	-	895,000
13	Emerging Markets Core Equity Portfolio of DFA Investment Dimensions Group Inc.	591,155	0.25	888,373	0.38	20.04.2018	-	22,804	888,373
						27.04.2018	-	139,646	
						04.05.2018	-	62,365	
						18.05.2018	-	53,051	
						25.05.2018	-	19,352	

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of Shareholder	As on 1.4.2018		As on 31.3.2019		Date wise increase / decrease in shareholding during the year			
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	Date	No of shares disposed off	No of shares acquired	No of shares at the end of the year
1	Mr. Ratan Jindal	7,424,148	3.15	7,424,148	3.15	-	-	-	7,424,148
2	Mr. Abhyuday Jindal*	22,180	0.01	22,180	0.01	-	-	-	22,180
3	Mrs. Deepika Jindal	69,265	0.03	69,265	0.03	-	-	-	69,265
4	Mr. Ashok Kumar Gupta**	37,310	0.02	#	#	#	#	#	#
5	Mr. Jagmohan Sood**	#	#	1,294	0.00	-	-	-	1,294
6	Mr. Kanwaljit Singh Thind	515	0.00	515	0.00	-	-	-	515
7	Mr. Girish Sharma	-	-	-	-	-	-	-	-
8	Mr. Arunendra Kumar***	1,900	0.00	1,900	0.00	-	-	-	1,900
9	Mr. Nirmal Chandra Mathur	955##	0.00	955##	0.00	-	-	-	955##
10	Mrs. Arti Luniya@	#	#	-	-	-	-	-	-
11	Mr. Bhartendu Harit (Company Secretary)	-	-	-	-	-	-	-	-
12	Mr. Ankur Agrawal(CFO)@@	-	-	#	#	-	-	-	#
13	Mr. Ajay Goyal(CFO)@@	#	#	#	#	-	-	-	#
14	Mr. Ramnik Gupta(CFO)@@	#	#	-	-	-	-	-	-

* Mr. Abhyuday Jindal has been appointed as the Managing Director w.e.f. 26th April, 2018. He was earlier on the Board of Directors in the capacity of Non Executive Vice Chairman of the Company.

** Mr. Ashok Kumar Gupta ceased to be Whole Time Director w.e.f. 15th May, 2018 and Mr. Jagmohan Sood was appointed w.e.f. 15th May, 2018, as Additional Director in the capacity of Whole Time Director. His appointment was regularized in the Annual General Meeting held on 27th September, 2018.

*** Mr. Arunendra Kumar ceased to be Director w.e.f. 3rd October, 2018.

@ Mrs. Arti Luniya was appointed w.e.f. 26th July, 2018, as Additional Director. Her appointment was regularized in the Annual General Meeting held on 27th September, 2018.

@@ Mr. Ankur Agrawal ceased to be Chief Financial Officer (CFO) w.e.f. 27th April, 2018. Mr. Ajay Goyal was appointed as Chief Financial Officer w.e.f. 30th October, 2018. He relinquished the position of Chief Financial Officer w.e.f. 30th January, 2019. Mr. Ramnik Gupta was appointed as Chief Financial Officer w.e.f. 30th January, 2019.

N.A.

Mr. N.C. Mathur holds 9,330 shares of the Company (including 8,375 shares held as joint holder alongwith his spouse, Mrs. Aruna Mathur)

Annexure - IV to Directors Report

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Amount ₹ in Crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year – 1st April, 2018				
(i) Principal Amount	2,798.84	-	-	2,798.84
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	0.39	-	-	0.39
Total (i+ii+iii)	2,799.23	-	-	2,799.23
Change in Indebtedness during the financial year				
- Addition	-	-	-	-
- Reduction	617.69	-	-	617.69
Net Change	(617.69)	-	-	(617.69)
Indebtedness at the end of the financial year – 31st March, 2019				
(i) Principal Amount	2,181.20	-	-	2,181.20
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	0.34	-	-	0.34
Total (i+ii+iii)	2,181.54	-	-	2,181.54

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in lakhs)

Sl.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		Mr. Abhyuday Jindal ¹	Mr. Jagmohan Sood ²	Mr. Ashok Kumar Gupta ³	
1.	Gross Salary				
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	557.96	84.47	110.62	753.05
(b)	Value of perquisites u/s 17(2) of Income-tax Act, 1961	0.37	15.44	1.26	17.07
(c)	Profits in lieu of salary u/s 17(3) of Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	86.00	-	-	86.00
	- others, specify	-	-	-	-
5.	Others (Contribution to PF, NPS and other annual compensation)	-	6.00	-	6.00
	Total (A)	644.33	105.91	111.88	862.12
	Ceiling as per the Act: 10% of the net profits as per Section 198 of the Companies Act, 2013 : 4235.40				

1 Mr. Abhyuday Jindal was appointed as Managing Director w.e.f. 26th April, 2018. Earlier he was on the Board of Directors in the capacity of Non Executive Vice Chairman of the Company.

2 Mr. Jagmohan Sood was appointed as Whole Time Director w.e.f. 15th May, 2018.

3 Mr. Ashok Kumar Gupta ceased to be Whole Time Director w.e.f. 15th May, 2018. His remuneration includes ex gratia amount of ₹ 40 lakhs.

Annexure - IV to Directors Report

B. Remuneration to other Directors

1. Independent Directors

(₹ in lakhs)

Particulars of Remuneration	Name of Directors					Total Amount
	Mr. Girish Sharma	Mr. Kanwaljit Singh Thind	Mr. Nirmal Chandra Mathur	Mrs. Arti Luniya ¹	Mr. Arunendra Kumar ²	
• Fee for attending board/ committee meetings	4.80	5.20	4.40	3.20	2.40	20.00
• Commission	-	-	-	-	-	-
• Others, please specify	-	-	-	-	-	-
Total (B)(1)	4.80	5.20	4.40	3.20	2.40	20.00

1 Mrs. Arti Luniya was appointed as an Independent Director w.e.f. 26th July, 2018

2 Mr. Arunendra Kumar ceased to be Director w.e.f. 3rd October, 2018

2. Other Non-Executive Directors

(₹ in lakhs)

Other Non-Executive Directors	Mr. Ratan Jindal	Mrs. Deepika Jindal
• Fee for attending board /committee meetings	4.00	3.00
• Commission	1,059.00	-
• Others, please specify	-	-
Total (B)(2)	1,063.00	3.00
Total Managerial Remuneration (excluding sitting fee) (A+B) *		1955.43
Overall Ceiling as per the Act: 11% of the net profits as per Section 198 of the Companies Act, 2013		4658.94

* Fee for attending the Board / Committee meetings is not part of managerial remuneration.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		Mr. Ramnik Gupta (CFO) *	Mr. Bhartendu Harit (Company Secretary)	Mr. Ajay Goyal (CFO) *	Mr. Ankur Agrawal (CFO) *	
1.	Gross Salary	12.73	23.02	8.07	16.69	60.51
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1.37	5.22	1.62	0.83	9.04
(b)	Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	-	-	-	-
(c)	Profits in lieu of salary u/s 17(3) of Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission					
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5.	Others (Contribution to PF, NPS and other annual compensation)	0.51	1.75	0.62	0.18	3.09
	Total	14.61	29.99	10.34	17.70	72.64

* Mr. Ankur Agrawal ceased to be Chief Financial Officer (CFO) w.e.f. 27th April, 2018. Mr. Ajay Goyal was appointed as Chief Financial Officer w.e.f. 30th October, 2018. He relinquished the position of Chief Financial Officer w.e.f. 30th January, 2019. Mr. Ramnik Gupta was appointed as Chief Financial Officer w.e.f. 30th January, 2019.

Annexure - IV to Directors Report

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description Compounding	Details of Penalty / Punishment /	Authority [RD/ NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
B. DIRECTORS					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

Annexure - V to Directors Report

Form No. AOC-2

(Pursuant to Clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS:

(a)	Name(s) of the related party and nature of relationship	NIL (All contract or arrangement or transactions with related parties are at arm's length basis)
(b)	Nature of contracts/ arrangements/ transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS:

(a)	Name(s) of the related party and nature of relationship	Jindal Stainless Limited [Jindal Stainless Limited ("JSL") is a public limited company in which two directors of the Company are also directors. Further, the Company holds more than 20% shareholding of Jindal Stainless Limited and therefore, it is an Associate Company of Jindal Stainless (Hisar) Limited].
(b)	Nature of contracts/ arrangements/ transactions	Sale, purchase or supply of materials and services etc.
(c)	Duration of the contracts/ arrangements/ transactions	April, 2018 to March, 2019
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Sale, purchase or supply of materials and services etc. amounting to approx. ₹ 1,853 Crore.
(e)	Date(s) of approval by the Board, if any	The Board and the Shareholders had approved the transactions with JSL for upto ₹ 3,500 Crore at their respective meetings held on 26th July, 2018 and 27th September, 2018 respectively.
(f)	Amount paid as advances, if any	

REPORT ON CORPORATE GOVERNANCE

In accordance with Regulation 34(3) read with Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), the report containing the details of Corporate Governance systems and processes at Jindal Stainless (Hisar) Limited ("JSHL/Company") is as follows:

1. Company's philosophy on the code of corporate governance:

Your Company recognizes communication as a key element of the overall corporate governance framework and therefore, emphasizes on seamless and efficient flow of relevant communication to all external constituencies. Your Company follows the principles of fair representation and full disclosure in all its dealings and communications. The Company's annual reports, results presentations and other forms of corporate and financial communications provide extensive details and convey important information on a timely basis. Your Company's philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all its interactions with its stakeholders including shareholders, employees, government and lenders. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders value, over a sustained period of time.

2. Board of Directors:

(i) Composition and Category of Directors

The Board of Directors of your Company has an optimum combination of Executive and Non-Executive Directors, in conformity with Regulation 17 of the SEBI LODR. As at 31st March, 2019, the Board of your Company consisted of eight Directors, out of which four are Independent Directors including one Women Independent Director.

Details with respect to size and composition of Board of Directors are given hereunder:

Category	Name of Directors*
Promoter Directors	Mr. Ratan Jindal, Chairman Mrs. Deepika Jindal, Director Mr. Abhyuday Jindal, Managing Director
Executive Director	Mr. Jagmohan Sood
Independent Non-Executive Directors	Mr. Girish Sharma Mr. Kanwaljit Singh Thind Mr. Nirmal Chandra Mathur Mrs. Arti Luniya

1 Mr. Abhyuday Jindal was appointed as the Managing Director w.e.f. 26th April, 2018. The shareholders approved his appointment as Managing Director at Annual General Meeting held on 27th September, 2018. He was earlier on the Board of Directors in the capacity of Non Executive Vice Chairman of the Company w.e.f. 2nd November, 2015.

2 Mr. Jagmohan Sood was appointed as Whole Time Director w.e.f. 15th May, 2018. The shareholders approved his appointment as Whole Time Director at Annual General Meeting held on 27th September, 2018.

3 Mrs. Arti Luniya was appointed as Director of the Company w.e.f. 26th July, 2018. The shareholders approved her appointment as an Independent Director at Annual General Meeting held on 27th September, 2018.

* Mr. Ashok Kumar Gupta ceased to be the Whole Time Director w.e.f. 15th May, 2018 and Mr. Arunendra Kumar ceased to be Independent Director w.e.f. 3rd October, 2018.

(ii) Independent Directors

The Company has received declarations as stipulated under Section 149(7) of the Companies Act, 2013 ("the Act") and Regulation 16 of the SEBI LODR from the Independent Directors confirming that:

- They are independent, and
- They are not disqualified.

The Independent Directors in its meeting held on May 24, 2019 had confirmed that they fulfill the conditions specified in the SEBI LODR/ the Act and they are independent to the management. Further, in terms of Regulation 25(8) of SEBI LODR, the Independent Directors have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

During the year, Mr. Arunendra Kumar, Independent Director resigned from the Board of Directors of the Company w.e.f. 3rd October, 2018 due to personal reasons.

Your Company had also issued formal appointment letters to the Independent Directors in the manner provided under the Act and the SEBI LODR. The terms and conditions of the appointment of Independent Directors have been displayed on the website of the Company and can be accessed through the following link:

<http://jshlstainless.com/appointmentofindependentdirectors.html>

REPORT ON CORPORATE GOVERNANCE

(iii) Board Meetings

During the financial year 2018-19, four Board meetings were held on 26th April, 2018, 26th July, 2018, 30th October, 2018 and 30th January, 2019. The gap between any two consecutive meetings was within the limit prescribed under the Act. The necessary quorum was present during all the meetings.

(iv) Attendance of Directors, Directorships and other details

Attendance of Directors at the Board Meetings, last Annual General Meeting and number of Directorships and Chairmanships / Memberships of Committee(s) in other companies as on 31st March, 2019 are given below:

Name of Director	No. of Board Meeting attended	Attendance at last AGM	No. of Directorship held in other public Companies ⁷	No. of Memberships (M) / Chairmanship (C) in other Board Committee(S) ⁸	No. of shares and Convertible Instruments held by Directors (including Non-Executive Directors)
Mr. Ratan Jindal	4	Yes	5	Nil	74,24,148 shares
Mrs. Deepika Jindal	3	No	4	Nil	69,265 shares
Mr. Abhyuday Jindal ¹	4	No	1	1(M)	22,180 shares
Mr. Jagmohan Sood ²	2	Yes	1	N.A.	1294 share
Mr. Kanwaljit Singh Thind	4	Yes	1	1(M)	515 shares
Mr. Girish Sharma	4	No	5	6(M)	Nil
Mr. Nirmal Chandra Mathur ³	4	No	3	1(M)	955 shares
Mrs. Arti Luniya ⁴	3	Yes	-	Nil	N.A.
Mr. Ashok Kumar Gupta ⁵	1	N.A.	-	N.A.	-
Mr. Arunendra Kumar ⁶	2	No	-	Nil	-

Mrs. Deepika Jindal is wife of Mr. Ratan Jindal; and Mr. Abhyuday Jindal is their son. None of the other Directors are related to any other Director on the Board.

- Mr. Abhyuday Jindal was appointed as the Managing Director w.e.f. 26th April, 2018. The shareholders approved his appointment as Managing Director at Annual General Meeting held on 27th September, 2018. He was earlier on the Board of Directors in the capacity of Non Executive Vice Chairman of the Company w.e.f. 2nd November, 2015.
- Mr. Jagmohan Sood was appointed as Whole Time Director of the Company w.e.f. 15th May, 2018. The shareholders approved his appointment as Whole Time Director at Annual General Meeting held on 27th September, 2018.
- Mr. N.C. Mathur holds 9,330 shares of the Company (including 8,375 shares held as joint holder alongwith his spouse, Mrs. Aruna Mathur).
- Mrs. Arti Luniya was appointed as Director of the Company w.e.f. 26th July, 2018. The shareholders approved her appointment as Independent Director at Annual General Meeting held on 27th September, 2018.
- Mr. Ashok Kumar Gupta ceased to be Director w.e.f. 15th May, 2018.
- Mr. Arunendra Kumar ceased to be Director w.e.f. 3rd October, 2018.
- Directorships do not include directorships in foreign companies, private limited companies and companies under Section 8 of the Act.

N.A. Not Applicable

None of the Directors on the Board is a Director in more than 20 companies (including not more than 10 public limited companies) as specified in Section 165 of the Act. In terms of the regulations of SEBI LODR, none of the Directors of the Company:

- holds Directorship in more than eight listed entities, and;
- are member in more than 10 committees or acting as a Chairperson of more than 5 committees across all listed entities

Further, for the purpose of determining the limit of the Board Committee, chairpersonship and membership of the Audit Committee and the Stakeholders' Relationship Committee alone has been considered as per Regulation 26 (1) (b) of SEBI LODR

Also, none of the Independent Directors of the Company:

- serves as an Independent Director in more than seven listed companies, and;
- acts as a whole-time Director in any listed entity

REPORT ON CORPORATE GOVERNANCE

Names of the listed entities (other than the Company) where the Directors of the Company are Directors:

S. No.	Name of Directors	Number of Directorship	Name of Listed entity	Category of Directorship in other listed entity
1	Mr. Ratan Jindal	1	Jindal Stainless Limited	Executive, Non-Independent
2	Mrs. Deepika Jindal	Nil	N.A.	N.A.
3	Mr. Abhyuday Jindal	1	Jindal Stainless Limited	Executive, Non-Independent
4	Mr. Jagmohan Sood	Nil	N.A.	N.A.
5	Mr. Girish Sharma	3	Jindal Saw Limited	Non-Executive, Independent
			Hexa Tradex Limited	Non-Executive, Independent
			JITF Infralogistics Limited	Non-Executive, Independent
6	Mr. K.J.S. Thind	Nil	N.A.	N.A.
7	Mr. N.C. Mathur	Nil	N.A.	N.A.
8	Mrs. Arti Luniya	Nil	N.A.	N.A.

(v) Board Meetings, its Committee Meetings and Procedures thereof:

A. Scheduling and selection of agenda items for Board Meetings

- i. The Board meets at least once in a quarter to review the quarterly / half-yearly / yearly results, performance of the Company and other items on the agenda. Apart from the four Board Meetings, additional Board Meetings are also convened as and when required to address the specific needs of the Company by giving appropriate notice to the Directors. The Board also approves permitted urgent matters by passing the resolutions through circulation.
- ii. The meetings are usually held at the Company's corporate office at New Delhi.
- iii. All divisions/departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion/ approval/decision in the Board/Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the agenda for the Board meetings.
- iv. The Board is given presentations on finance, sales and marketing, risk management, performance of subsidiaries and the major business segments and operations of the Company, while considering the results of the Company.
- v. The Company Secretary, in consultation with the Chairman / Managing Director / Whole Time Director and other concerned persons in the top management, finalizes the agenda papers for the Board / Committee meetings.

B. Distribution of Board Agenda

- i. Agenda papers are circulated to the Directors, in advance, in the defined agenda format. All material information is incorporated in the agenda papers for facilitating meaningful, informed and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is placed on the table at the meeting with specific reference to this effect in the agenda.
- ii. With the permission of Chairman and other directors present at the Meeting, additional or supplementary item(s) in the agenda are taken up for discussion and consideration. Sensitive matters may be discussed at the meeting without written material being circulated in advance for the meeting.

C. Recording minutes of proceedings at Board / Committee meeting

The Company Secretary records the minutes of the proceedings of each Board and Committee Meetings. Draft minutes of the meetings are circulated to the Directors within 15 days of the meetings for their comments / inputs. Thereafter, the minutes of the proceedings of meeting are entered in the minutes book within 30 days from the conclusion of the meeting and signed by the Chairman of the next Board / Committee Meeting. Further, the signed and certified true copy of the minutes of the meetings are circulated to all the Directors within 15 days of signing of the minutes.

D. Post meeting follow up mechanism

There is an effective post meeting follow-up, review and reporting process for the action taken on decisions of the Board and Committees. Important decisions taken at Board / Committee meetings are communicated promptly to the concerned departments / divisions. Action Taken Report on the decisions taken during a Board meeting is placed at the next Board Meeting.

E. Compliance

In exercise of the powers conferred by Section 11, sub section (2) of section 11A and Section 30 of the Securities and Exchange Board of India Act, 1992 read with Section 31 of the Securities Contracts (Regulation) Act, 1956 had made amendments into the provisions of SEBI LODR vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulation, 2018, dated May 9, 2018. Hereinafter, SEBI (Listing Obligations and Disclosure Requirements), 2015 and SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulation, 2018 will be collectively referred as SEBI LODR. The Company is in compliance of the applicable provisions of the SEBI LODR including compliance with Corporate Governance requirements.

- F. During the period under review the Board has accepted all the recommendations made by the committees of Board.

REPORT ON CORPORATE GOVERNANCE

Further, the certificates relating to compliance of applicable provisions of law, signed by the Heads of the Departments are placed in every Board Meeting.

(vi) Familiarization Programme for Board Members and Independent Directors

The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarize with Company's procedures and practices.

Periodic presentations are made at the Board and Board Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. The Company through its Key Managerial Personnel / Senior Managerial Personnel conducts programs / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company and to apprise them about their roles, rights and responsibilities in the Company to enable them to make effective contribution and discharge their functions as a Board Member.

The Independent Directors are given every opportunity to interact with the Key / Senior Management Personnel and are given all the documents sought by them for enabling a good understanding of the Company, its various operations and the industry of which it is a part.

The familiarization programme for Independent Directors in terms of the provisions of Regulations 25 and 46 of the SEBI LODR is uploaded on the website of the Company and can be accessed through following link:

<https://www.jshlsteel.com/pdf/DETAILS%20OF%20FAMILIARIZATION%20PROGRAMMES%20IMPARTED%20TO%20INDEPENDENT%20DIRECTORS%20JSHL.pdf>

(vii) Desired skill/ expertise/ competence of the Board of Directors

The Board in its meeting held on May 24, 2019 had identified & found available the following skills/expertise/competencies within the Board as a whole:

S. No.	Areas of Core Skills/Expertise/Competence
1.	Project management
2.	Supply Chain Management
3.	Strategic & General Management
4.	Credit Management & Forex
5.	Project Finance & Debt Syndication
6.	Economics
7.	Administrative Reforms
8.	Law
9.	Corporate Governance
10.	Sales & marketing
11.	Global Business
12.	Technology
13.	Merger & Amalgamation
14.	Human Resources

(viii) Independent Directors' meeting

In accordance with the provisions of Schedule IV (Code for Independent Directors) to the Act and Regulation 25 of the SEBI LODR, a meeting of the Independent Directors of the Company was held on 26th July, 2018, without the presence of Non-Independent Directors and representatives of the management. The Independent Directors inter alia, reviewed the performance of non independent directors, Chairman and the Board of Directors as a whole, taking into account the views of the Executive and Non-Executive Directors. The Independent Directors also evaluated the quality, contents and timelines of flow of information, between the management and the Board that is necessary for the Board to effectively perform its duties.

(ix) Evaluation of Board Effectiveness

In terms of the provisions of the Act read with relevant rules thereof and Regulation 19(4) read with Part D of Schedule II of the SEBI LODR, the Board of Directors, on recommendation of the Nomination and Remuneration Committee, have to evaluate the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees was carried out for the financial year ended 31st March, 2019.

REPORT ON CORPORATE GOVERNANCE

The purpose of the Board evaluation is to achieve persistent and consistent improvement in the governance of the Company at the Board level with the participation of all concerned in an environment of harmony. The Board acknowledges its intention to establish and follow best practices in Board Governance in order to fulfill its fiduciary obligation to the Company. The Board believes the evaluation will lead to a closer working relationship among the Board members, greater efficiency in the use of the Board's time and increased effectiveness of the Board as a governing body.

The evaluation of the Directors was based on various aspects, inter-alia, including the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the environment and effectiveness of their contribution.

3. Board Committees

The Committees constituted by the Board plays a very important role in the governance structure of the Company. The composition and the terms of reference of these Committees are approved by the Board and are in line with the requirement of the Companies Act, 2013 and Regulations 18, 19 and 20 of the SEBI LODR. The Board is updated on the discussions held at the Committee meetings and the recommendations made by various Committees. Further, the minutes of the Committee meetings are placed at the Board meetings. Currently there are following 7 (seven) committees of the Board viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Share Transfer Committee, Sub-Committee and Risk Management Committee.

Meetings of Board Committees held during the year and Member's attendance:

Particulars	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee *	Sub-Committee of Directors
Meetings held	4	4	4	2	1	12
Members' Attendance						
Mr. Ratan Jindal ¹	N.A.	Nil	N.A.	N.A.	N.A.	1
Mrs. Deepika Jindal	N.A.	N.A.	N.A.	2	N.A.	N.A.
Mr. Abhyuday Jindal ¹	N.A.	1	4	N.A.	1	10
Mr. Jagmohan Sood ¹	2	N.A.	2	2	1	11
Mr. Ashok Kumar Gupta ²	1	N.A.	Nil	N.A.	N.A.	1
Mr. Kanwaljit Singh Thind	4	4	N.A.	2	N.A.	4
Mr. Girish Sharma	4	N.A.	N.A.	N.A.	N.A.	N.A.
Mrs. Arti Luniya ³	1	N.A.	N.A.	N.A.	1	N.A.
Mr. Arunendra Kumar ⁴	2	N.A.	2	N.A.	N.A.	N.A.
Mr. Nirmal Chandra Mathur	N.A.	4	2	N.A.	N.A.	5

1 Mr. Ratan Jindal was inducted as Member of Nomination and Remuneration Committee w.e.f. 26th April, 2018 and ceased to be member of Sub Committee w.e.f. 15th May, 2018. Mr. Abhyuday Jindal was inducted as Chairman of the Share Transfer Committee and Sub Committee w.e.f. 15th May, 2018 and he ceased to be the Member of Nomination and Remuneration Committee w.e.f. 26th April, 2018. Mr. Jagmohan Sood was inducted as a Member of Audit Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, Share Transfer Committee and Sub Committee w.e.f. 15th May, 2018.

2 Mr. Ashok Kumar Gupta ceased to be Director w.e.f. 15th May, 2018. Consequently, he ceased to be member of the Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Share Transfer Committee w.e.f. 15th May, 2018.

3 Mrs. Arti Luniya was inducted as Member of Audit Committee and Risk Management Committee w.e.f. 30th October, 2018.

4 Mr. Arunendra Kumar ceased to be Director w.e.f. 3rd October, 2018.

* The Risk Management Committee was constituted w.e.f. 30th October, 2018.

REPORT ON CORPORATE GOVERNANCE

(i) Audit Committee

Composition and Terms of Reference:

The composition and terms of Reference of the Audit Committee are in conformity with the provisions of Section 177 of the Act read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 18 of the SEBI LODR. The present composition of the Audit Committee is as under:

Name of Director*	Category	Status
Mr. Girish Sharma	Independent Director	Chairman
Mr. Jagmohan Sood ¹	Whole Time Director, Non-Independent	Member
Mr. Kanwaljit Singh Thind	Independent Director	Member
Mrs. Arti Luniya ²	Independent Director	Member

1 Mr. Jagmohan Sood was inducted as Member of the Audit Committee w.e.f. 15th May, 2018. Mr. Ashok Kumar Gupta ceased to be member of the Audit Committee w.e.f. 15th May, 2018.

2 Mrs. Arti Luniya was inducted as Member of the Audit Committee w.e.f. 30th October, 2018.

* Mr. Arunendra Kumar ceased to be member of the Audit Committee w.e.f. 3rd October, 2018.

Meetings

The Audit Committee met four times during the financial year 2018-19 on 26th April, 2018, 26th July, 2018, 30th October, 2018 and 30th January, 2019. Requisite quorum was present during the meetings.

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process, to ensure accurate and timely disclosures, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the management, the Statutory Auditors, Internal Auditor, the Cost Auditor, the Secretarial Auditor and notes the processes and safeguards employed by each of them.

The Chief Financial Officer regularly attends the Committee meetings and the Company Secretary acts as the Secretary of the Committee. Meetings were also attended by the Internal Auditors and the Statutory Auditors.

(ii) Nomination and Remuneration Committee:

Composition and Terms of Reference:

The Composition and Terms of Reference of the Nomination and Remuneration Committee (NRC) are in conformity with Section 178 of the Act and Regulation 19 of the SEBI LODR. The present composition of the NRC is as under:

Name of Director*	Category	Status
Mr. Kanwaljit Singh Thind	Independent Director	Chairman
Mr. Ratan Jindal ¹	Non-Independent	Member
Mr. Nirmal Chandra Mathur	Independent Director	Member

1 Mr. Ratan Jindal was inducted as Member of Nomination and Remuneration Committee w.e.f. 26th April, 2018.

* Mr. Abhyuday Jindal ceased to be member of the Nomination and Remuneration Committee w.e.f. 26th April, 2018.

Meetings

During the financial year ended 31st March, 2019, four meetings of the Nomination and Remuneration Committee were held on 26th April, 2018, 26th July, 2018, 30th October, 2018 and 30th January, 2019. Requisite quorum was present during all the meetings.

The primary objective of the Nomination and Remuneration Committee ("NRC") is to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down including remuneration payable to the senior management, recommend to the Board their appointment and carry out evaluation of every director's performance. The Company Secretary acts a Secretary to the Committee.

Performance Evaluation Criteria for Independent Directors:

The policy framework for nomination, election and performance review of Independent Directors duly approved by the Board of Directors on recommendation of the Nomination and Remuneration Committee is in place. The performance of the Independent Directors is being evaluated by the entire Board, except for the director being evaluated. The Broad criteria for evaluation of Independent Directors are participation in board meetings and AGM, personality and conduct and quality of value added.

REPORT ON CORPORATE GOVERNANCE

(iii) Stakeholders Relationship Committee:

Composition and Terms of Reference:

The Composition and Terms of Reference of the Stakeholders Relationship Committee are in conformity with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI LODR. The present composition of the Stakeholders' Relationship Committee is as under:

Name of Director*	Category	Status
Mr. Nirmal Chandra Mathur ¹	Independent Director	Chairman
Mr. Abhyuday Jindal	Non-Independent	Member
Mr. Jagmohan Sood ²	Whole Time Director, Non-Independent	Member

1 Mr. Nirmal Chandra Mathur was inducted as Chairman of the Stakeholders Relationship Committee w.e.f. 30th October, 2018.

2 Mr. Jagmohan Sood was inducted as Member of Stakeholders Relationship Committee w.e.f. 15th May, 2018. Mr. Ashok Kumar Gupta ceased to be a Director and consequently member of the Committee w.e.f. 15th May, 2018.

* Mr. Arunendra Kumar ceased to be member of the Stakeholders Relationship Committee w.e.f. 3rd October, 2018.

Meetings

During the financial year ended 31st March, 2019, four meetings were held on 26th April, 2018, 26th July, 2018, 30th October, 2018 and 30th January, 2019. Requisite quorum was present during the meetings.

The Committee looks into the grievances of the Shareholders related to transfer of shares, payment of dividend and non receipt of annual report and recommends measure for expeditious and effective investor service.

Pursuant to the SEBI LODR, Company Secretary acted as the Compliance Officer, who monitored the share transfer process and liaised with the Authorities such as SEBI, Stock Exchanges and Registrar of Companies etc. The Company complies with the various requirements of the SEBI LODR and Depositories with respect to transfer of shares and share certificates are sent to the Shareholders within the prescribed time.

The Company has duly appointed Registrar and Share Transfer Agent (R&T Agent) for servicing the shareholders holding shares in physical or dematerialized form. All requests for dematerialization of shares are likewise processed and confirmations thereof are communicated to the investors within the prescribed time. All complaints received during the year ended 31st March 2019 stood resolved.

(iv) Corporate Social Responsibility Committee:

Composition and Terms of Reference:

The Composition and Terms of Reference of the Corporate Social Responsibility Committee ("CSR Committee") are in conformity with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Committee consists of three Directors, out of which one is Independent. The present composition of the CSR Committee is as under:

Name of Director	Category	Status
Mrs. Deepika Jindal	Non-Independent	Chairperson
Mr. Jagmohan Sood ¹	Whole Time Director, Non-Independent	Member
Mr. Kanwaljit Singh Thind	Independent Director	Member

1 Mr. Jagmohan Sood was inducted as Member of Corporate Social Responsibility Committee w.e.f. 15th May, 2018. Mr. Ashok Kumar Gupta ceased to be Member of the Committee w.e.f. 15th May, 2018.

Meetings

During the financial year ended 31st March, 2019, two meetings of the Committee were held on 26th July, 2018 and 30th January, 2019. Requisite quorum was present during the meetings.

(v) Sub-Committee of Directors:

The Company has constituted a Sub-Committee of Directors which has been delegated with certain powers of the Board of Directors in accordance with the provisions of the Companies Act, 2013 and the rules framed thereunder. The Committee meets from time to time on need base to transact the matters of urgency. Names of Members of the Committee, their category and status are given below:

Name of Director	Category	Status
Mr. Abhyuday Jindal ¹	Managing Director, Non-Independent	Chairman
Mr. Jagmohan Sood ¹	Whole Time Director, Non-Independent	Member
Mr. Kanwaljit Singh Thind	Independent Director	Member
Mr. Nirmal Chandra Mathur	Independent Director	Member

REPORT ON CORPORATE GOVERNANCE

- 1 Mr. Abhyuday Jindal and Mr. Jagmohan Sood were inducted as Chairman and Member of the Sub Committee respectively w.e.f. 15th May, 2018. Mr. Ratan Jindal and Mr. Ashok Kumar Gupta ceased to be Chairman and Member of the Committee respectively w.e.f. 15th May, 2018.

Meetings

During the financial year 2018-19, the Sub-Committee of Directors met 12 times on 20th April, 2018, 11th June, 2018, 16th July, 2018, 8th August, 2018, 31st August, 2018, 18th September, 2018, 9th October, 2018, 23rd November, 2018, 31st December, 2018, 15th January, 2019, 16th February, 2019 and 20th March, 2019. The decisions taken at the Sub Committee meetings are reviewed by the Board at its meetings. Requisite quorum was present during the meetings.

(vi) Share Transfer Committee:

The Board of Directors has delegated the power of approving transfer of securities and other related formalities to the Share Transfer Committee comprising Mr. Abhyuday Jindal¹, Managing Director, Mr. Jagmohan Sood¹, Whole Time Director, Mr. Bhartendu Harit, Company Secretary and a representative of Registrar & Transfer Agent.

During the financial year ended 31st March 2019, all the valid requests for transfers of shares were processed in time and there were no pending transfers of shares.

- 1 Mr. Abhyuday Jindal and Mr. Jagmohan Sood were inducted as Chairman and Member respectively w.e.f. 15th May, 2018. Mr. Ashok Kumar Gupta ceased to be Chairman of the Committee w.e.f. 15th May, 2018.

(vii) Risk Management Committee

Composition and Terms of Reference:

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, top 500 listed entities, determined on the basis of market capitalization as at the end of immediate previous financial year are required to constitute a Risk Management Committee.

The Company ranked 418th position among the top 1000 listed entities, based on the market capitalization as on 31st March, 2018. In order to ensure the Companies strategies and risk appetite for the governance prospective the Board of Directors at its meeting held on 30th October, 2018 constituted the Risk Management Committee of the Company w.e.f. 30th October, 2018. The Company Secretary acts as a Secretary to the Committee. Based on the Market Capitalization as on 31st March, 2019, your Company stand at 511th Position amount the top 1000 listed entities.

The composition and "Terms of Reference" of the Risk Management Committee are in conformity with the provisions of Regulation 21 of the SEBI LODR, as amended which inter-alia includes cyber security. The present composition of the Risk Management Committee is as under:

Name of Director	Category	Status
Mr. Abhyuday Jindal	Managing Director, Non-Independent	Chairman
Mr. Jagmohan Sood	Whole Time Director, Non-Independent	Member
Mrs. Arti Luniya	Independent Director	Member
Mr. Bhartendu Harit	Company Secretary	Member
Mr. Ajay Goyal	General Manager (Finance & Accounts)*	Member

* Mr. Ajay Goyal was Chief Financial Officer during the period from 30th October, 2018 to 30th January, 2019.

Meetings

During the year under review, the Risk Management Committee of the Board met one time on 30th January, 2019.

4. REMUNERATION OF DIRECTORS

Remuneration Policy

The Company has in place a Remuneration Policy duly approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee of the Company. Remuneration given to the Directors of the Company is based on the principles of performance, equitableness and competitiveness. The Remuneration Policy has been designed to reflect these principles and to attract, motivate and retain quality manpower for driving the Company successfully.

The remuneration of the Executive Directors, KMPs and Senior Management Personnel is based on Company's financial position, industrial trends and remuneration paid by peer companies. Remuneration to Executive Directors is paid by way of salary (including fixed pay and variable pay), perquisites and retirement benefits, based on recommendation of the Nomination and Remuneration Committee and approval of the Board and Shareholders. The Non-executive directors are paid commission / sitting fee for attending the meetings of the Board and Committees thereof.

REPORT ON CORPORATE GOVERNANCE

(i) Details of Remuneration paid to the Directors during the financial year ended 31st March 2019:

(a) Executive Directors:

(Amount in ₹)

Name of Director	Designation	Salary	Perquisites	Commission	Contribution to PF	Others	Total	Notice Period
Mr. Abhyuday Jindal ¹	Managing Director	5,57,96,483	36,850	86,00,000	-	-	6,44,33,333	N.A.
Mr. Jagmohan Sood ²	Whole Time Director	84,46,564	15,44,118	-	3,27,579	2,72,983	1,05,91,244	2 months
Mr. Ashok Kumar Gupta ³	Whole Time Director	1,10,62,394	1,26,291	-	-	-	1,11,88,685	2 months

1 Mr. Abhyuday Jindal was appointed as Managing Director w.e.f. 26th April, 2018. Earlier he was on the Board of Directors in the capacity of Non Executive Vice Chairman of the Company.

2 Mr. Jagmohan Sood was appointed as Whole Time Director w.e.f. 15th May, 2018.

3 Mr. Ashok Kumar Gupta ceased to be Whole Time Director w.e.f. 15th May, 2018. His remuneration includes ex gratia amount of Rs.40 lakhs.

(b) Non-Executive Directors:

Particulars of commission / sitting fee paid to the Non Executive Directors during financial year ended 31st March, 2019 are as follows:

Name of Director	Commission (Rs in lakhs)	Sitting fee paid Amount (Rs. in Lakhs)
Mr. Ratan Jindal	1,059.00	4.00
Mrs. Deepika Jindal	-	3.00
Mr. Kanwaljit Singh Thind	-	5.20
Mr. Girish Sharma	-	4.80
Mr. Nirmal Chandra Mathur	-	4.40
Mrs. Arti Luniya ¹	-	3.20
Mr. Arunendra Kumar ²	-	2.40

1 Mrs. Arti Luniya was appointed as an Independent Director w.e.f. 26th July, 2018

2 Mr. Arunendra Kumar ceased to be Director w.e.f. 3rd October, 2018

There has been no material pecuniary relationship or transactions between the Company and Non Executive Directors during the financial year 2018-19, except as stated above.

(ii) Stock Options granted to Directors:

The Company has not issued any stock options.

5. GENERAL BODY MEETINGS:

The last three Annual General Meetings were held at the registered office of the Company at O.P. Jindal Marg, Hisar – 125005 (Haryana), as per details given below:

Year	Date	Day	Time	Special resolution(s) Passed
2015-16	30.09.2016	Friday	12.00 Noon	No special resolution was passed.
2016-17	26.09.2017	Tuesday	1:00 P.M.	No special resolution was passed.
2017-18	27.09.2018	Thursday	12:30 P.M.	<ul style="list-style-type: none"> - Appointment of Mr. Abhyuday Jindal as Managing Director of the Company. - Reappointment of Maj. Gen. Kanwaljit Singh Thind, VSM (Retd.) as an Independent Director - Approval for payment of commission to Mr. Ratan Jindal, Chairman (Non Executive) of the Company as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. - Increase in the aggregate limit for investment into the Company by the Foreign Portfolio Investors("FPIs") upto 100% of the paid-up Equity shares capital of the Company on a fully diluted basis.

REPORT ON CORPORATE GOVERNANCE

No special resolution was put through postal ballot last year.

There is no resolution proposed to be passed through postal ballot at the ensuing Annual General Meeting of the Company.

Apart from the Annual General Meeting, one Extra-Ordinary General Meeting (EGM) of Shareholders was held on 1st February, 2019. Mr. Kamal Gupta, Advocate was appointed as scrutinizer for conducting process of e-voting and poll at the EGMs in a fair and transparent manner. He had submitted the report of the EGM to the Chairman for declaration of result.

Summary of the voting details related to the EGM held on 1st February, 2019 are given below:

Sl. No.	Particulars	No. of Votes with Assent	% with Assent	No. of Votes with Dissent	% with Dissent
1	Alteration in Object Clause of Memorandum of Association of the Company.	16,26,68,994	99.9990	1,570	0.0010

6. MEANS OF COMMUNICATION:

i	Quarterly Results	The quarterly, half yearly and yearly financial results of the Company are submitted with the stock exchanges after they are approved by the Board. These are also published in the Newspapers, in the prescribed format as per the provisions of the SEBI LODR.
ii	Newspapers wherein results normally published	Economic Times, Times of India (English); Navbharat Times (Hindi) for the year 2018-19
iii	Any website, where displayed	www.jshlsteel.com
iv	Whether it also displays official news releases	The Company gives Press Releases to the stock exchanges and displays the same on its website
v	The Presentations made to institutional investors or to the analysts	The Company holds Analysts' / Investors' Meetings from time to time. The presentations made at the said meetings are uploaded on Company's website. The necessary intimation in terms of Regulation 30 of SEBI LODR are also made to the stock exchanges.
vi	NSE Electronic Application Processing System (NEAPS)	The NEAPS is a web based application designed by NSE for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.
vii	BSE Corporate Compliance & Listing Centre (the 'Listing Centre')	BSE's Listing Centre is a web based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on the Listing Centre.
viii	SEBI Complaint Redressal System (SCORES)	The investor complaints are processed in a centralized web based complaint redressal system. The salient features of this system are: Centralized Data Base of all complaints, online upload of Action Taken Report (ATRs) by the concerned companies and online viewing by investors of action taken on the complaint and its current status.

7. General Shareholders' Information

7.1	Annual General Meeting : - Day, Date and Time - Venue	Wednesday, 11th September, 2019 at 12:00 Noon At registered office of the Company at O.P. Jindal Marg, Hisar – 125005 (Haryana).	
7.2	Financial Year :	The Financial year of the Company starts from 1st April and ends on 31st March every year.	
7.3	Financial Calendar 2019-20 (Tentative) :	Annual General Meeting – (Next Year) Financial Reporting Results for quarter ended June 30, 2019 Results for quarter ending Sept. 30, 2019 Results for quarter ending Dec. 31, 2019 Results for year ending Mar. 31, 2020 (Audited)	September, 2020 On or before 14-08-2019 On or before 14-11-2019 On or before 14-02-2020 On or before 30-05-2020
7.4	Book Closure date :	Wednesday, 28th August, 2019 to Thursday, 29th August, 2019 (both days inclusive) for Annual General Meeting.	
7.5	Dividend payment date :	No dividend has been recommended by the Board of Directors for the financial year 2018-19.	

REPORT ON CORPORATE GOVERNANCE

7.6 Unclaimed Share:

In terms of Clause 5A of the erstwhile Listing Agreement, Jindal Stainless Limited (JSL) had through its RTA sent three reminders to its Shareholders, whose Share Certificates were lying unclaimed with JSL, requesting them to provide complete postal address and other relevant details to enable the RTA to dispatch such unclaimed Share Certificates to them. On the basis of non-receipt of response, unclaimed Equity Shares of ₹ 2/- each held by Shareholders of JSL were then transferred to its "Unclaimed Suspense Account" and were dematerialized.

At the time of allotment of shares by the Company on 25th November, 2015, corresponding Unclaimed Shares allotted by the Company were credited in "Unclaimed Suspense Account" of the Company. During the year 2018-19, 1385 unclaimed Equity Shares of ₹ 2 each held by 12 Shareholders were transferred from the "Unclaimed Suspense Account" to the demat accounts of respective shareholders. Details of Unclaimed shares as required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given hereunder:

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account as on 1st April, 2018	1,473	1,90,310
Number of shareholders who approached the Company / RTA for transfer of shares from suspense account during the year ended 31st March, 2019	12	1,385
Number of shareholders to whom shares were transferred from suspense account during the year ended 31st March, 2019	12	1,385
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2019	1,461	1,88,925

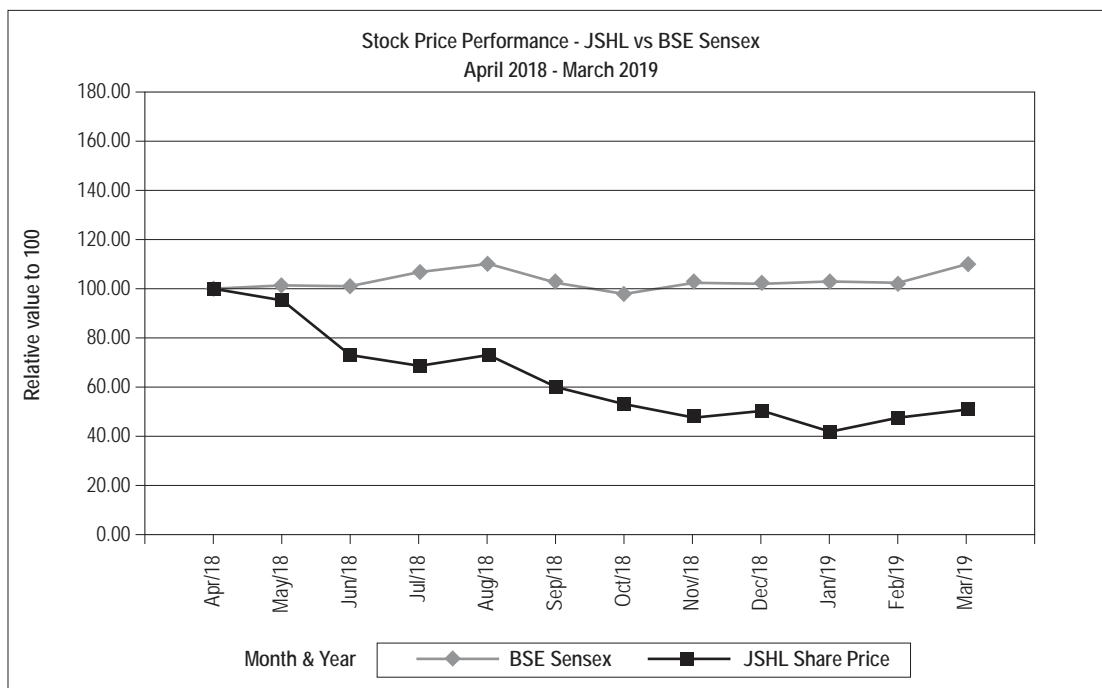
The corporate benefits in terms of securities accruing on such shares viz. bonus shares, split etc., were also credited to the Unclaimed Suspense Account. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

As and when the rightful owner of such shares approaches the Company or RTA, the Company shall to the extent of his/her entitlement, arrange to deliver the shares from the said account to the rightful owner after proper verification of his/her identity.

7.7	(a) Listing of Equity Shares on Stock Exchanges	:	National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G – Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	
The annual listing fees for the year 2019-20 have been paid to both BSE and NSE.					
	(b) Listing of GDS on Stock Exchange	:	Luxembourg Stock Exchange, P.O. Box 165, L – 2011, Luxembourg		
7.8	Stock Code (Equity Shares)	:	Trading Symbol – BSE Limited (Demat Segment)	539597	
		:	Trading Symbol – National Stock Exchange of India (Demat Segment)	JSLHISAR	
International Securities Identification Number (ISIN) Equity Shares : INE455T01018 GDS : US47760U1043					
7.9	Stock Market Price Data	National Stock Exchange of India Ltd. (NSE)		BSE Limited (BSE)	
	Month	Month's High Price (In ₹)	Month's low Price (In ₹)	Month's High Price (In ₹)	Month's low Price (In ₹)
	April, 2018	199.40	159.05	200.15	158.80
	May, 2018	191.70	156.55	191.00	156.45
	June, 2018	180.05	123.05	180.20	124.00
	July, 2018	146.80	121.00	147.85	121.05
	August, 2018	142.00	125.15	142.10	125.15
	September, 2018	160.50	108.60	159.70	108.85
	October, 2018	117.95	85.30	119.40	87.60
	November, 2018	106.35	88.30	106.00	88.50
	December, 2018	94.10	80.15	93.90	80.40
	January, 2019	93.00	75.25	93.05	76.20
	February, 2019	92.75	75.70	93.75	76.80
	March, 2019	98.90	84.60	98.75	84.00

REPORT ON CORPORATE GOVERNANCE

7.10 Share price performance in comparison to broad based indices – BSE Sensex



7.11 Registrar and Transfer Agents:

Link Intime India Private Limited
Noble Heights, 1st Floor, Plot NH2, C-1 Block LSC
Near Savitri Market, Janakpuri, New Delhi – 110 058
Phone No. (011) 41410592/93/94 Fax No. (011) 41410591
Email: delhi@linkintime.co.in

7.12 Share Transfer System:

Share transfer requests for shares in physical form are registered within 10 – 15 days. In case of shares in electronic form, the transfers are processed by NSDL / CDSL through the respective Depository Participants.

However, the Company is in compliance with the SEBI press release no. SEBI PR-12/2019 dated March 27, 2019, which states that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. This is effective from April 1, 2019.

7.13 Reconciliation of Share Capital Audit:

The reconciliation of Share Capital Audit is conducted by a Chartered Accountant in practice to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Ltd. ("Depositories") and the total issued and listed capital. The audit confirms that the total issued / paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with Depositories) and that the requests for dematerialization of shares are processed by the R&T Agents within stipulated period of 21 days and uploaded with the concerned depositories.

7.14 Transfer of Unpaid / Unclaimed Amounts to Investor Education and Protection Fund:

Not Applicable

REPORT ON CORPORATE GOVERNANCE

7.15	Distribution of shareholding as at 31st March, 2019:												
By size of shareholding		Shareholders		Equity Shares held									
		Number	Percentage	Number	Percentage								
1 - 2500	55,191	97.00	1,50,63,728	6.38									
2501 - 5000	901	1.58	32,77,218	1.39									
5001 - 10000	376	0.66	28,40,239	1.20									
10001 - 15000	131	0.23	16,32,487	0.69									
15001 - 20000	69	0.12	12,54,033	0.53									
20001 - 25000	42	0.07	9,73,728	0.41									
25001 - 50000	66	0.12	23,76,156	1.01									
50001 & Above	124	0.22	20,85,17,096	88.38									
TOTAL	56,900	100.00	23,59,34,685	100.00									
Physical Mode		10,642	18.70	30,87,576	1.31								
Electronic Mode		46,258	81.30	23,28,47,109	98.69								
By Category of shareholders		Equity Shares held											
		Number	Percentage										
Promoters		12,18,21,330	51.63										
GDS held by promoters underlying shares		1,42,34,984	6.03										
GDS held by others underlying shares		8,69,350	0.37										
FIs/Banks/Mutual Funds		87,46,757	3.71										
Corporate Bodies		1,00,85,330	4.27										
FIIs/ Foreign Portfolio Investor (Corporate)		4,94,00,408	20.94										
NRIs/OCBs		18,28,404	0.77										
Public /others		2,89,48,122	12.27										
Total		23,59,34,685	100.00										
7.16	Dematerialisation of shares	:	As on 31st March, 2019, 98.69% of the total share capital was in dematerialized form. Trading in equity shares of the Company is permitted only in dematerialized form.										
7.17	Outstanding GDRs/ADRs/ Warrants or any convertible instruments, conversion dates and likely impact on equity.	:	Company's paid up capital includes 1,51,04,334 equity shares having face value of ₹2/- each, underlying 75,52,167 GDS. As at 31st March, 2019, the Company does not have any convertible instruments.										
7.18	Commodity price risk or foreign exchange risk and hedging activities	:	Please refer Management Discussion and Analysis Report and notes to accounts to the financials mentioned in the Annual Report for details.										
7.19	Plant locations	:	<table border="0"> <tr> <td>HISAR</td> <td>KOTHAVALASA</td> </tr> <tr> <td>O.P. Jindal Marg,</td> <td>Jindal Nagar,</td> </tr> <tr> <td>Hisar – 125 005</td> <td>Kothavalasa – 535 183</td> </tr> <tr> <td>(Haryana).</td> <td>Dist. Vizianagaram (A.P.)</td> </tr> </table>			HISAR	KOTHAVALASA	O.P. Jindal Marg,	Jindal Nagar,	Hisar – 125 005	Kothavalasa – 535 183	(Haryana).	Dist. Vizianagaram (A.P.)
HISAR	KOTHAVALASA												
O.P. Jindal Marg,	Jindal Nagar,												
Hisar – 125 005	Kothavalasa – 535 183												
(Haryana).	Dist. Vizianagaram (A.P.)												
7.20	Investor Correspondence For transfer / dematerialisation of shares, payment of dividend on shares, query on Annual Report and any other query on the shares of the Company.	:	<p>Name: Mr. V.M. Joshi Designation: Vice President Address : Link Intime India Private Limited Noble Heights, 1st Floor, Plot NH2, C-1 Block LSC Near Savitri Market, Janakpuri, New Delhi – 110 058 Phone No. (011) 41410592/93/94 Fax No. (011) 41410591 Email : delhi@linkintime.co.in</p>										
7.21	Address for correspondence	:	<p>Jindal Stainless (Hisar) Limited O.P. Jindal Marg, Hisar – 125 005 Telephone: (01662) 222471-83 Email: investorcare.jshl@jindalstainless.com Website: www.jshlstainless.com</p>										
Shareholders holding shares in electronic mode should address all their correspondence relating to change of address, bank mandate and status to their respective Depository Participants (DPs).													

REPORT ON CORPORATE GOVERNANCE

7.22	List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.	:	Your Company received a rating upgrade from CARE, to 'A-' from 'BBB+' on July 25, 2018, reflecting Company's enhanced profitability and robust balance sheet, along with superior operational performance
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8. DISCLOSURES:

(i) **Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large.**

The Company has not entered into any transaction of material nature with the promoters, the directors or the management, their subsidiaries or relatives etc. that may have any potential conflict with the interests of the Company. Related Party transactions are disclosed in the notes to Accounts forming part of this Annual Report. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link:

<http://www.jshlsteel.com/pdf/Policy%20on%20dealing%20with%20Related%20Party%20Transactions%20JSHL.pdf>

(ii) **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

The Company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years; no penalties or strictures have been imposed on the Company by the stock exchanges or SEBI or any other statutory authorities relating to the above.

(iii) **Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the Audit Committee.**

The Company has formulated a Whistle Blower Policy ("WBP") in accordance with the requirements of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI LODR. The WBP provides for establishment of vigil mechanism for directors and employees to report genuine concerns or grievances. It encourages all employees, directors and business partners to report any suspected violations promptly and intends to investigate any bona-fide reports of violations. It also specifies the procedures and reporting authority for reporting unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy or any other unethical or improper activity including financial irregularities, including fraud, or suspected fraud, wastage/ misappropriation of Company's funds/assets etc. The WBP also provides for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee, in exceptional cases. The WBP has also been uploaded on Company's website at the following link: <http://www.jshlsteel.com/pdf/Whistle%20Blower%20Policy-JSHL.pdf>

(iv) **The Company has also formulated the Policy on Disclosure of Material Events or Information and Policy on Preservation and Archival of Documents.**

The said Policies have also been uploaded on Company's website at the following links:

<http://www.jshlsteel.com/pdf/JSHL%20Material%20Event%20Policy.pdf>

<http://www.jshlsteel.com/pdf/JSHL%20Preservation%20and%20Archival%20Policy.pdf>

(v) **Subsidiary Companies**

The Audit Committee of the Company reviews the financial statements and the investments made by its unlisted subsidiary companies. Further, the minutes of the meetings of the board of directors of the unlisted subsidiary companies and statement of all significant transactions and arrangements entered into by the unlisted subsidiary are periodically placed at the meeting of the Board of directors of the Company. The Company does not have any material non-listed Indian subsidiary company. The Company has formulated a policy for determining material subsidiaries which is uploaded on Company's website at the following link:

<http://www.jshlsteel.com/pdf/Policy%20for%20determining%20material%20subsidiaries.pdf>

(vi) **Dividend Distribution Policy**

The Company has formulated a Dividend Distribution Policy in accordance with the requirement of Regulation 43A of SEBI LODR. The said Policy has also been uploaded on Company's website at the following link:

<http://www.jshlsteel.com/pdf/Dividend-Distribution-Policy2018.pdf>

(vii) **Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are mentioned elsewhere in the Director's report.

REPORT ON CORPORATE GOVERNANCE

(viii) Fees paid to the Statutory Auditors

The shareholders at its 2nd Annual General Meeting (AGM) had appointed M/s. Lodha & Co. and M/s. S.S. Kothari Mehta & Co. as Joint Statutory Auditors of the Company for a term of five years until the conclusion of 7th AGM of the Company. The Company has made payment of ₹ 17.16 Lakhs to M/s. Lodha & Co. and ₹ 13.75 Lakhs to M/s. S. S. Kothari Mehta & Co. for all the services availed by the Company during F.Y. 2018-19.

(ix) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.

Compliance with mandatory and non-mandatory requirements (as on 31st March, 2019)

The Company has complied with all mandatory requirements of Regulation 34 of the Listing Regulations. The Company has adopted following non-mandatory requirements of Regulation 27 and Regulation 34 of the SEBI LODR:

1. Shareholders' Rights

The quarterly results of the Company are published in English (National daily) and a Hindi newspaper, having wide circulation in Haryana. Further, the quarterly results are also posted on the website of the Company- www.jshlstainless.com. In view of the above, the half yearly results of the Company are not sent to the Shareholders individually.

2. Modified Opinion(s) in Audit Report

During the period under review, there were no audit qualifications in the Company's financial statements.

3. Reporting of Internal Auditor

PricewaterhouseCoopers India LLP ("PWC") are the internal auditors of the Company and make presentations on their reports to the Audit Committee.

9. OTHER INFORMATION

(a) Risk Management Framework

The Company has in place mechanism to inform Board members about the risk assessment and minimization procedures and periodical reviews to ensure that risk is controlled by the executive management through the means of a properly defined framework.

(b) CEO and CFO Certification

The Whole Time Director and the Chief Financial Officer of the Company have given certification on financial reporting and internal controls to the Board as specified in Part B of Schedule II to the SEBI LODR. They also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 of the SEBI LODR.

(c) Code of Conduct

The Company has laid down a code of conduct for all Board members and senior management personnel of the Company. The code of conduct is available on the website of the Company. The declaration of the Managing Director is given below:

To the Shareholders of Jindal Stainless (Hisar) Limited

Sub.: Compliance with Code of Conduct

I hereby declare that for the financial year ended 31st March, 2019 all the Board members and senior management personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors.

Place: New Delhi
Dated: May 24, 2019

(Abhyuday Jindal)
Managing Director

REPORT ON CORPORATE GOVERNANCE

General Disclosures

- (i) A summary of transactions with related parties in the ordinary course of business is periodically placed before the audit committee;
- (ii) The mandatory disclosure of transactions with related parties in compliance with Accounting Standard Ind AS is a part of this annual report;
- (iii) While preparing the annual accounts in respect of the financial year ended 31st March, 2019, no accounting treatment was different from that prescribed in the Accounting Standards;
- (iv) The Company has a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and a Code of Conduct to Regulate, Monitor and Report Trading by its employees and other connected persons, in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

To the Members,

Jindal Stainless (Hisar) Limited

We have examined the compliance of the conditions of Corporate Governance by Jindal Stainless (Hisar) Limited ("the Company") for the year ended on March 31, 2019 as stipulated in the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 for the period from April 1, 2018 up to March 31, 2019.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 for the period from April 1, 2018 up to March 31, 2019 have been complied with by the Company.

We state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi
Dated: May 13, 2019

B.D. Tapriya
Company Secretary
C.P. No. 2059

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

CERTIFICATE

[PURSUANT TO CLAUSE 10 OF PART C OF SECHDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015]

To the Members of Jindal Stainless (Hisar) Limited

On the basis of our review and according to the records of Jindal Stainless (Hisar) Limited ("the Company"), we certify that none of the Directors on the Board of Directors of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

Place: New Delhi
Dated: May 13, 2019

B.D. Tapriya
Company Secretary
C.P. No. 2059

MANAGEMENT DISCUSSION AND ANALYSIS

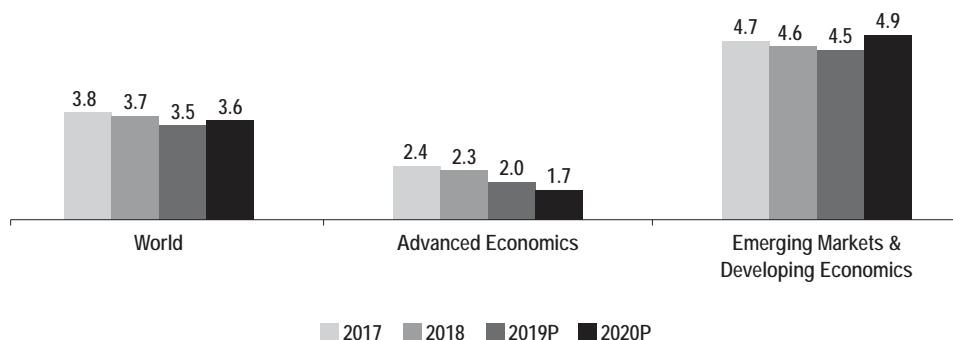
Economic overview & outlook

Global economy

The global economy grew at an estimated 3.7% in 2018, despite weaker performance in some economies, notably Europe and Asia; according to the World Economic Outlook report by the International Monetary Fund (IMF). Emerging market and developing economies were tested by difficult external conditions in the second half of 2018 amid trade tensions, rising US interest rates, dollar appreciation, capital outflows, and volatile oil prices.

Global growth was revised downward because of negative effects of tariff increases enacted in the US and China, and weak momentum in Europe in the second half of 2018. The global economy is now projected to grow at 3.5% in 2019 and 3.6% in 2020, respectively 0.2% and 0.1% point below projections from October 2018.

Global GDP Growth, %



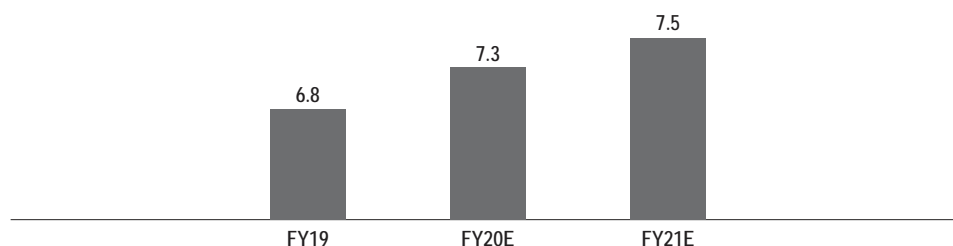
Source: IMF's World Economic Outlook Update, January 2019

Indian economy

Financial year 2018-19 was a year of recovery from impact of demonetization and the initial disruption caused by the Goods and Service Tax implementation. Apart from GST, several other important reforms like the Insolvency and Bankruptcy Code, liberalization of FDI norms, reforms in Ease of Doing Business and Labour have been successfully implemented in the last few years. These reforms have gone a long way in improving investments, overall business environment and growth in the country.

The overall GDP growth seen by the Indian economy during the financial year that ended on March 31, 2019, stood at 6.8%, according to the Government data.

India GDP Growth, %

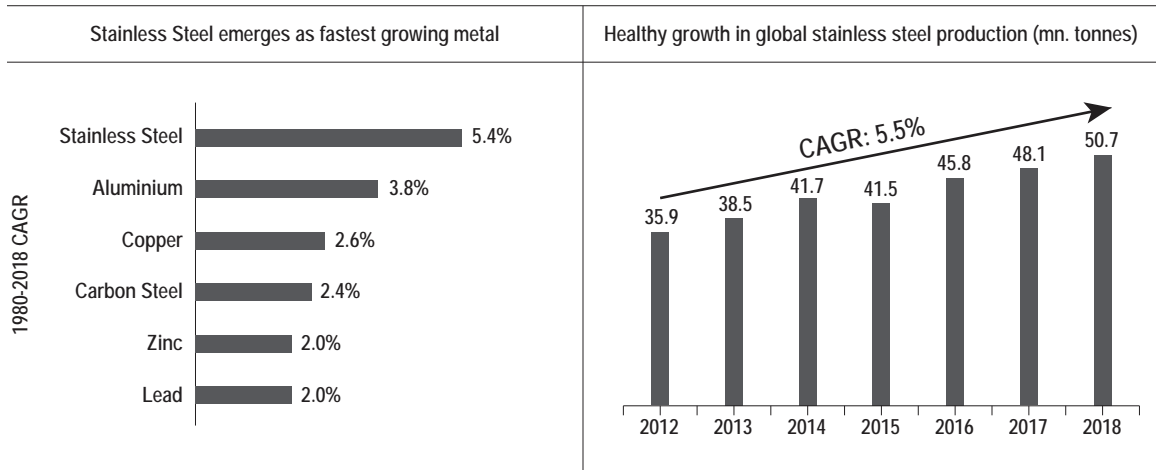


The International Monetary Fund (IMF) remains bullish on India's growth potential and has forecasted growth at 7.3% in FY20 and 7.5% in FY21. This growth is largely expected to be lifted by strong private consumption as well as fading transitory effects of the currency exchange initiative and implementation of the GST.

MANAGEMENT DISCUSSION AND ANALYSIS

Global Stainless Steel Scenario

The global stainless steel consumption has been on an upward trajectory in the past few years, primarily driven by a strong spurt in demand from the Asia-Pacific region, specifically China and India. According to International Stainless Steel Forum (ISSF), the total Stainless steel melt shop production increased from 48.1 MT million tonnes in CY2017 to 50.7 MT in CY2018, registering a healthy CAGR of 5.84% over the period. In the past two decades, stainless steel consumption has seen the strongest CAGR as against other major metals such as zinc, aluminium and carbon steel.



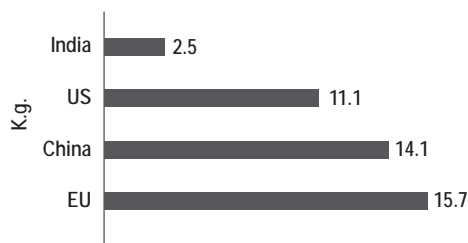
Source: CRISIL, World Bank, ISSF

According to CRISIL, the global stainless steel consumption in CY 2018 grew over 4.6% year-on-year on the back of strong growth in China which was supported by end-industry growth, construction activity and higher usage in vehicles. The year also witnessed an increase in stainless steel consumption in other economies such as Russia, South Korea, etc. It expects the Stainless steel demand is expected to grow at a healthy pace of 4.5-5.5% over the next five years. The developing countries are expected to continue leading the stainless steel demand; and anticipated to occupy more than 70% of market share by 2022.

Domestic Stainless Steel Scenario

India continues to be the second largest producer and second largest consumer of stainless steel in the world. As per industry estimates, India's stainless steel flat demand stood at 2.6 MT in FY19, registering a robust growth of 8%. In spite of being the second-largest consumer of stainless steel in the world, India's per capita consumption stands at 2.5 kg, which is considerably lower compared to global average of 5.7 kg and 14.1 kg in China. Hence, India's stainless steel sector remains highly under-penetrated and offers significant headroom for growth.

India continues to be the second largest consumer with consistent growth over the years given its low per capita consumption (in kg)



MANAGEMENT DISCUSSION AND ANALYSIS

CRISIL Research forecasts stainless steel demand to grow at 8-9% CAGR over the next five years, on the back of the strong growth expected in the Architecture, Building Construction (ABC) and Automobiles, Railway and Transport (ART) segments including white goods and process industries. With emerging trends in building and construction, increased penetration of stainless steel in railways and strong growth in automotive production will provide an impetus for overall consumption of stainless steel.

In India, the consumption of stainless steel has undergone a major transformation. Strong demand from end-user segments has led to higher consumption of stainless steel. Initially, stainless steel was primarily used for kitchenware with some exception for industrial goods. Over the years, there has been increased usage in various applications in automobile, railways, process industries, and building and construction.

Automotive, Railway & Transport (ART) sector encompasses automobiles, railways, shipbuilding and aerospace. It is estimated that the ART segment accounted for 10–12% of India's total demand for stainless steel in 2018-19. With the changing consumption pattern, especially in the automotive and railways, the demand for stainless steel is expected to witness a significant increase in this segment. Indian Railways is increasing the use of stainless steel in the manufacture of coaches and wagons in order to ensure passenger safety and improve the reliability of the coach. In the recent Union Budget 2018-19, multiple announcements with regards to improvement of the railway infrastructure have been made. One of key focus area has been manufacturing of semi-high speed 'Train 18' which has a stainless steel body. Overall these announcements are expected to drive the demand for stainless steel.

The Automobiles segment which is currently facing some level of slowdown; the demand for Cars and UVs is only expected to accelerate to 5-7% CAGR through 2022-23 according to CRISIL Research. Additionally, on the back of healthy rural sales, expansion in the distribution network in semi-urban and rural areas, the two wheeler segment is expected to grow healthy at 7.5-8.5% CAGR till 2022-23. CRISIL Research projects stainless steel demand from the automobile, railway and transport (ART) segment to grow at 8-9% CAGR over the next decade. Growth is expected to be largely driven by the automotive segment and increased stainless steel penetration in railway rolling stock (increased LHB coach production).

Architecture, Building & Construction (ABC) segment:

It is estimated that the segment of Architecture, Building & Construction (ABC) accounted for 8-10% of the total demand for stainless steel in the country. This segment assumes importance due to its evolving and fast-growing application areas. From 2018-19 to 2022-23, CRISIL Research expects this segment to register a growth of 10-11% CAGR. MRTS sector, commercial and retail complexes are expected to drive growth to a large extent. From 2022-23 to 2027-28, with continued investment, demand from the ABC segment is expected to grow by 9-10% CAGR.

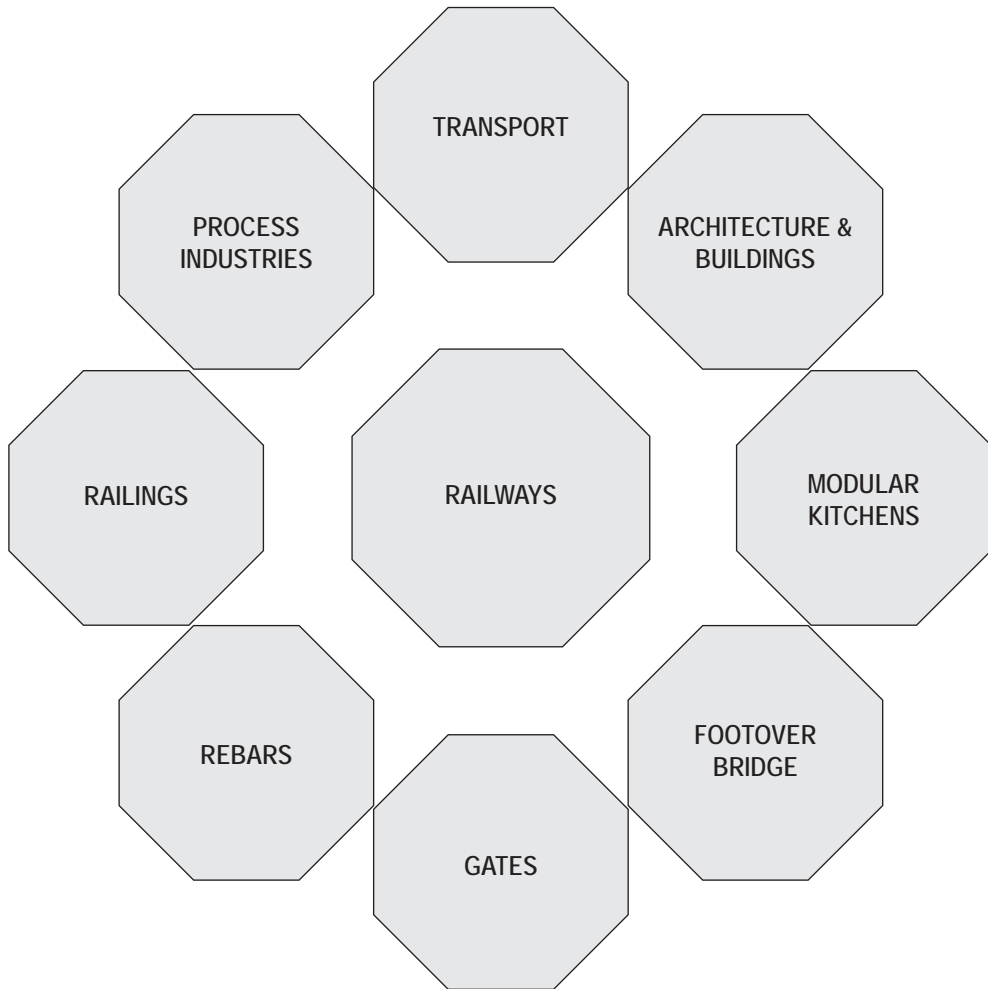
Process Industry:

In terms of total demand of Stainless steel in India, Process industry is also one of the largest segments in India and constitutes nearly 12-15% out of the total stainless steel demand. The food processing and pharmaceutical industries are the major end-users of stainless steel, accounting for more than 60% of their total demand within the process industry segment. CRISIL estimates stainless steel demand from the process industry segment to grow at 6.5-7.5% over the next five years.

Consumer Durables and Cookware sector:

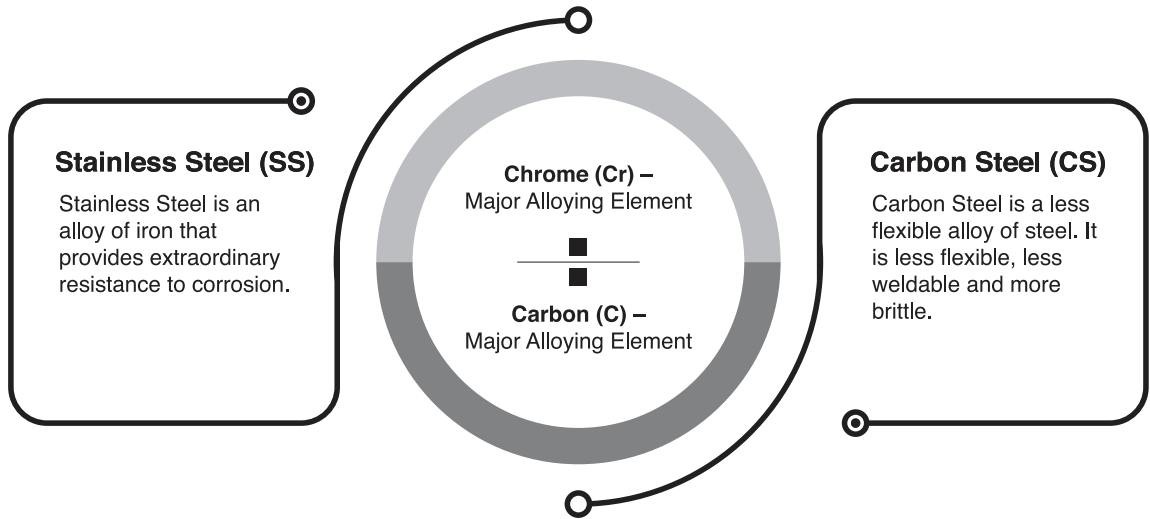
Kitchenware items have seen a transformation from being just functional. Traditionally, kitchenware would be made of copper, aluminium, steel, and plastic. With increase in per capita income and rising disposable income, a considerable growth of stainless steel consumption has been witnessed in consumer goods. Today, there is an increased demand for convenient and modern stainless steel kitchenware. With continued economic recovery, rising disposable incomes, and reasonably low penetration levels, CRISIL estimates consumer durables industry to grow at 9-10% CAGR.

Various Applications of Stainless Steel



MANAGEMENT DISCUSSION AND ANALYSIS

Steel Types

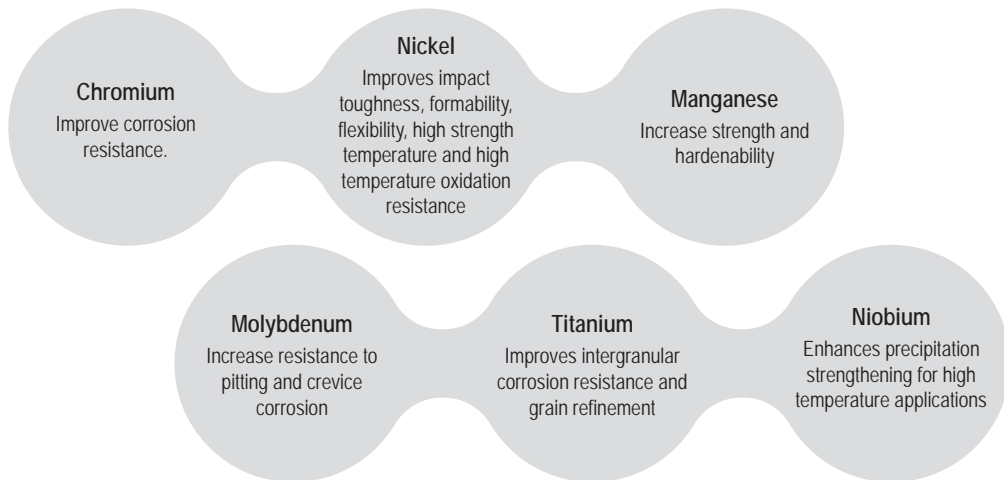


Stainless Steel offers a great combination of strength and long life

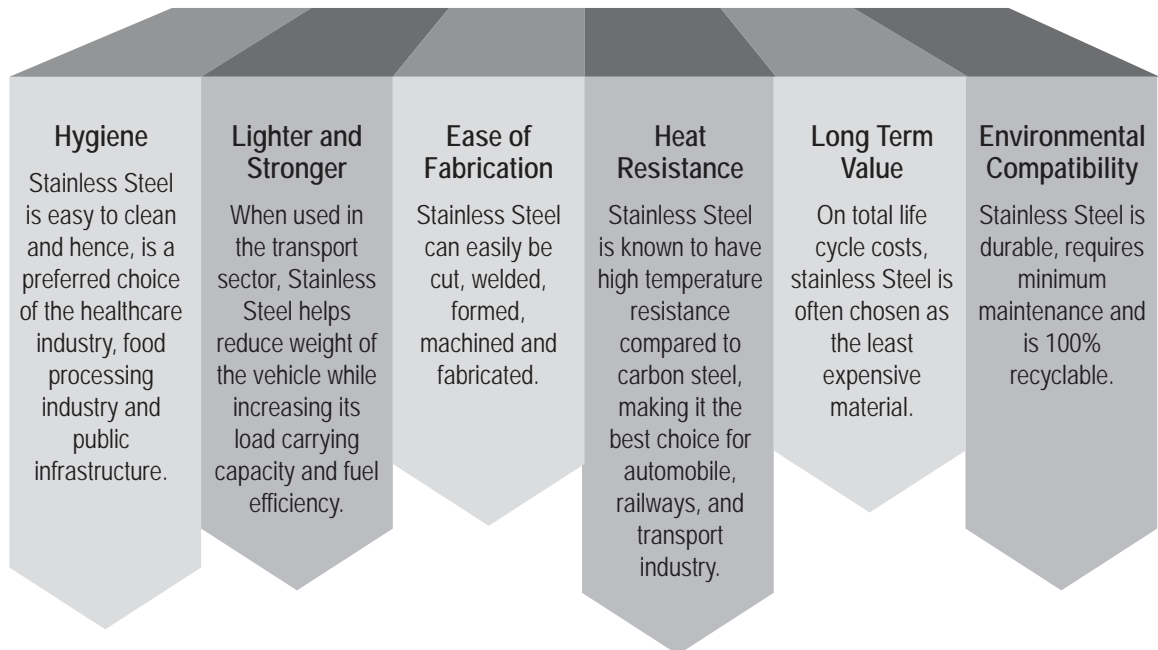
Stainless Steel	Key Parameters	Carbon Steel
Good combination of strength and pliability	Structural Strength	Pliability goes down when strength increases
Nil	Maintenance	High, frequently required
Much higher than CS (~5X)	Avg. Product Life	Less than SS (X)
Excellent	Hygiene	Poor (owing to corrosion)
Nearly 100%	Eco Friendly	Partially Recyclable
Excellent	Scrap Value	Low

MANAGEMENT DISCUSSION AND ANALYSIS

Stainless Steel also includes many elements in different proportions which provide their own unique characteristics to the alloy, making it an obvious choice. The various elements present in Stainless Steel are:

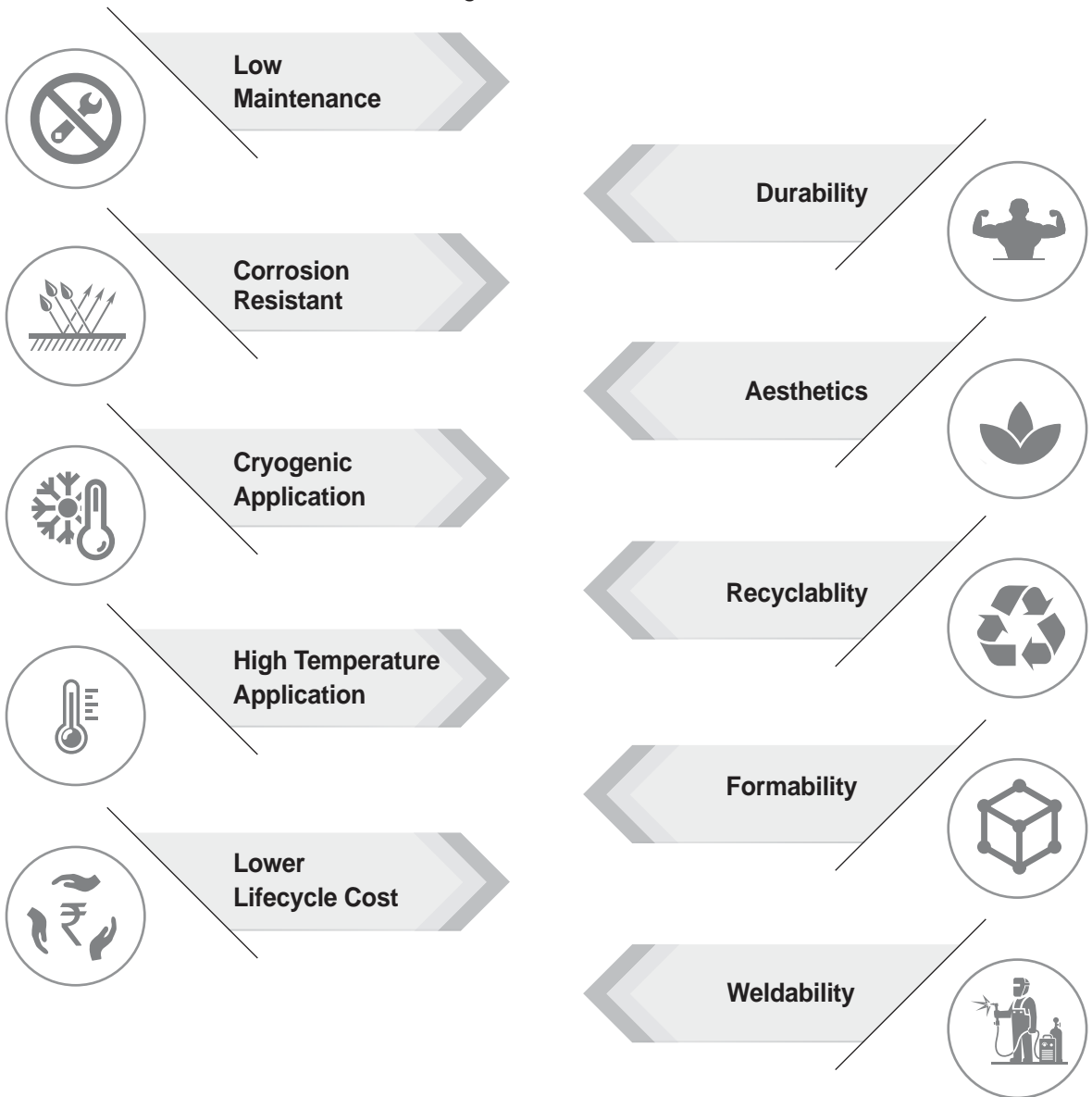


Stainless Steel also includes many elements in different proportions which provide their own unique characteristics to the alloy, making it an obvious choice. The various elements present in Stainless Steel are:



MANAGEMENT DISCUSSION AND ANALYSIS

Advantages of Stainless Steel



- Stainless Steel is one of the fastest growing value-added materials in the country
- It is the most affordable material option when total life cycle costs are considered
- It provides a modern and aesthetically appealing look
- According to the Indian Stainless Steel Development Association (ISSDA), coaches made of Stainless Steel are stronger and can absorb more energy during collision. This ability to withstand impact reduces the chance of casualties during an accident. It is for this reason that Indian Railways is targeting to replace its carbon steel coaches with those of Stainless Steel.
- Stainless Steel contains at least 10.5% of chromium by mass and is generally produced in an electric arc furnace with other alloying elements such as nickel and molybdenum. These are added to achieve desirable properties of hardness, corrosion resistance, strength, machinability, etc.

MANAGEMENT DISCUSSION AND ANALYSIS

Depending on the alloying element used, Stainless Steel is broadly classified into different categories viz. 200, 300, 400, duplex and PH grades.

Composition of Stainless Steel

Series	Series	Series
200	300	400
Chromium (Cr)* 13-20%	Chromium (Cr)* 16-26%	Chromium (Cr)* 10.5-25%
Nickel (Ni)* 1-4%	Nickel (Ni)* 6-28%	Nickel (Ni)* 0.5% Max
Manganese (Mn)* 6-11%	Manganese (Mn)* 2% Max	Manganese (Mn)* 1% Max
Copper (Cu)* 1-3%	Copper (Cu)* None	Copper (Cu)* None
Iron (Fe)* Remaining	Iron (Fe)* Remaining	Iron (Fe)* Remaining

*Added to enhance the structure and achieve desirable properties of corrosion resistance, hardness, strength, machinability, etc.

Note: These are the broad and general composition, for certain grades the composition may vary.

Due to its superior properties, Stainless Steel is also the chosen material for high-end applications such as seamless tubes in process industries, thermal power plant (in boiler tubes etc.), nuclear reactors, automobiles, building & construction, and railways.

Multiple applications of Stainless Steel

Applications	Series 200	Series 300	Series 400
Utensils, Household goods and Kitchen Applications	✓	✓	✓
Tubes & Pipes	✓	✓	✓
Architecture/Decorative	✓	✓	✓
Automobiles/Railways/Transportation	—	✓	✓
Oil & Gas Sector	—	✓	✓
Nuclear Applications	—	✓	—
Pharmaceuticals	—	✓	—
Dairy	✓	✓	—
Power Plants	—	✓	—
Consumer Durables	✓	—	✓
Blades	—	—	✓

Note: These are broad and general composition, for certain grades the composition may vary.

MANAGEMENT DISCUSSION AND ANALYSIS

Company Overview

Jindal Stainless Hisar Ltd. (JSHL) is India's largest stainless steel specialty manufacturer with a diverse portfolio of value added products. JSHL has made its mark of a quality stainless steel globally. Over the years, the Company has gradually grown to become a brand known for export quality products to other countries at a premium.

The Company has been a market leader in domestic stainless steel production over the past four decades with a variety of products used in various applications ranging from cookware to industrial and process engineering. Today, JSHL is the largest producer of Stainless steel strips for razor blades worldwide and the largest coin blanks producer in India. JSHL is also India's first Company to commercially manufacture high nitrogen steel (HNS) for the defence sector requirements.

The Company operates a stainless steel plant at Hisar, Haryana. The complex has a total stainless steel capacity of 0.8 million tonnes per annum. JSHL creates exclusive stainless steel Lifestyle products with a wide distribution channel and a strong retail presence.

Facilities (Hisar Plant)	Unit	Capacity
SMS Melting	MT	800,000
Hot Rolling – Steckel	MT	720,000
HR – Tandem Strip Mill	MT	300,000
HRAP & Plates Finishing	MT	175,000
Cold Rolling	MT	375,000
Specialty Products Division	MT	30,000
Coin Blanking	MT	10,000

Facilities (Vizag Plant)	Unit	Capacity
Ferro Alloys	MT	40,000

JSHL's growth has been driven by its consistent focus on specialty steel for various applications like Precision Strips, Blades, Coin blanks, and strongly backed by its state-of-the-art R&D wing. Apart from being equipped with a strong R&D facility, the Company's world-class manufacturing infrastructure, efficient distribution network and dedicated human resources have played a vital role in its growth.

Additionally, the Company's leadership positioning for the last 40 years, long term relationships with customers and suppliers gives it a strong edge over other competitors. Given JSHL's leadership in the expanding value-added space, the Company today is well-positioned to capitalize on the immense growth opportunities in the industry.

Specialty Value-Added offerings



MANAGEMENT DISCUSSION AND ANALYSIS

Leadership in Specialty Products

Over the years, JSHL has built significant expertise in providing stainless steel for various applications like Precision Strips, Blades, Coin blanks, etc. Apart from being world's largest producer of stainless-steel strips for razor blades, the Company is also India's largest producer of coin blanks. JSHL is also the first Company in India to commercially manufacture high nitrogen steel (HNS) for application in the defence sector.

JSHL is also present in the B2C segment through its subsidiary, JSL Lifestyle Limited with well-known brands like 'Arttdinox', 'Chrome', and 'ARC'. These brands help the Company to cater to the last mile service requests by consumers. JSL Lifestyle Ltd. works as a catalyst amongst designers, architects, fabricators and other professionals to provide a range of technical support services and produces a wide range of stainless steel products available worldwide.

In FY19, JSL Lifestyle Ltd., commissioned its first dedicated facility for Railways in Chennai. The facility will supply high quality stainless steel components with 'Just-in-time' delivery to the Integral Coach Factory (ICF), Chennai for production of railway coaches. It will produce railway coach sub-assemblies like side-wall, roof arch, trough floor and retention tanks for ICF, Chennai. This new facility is equipped with state-of-the-art robotic spot welding guns which function in the most precise and consistent manner. The proximity of this unit to ICF Chennai will ensure just-in-time deliveries for Indian Railways, and low inventory costs will help in improved cost efficiency.

JSHL's other subsidiary, Jindal Stainless Steelway Limited offers customized just-in-time services like slitting, cut-to-length, polishing, etc. JSHL which holds a significant portion of the Specialty products market in India, aspires to further increase its specialty and value-added products revenue share, going ahead. The Company which has remained at the forefront of new-age application development continues to undertake initiatives to further widen its specialty products portfolio.

Strong emphasis on R&D

Over the years, JSHL has demonstrated a keenness to integrate technological innovations into its operations. Be it investing into cutting-edge equipment or adopting new procedures, JSHL has been the frontrunner in raising the bar across the domestic stainless steel landscape.

The dedicated R&D division of JSHL helps it to continuously innovate and develop high-value specialty products. The team closely interacts with reputed national and international laboratories/scientific institutions/Universities to avail expert services & knowledge for critical investigations.

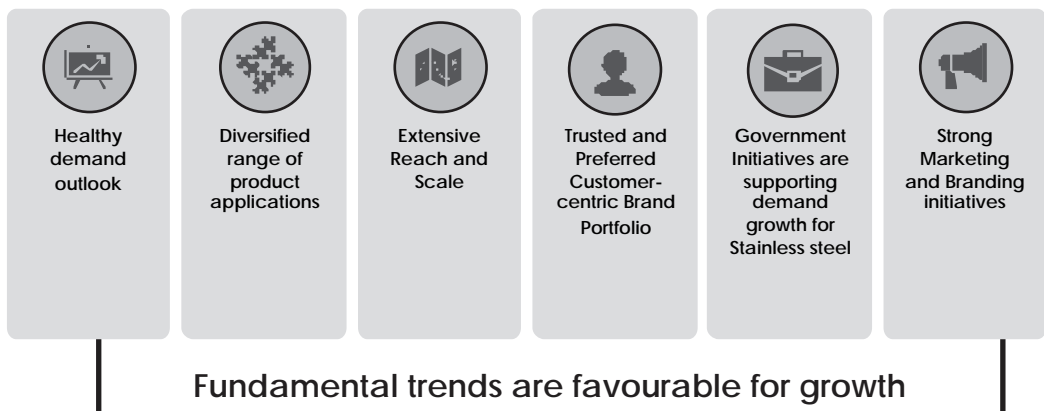
The strong R&D expertise of the Company has also facilitated it to consistently create value addition in its existing products and processes. It has also enabled the Company to build a strong presence in the manufacturing category of specialty steel for Defence segment. JSHL remains confident that its technological competencies will help it to consolidate its strong leadership position in the stainless steel industry.

Strengthened foray into Defense and Aerospace

The Company's manufacturing process has been optimized for industry scale production to cater to stringent and niche requirements of Indian Defence and Paramilitary forces. Today, JSHL has a strong presence in the manufacturing category of specialty steel for Defence segment.

The Company has been continuously strengthening its foray into Defence and Aerospace segment and working to develop and supply special alloys for various strategic applications viz. Submarine Rocket Launchers, Armored Vehicles, Mine Trawls etc. During the year gone by, JSHL received a prestigious order of special steel sheets from ISRO for Rocket Motor Booster Application (Satellite Launch Vehicle). This is the first time in India when ISRO has procured this from an indigenous source, which involves rigorous qualification processes. Going ahead, JSHL intends to undertake necessary initiatives to further increase its offerings into the Defence and Aerospace space.

Key Strengths and Opportunities



MANAGEMENT DISCUSSION AND ANALYSIS

Healthy demand outlook

Today, stainless steel is one of the country's fastest growing value-added metal. Over the past few years, the increasing awareness of stainless steel benefits has led to a substantial increase of its usage in various applications in automobile, railways, process industries, building and construction. Additionally, some of the important initiatives undertaken by the Indian Government have given further boost to the domestic stainless steel industry.

Railways has been one of the early adopters of stainless steel and is expected to remain one of the biggest consumers of stainless steel over the next 15-20 years. Strong impetus from Government on safety and increasing passenger trains is leading to a strong switch towards stainless steel wagons and coaches instead of traditionally used carbon steel. Metro rail network, which extensively use stainless steel for the construction of its light weight coaches and interiors, are coming-up in multiple cities across India. Railways are also taking initiatives to modernize the railway infrastructure, particularly with use of stainless steel in foot-over, rail-over bridges and station infrastructure. During the year gone by, Indian Railways rolled out India's first indigenously built engine-less train, the new 'Train 18' now renamed as 'Vande Bharat Express'. This train has been developed to replace the existing 'Shatabdi Express' and is completely made of stainless steel. This cost-competitive and 'Made in India' train has been generating a lot of interest among multiple countries for imports. Additionally, Indian Railways have undertaken multiple developments and reforms in station redevelopment in the recent past that are expected to further enhance the country's demand for stainless steel.

During the year gone by, The General Insurance Corporation of India (GIC), India's State owned reinsurance enterprise, decided to provide funds for 5,000 stainless steel benches as part of their CSR initiative.

The automobile sector is also expected to contribute in growth of stainless steel consumption in India. Stainless steel is the preferred material for various auto components such as vehicle exhausts, fuel tanks, disk brakes, catalytic converters, and specialized parts of diesel turbochargers given the lower lifecycle costs and superior performance. Two-wheelers and passenger vehicles are shifting to stainless steel exhausts. In commercial vehicles, with the introduction of BS-VI norms usage of stainless steel in exhausts is expected to double upto 30 kgs/vehicle compared to 15 kgs/vehicle earlier. While the Auto Industry is facing near-term challenges; the Company expects this segment to grow well in the coming years given the huge opportunity arising due to increased urbanisation, expanding working population, rising replacement demand and easy availability of finance.

Diversified range of product applications

In the past couple of decades, the Indian stainless steel consumption has seen a paradigm shift from its use only in household/durables to use in new value-added categories of ABC, ART and process industries. The change followed a global pattern of countries, where developing countries per capita incomes witnessed growth in-line with developed countries.

JSHL has a broad product portfolio with a wide range of stainless steel products across all product applications (ABC, ART, Process & Engineering and Consumer Products). It has cutting-edge technology that enables it to produce various grades of stainless steel with different specifications relating to width, thickness, finish and weight, based on customer's precise specifications. JSHL has a superior product-portfolio which enables itself to leverage its presence across verticals to deliver above industry average growth rates.

Extensive Reach and Scale

JSHL, being a dominant pan-India player in the domestic market, has a wide network with multiple touch points that enable its customers to avail the best of its services. The Company has a well-equipped manufacturing facility at Hisar, Haryana and at Visakhapatnam, Andhra Pradesh. This facility is located strategically closer to ports and key raw-materials. Alongside these, the Company has 14 sales offices spread across the country.

Globally, the Company has extensive reach with 11 International sales offices spread across countries like, Spain, UK, Brazil, Italy, the United Arab Emirates, Russia, and Vietnam. JSHL's distribution network of sales offices and service centres drives efficient functioning of its inventory, providing better services to domestic and International customers and in obtaining necessary customer feedback to provide more personalized products.

Trusted and Preferred Customer-centric Brand Portfolio

The "Jindal Stainless" brand has emerged as a trusted and preferred brand in the stainless steel sector in India and in International regions. The Company has been able to garner several tangible and intangible benefits due to its overall positive brand image.

Through its customer centric brand portfolio, JSHL has been able to set new benchmarks in the Indian Stainless Steel Industry. The three well-known brands 'Artid'inox', 'Krome' and 'ARC' are helping to enhance the overall customer engagement and presence of the Company across product categories. Today, these brands are providing a sustainable competitive advantage by offering wide range of specialty products.

Government Initiatives are supporting demand growth for Stainless steel

Today, regulatory changes such as GST and implementation of e-way bills are leading to a greater shift towards more organized market and curbing the parallel unorganized economy. The demand of stainless steel is witnessing an increase with the help of Government initiatives like 'Make in India' and Smart cities. The Indian Government has also undertaken a number of initiatives to protect the domestic industry from the unwarranted increase in imports and thereby improving performance. The ongoing standardisation process of stainless steel products with the help of BIS standards, including the use of stainless steel fuel tanks and BS-VI compliant exhaust systems are driving the stainless steel demand from the industry.

MANAGEMENT DISCUSSION AND ANALYSIS

Strong Marketing and Branding initiatives

Anticipating the avalanche of tirade by competition, undeterred imports and unethical play by unorganized and small fringe players in the stainless steel domain, the Corporate Marketing Department of the Company is relentlessly working over to stitch together a robust Brand / Marketing Strategy that supports & compliments the business objectives, while driving business aspirations of becoming a most admired customer & consumer centric stainless steel conglomerate.

At present, the directive to the Marketing Department is to have a sharp sector-focused approach to drive 'active' awareness, 'positive' consideration & 'genuine' purchase of material made out of JSHL coils & sheets in Pipes-&-Tubes, and Ferritic FDA approved Food Grade Stainless Steel sectors. For the same, a cost-effective yet robust Marketing Plan is activated to build brand affinity, loyalty & purchase of our stainless steel products by prospective and current consumers alike, through multiple media vehicles & on-ground activations.

Risks and Concerns

The Company is committed to recognizing and managing the risks it is exposed to, and has put in place mechanisms to handle the same. The Company's management systems, organizational structures, processes, standards, and code of conduct together form its internal control systems, which govern how it conducts its business and manage all associated risks.

The Company is exposed to risks arising out of macroeconomic factors such as:

Political, legal and regulatory risks

There exists a possibility of a change in the overall duty structure on key raw-materials/finished goods by the Government. Further, the Company has been exporting its products to many countries across the globe which has varying degrees of political and commercial stability. Any instability in such countries could impact the Company and pose challenge to its overall performance.

Change in the Demand-Supply scenario in the Global Stainless Steel industry

Change in the demand-supply scenario can cause disruptions in the global market which could have an adverse effect on the Company's overall performance. Higher production in ASEAN countries including China could pose a threat to the outlook of the domestic industry. Despite having anti-dumping duties in place on certain products from China and other countries, there exists a possibility of these goods getting circumvented through other FTA countries. This scenario could have adverse impact on the Company's performance.

Volatility in key raw-materials

The Company is exposed to price changes to some of its key raw-materials. This aspect could lead to a scenario of demand deterioration when prices fluctuate. The volatility in these materials could lead to an increase in inventories leading to some impact on the Company's performance.

Financial Risks

The Company's debt servicing capabilities could get affected due to any volatility in financial markets. The Company could face incremental challenges in a changing interest rate scenario. Further, the Company is also exposed to currency risks arising due to a considerable amount of import and export of goods it undertakes.

Risks Mitigation

The Company has been undertaking continuous modernization programs to maintain efficient operations of its products and engineering activities. Healthy cash flow generation by the Company has gone a long way in reducing the overall debt. The Company aspires to further strengthen its balance sheet over next 12 to 18 months. Additionally, the management actively benchmarks relevant operational parameters and ensures adequate level of liquidity is maintained for smooth operations.

Audit and internal control system

The Company has well-equipped and adequate internal control systems in place commensurate with the size of the firm and nature of its business. At JSHL, business sustainability risks and opportunities are identified on an ongoing basis and integrate these into our existing risk management framework.

In addition to this, the Company has been undertaking continuous modernization programs to maintain efficient operations of its products and engineering activities. JSHL has also made efforts to mitigate risks by enhancing the quality of its products, investing in latest equipment and technology, reducing energy consumption and improving productivity. The management actively benchmark relevant operational parameters and ensures adequate level of liquidity is maintained for smooth operations.

An extensive program of internal audits and regular reviews by the Audit Committee is carried out to ensure compliance with the best practices.

MANAGEMENT DISCUSSION AND ANALYSIS

Performance Highlights – FY2019 vs.FY2018

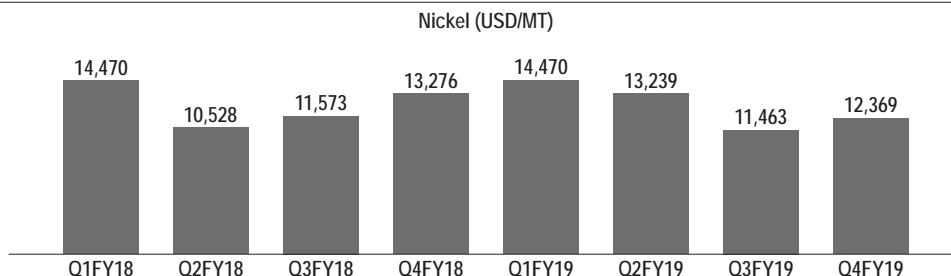
Particulars (₹ in crore)	Standalone			Consolidated		
	FY 2019	FY 2018	YoY (%)	FY 2019	FY 2018	YoY (%)
Net Revenue from operations	8,956.40	9,258.67	-3%	10,288.86	10,357.14	-1%
Total Expenditure	8,056.79	8,119.18	-1%	9,250.12	9,126.50	1%
EBITDA	899.61	1,139.49	-21%	1,038.74	1,230.64	-16%
Other Income	95.67	112.20	-15%	102.11	116.05	-12%
Finance Cost	347.56	395.45	-12%	367.12	408.20	-10%
Depreciation	275.78	266.60	3%	289.29	284.26	2%
PBT	403.75	608.08	-34%	569.81	821.10	-31%
Tax	142.10	212.38	-33%	173.61	233.45	-26%
PAT	261.65	395.70	-34%	396.20	587.65	-33%
EPS (Diluted) in INR	11.09	16.77	-34%	16.16	24.50	-34%

The standalone net revenue from operations stood at ₹ 8,956.40 crore as compared to ₹ 9,258.67 crore during previous year 2017-18. The Company witnessed healthy increase in average realizations which supported its revenue performance during the year. Higher contribution from Specialty Products and better product-mix assisted the Company report better realizations. During FY19, the Company also achieved its highest ever sales from Specialties Product Division (SPD).

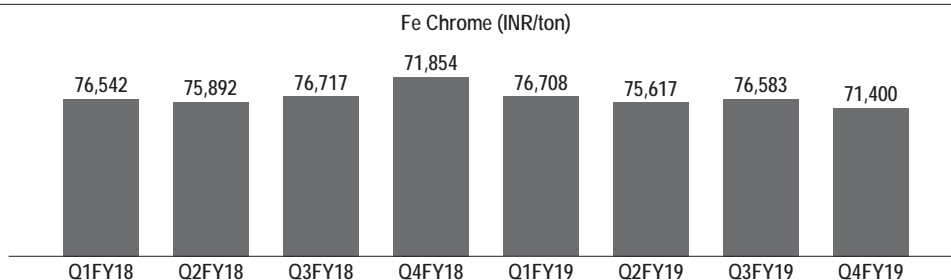
Standalone EBITDA stood at ₹ 899.61 crore as compared to ₹ 1,139.49 crore during previous year. EBITDA margins witnessed some pressure due to falling raw-material prices which led to negative inventory valuation and higher cost of consumables driven primarily by graphite electrodes during FY19.

During FY19, interest costs declined by 12% to ₹ 347.56 crore. Healthy cash flow generation enabled JSHL to sufficiently utilize this towards its working capital requirements. PAT for the year stood at ₹ 261.65 crore as against ₹395.70 crore during previous year. Accordingly, this impacted the ROE of the Company which stood at 18.9% in FY19 as compared to 37.4% in the previous year. EPS for the year was ₹ 11.09 against ₹ 16.77 for the previous year.

Key Raw Materials – Price Trends



Note: Average quarterly prices; Source: LME



Note: Average quarterly prices; Source: Steel Mint

MANAGEMENT DISCUSSION AND ANALYSIS

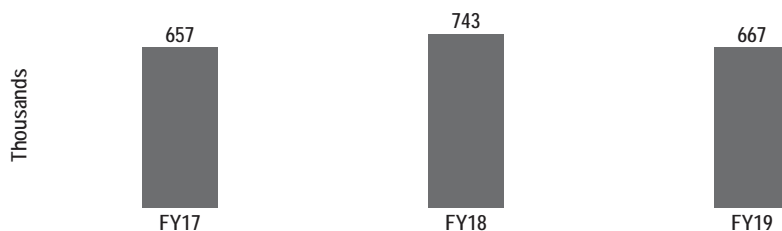
Description – Borrowings (₹ crore)	As on March 2019	As on March 2018	As on March 2017
Long term debt	2,109	2,356	2,548
Short term borrowing (less than 12 months)	72	442	842
Total Debt	2,181	2,799	3,390
Cash & Investments	19	7	8
Net Debt	2,162	2,792	3,382
Long term debt			
Long Term Debt Breakup:			
-INR Debt	2,109	2,356	2,548
-Foreign Currency Debt	-	-	-

The Company continues to focus on strengthening its balance sheet. JSHL's total debt was reduced by almost ₹ 1,200 crore in last two years with debt reduction of ₹ 618 crore during FY19. On the back of healthy cash flows, the Company has been able to strengthen its balance sheet as its Net Debt/EBITDA ratio has improved from 3.7x in FY17 to 2.4x in FY19. Similarly, its Net Debt/Equity ratio has improved from 3.9x in FY17 to 1.4x in FY19. Going forward, JSHL aspires to generate strong free cash flows which would further assist in strengthening its balance sheet position.

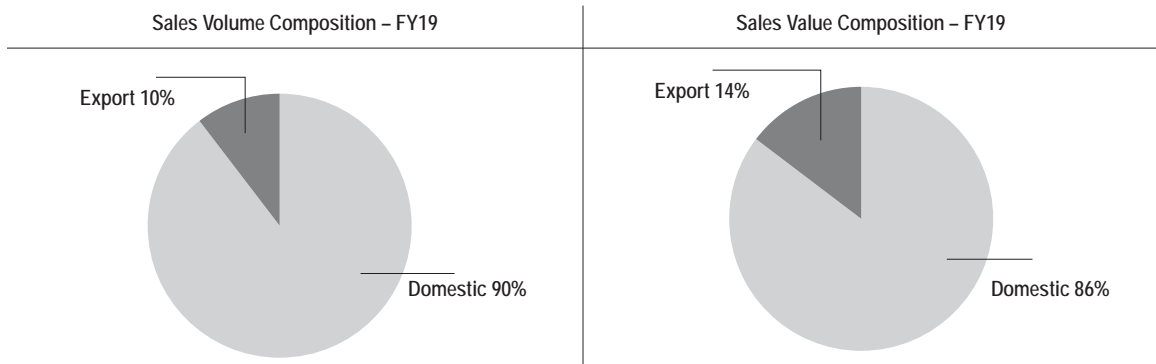
Key Financial Ratios

Key Financial Ratios - Standalone	FY19	FY18	FY17
EBITDA margin (%)	10.0%	12.3%	13.4%
PAT Margin (%)	2.9%	4.3%	3.2%
Net Debt to Equity	1.4	2.2	3.9
Net Debt to EBITDA	2.4	2.4	3.7
Return on Equity (%)	18.9%	37.4%	28.9%
Return on Capital employed (%)	16.8%	24.4%	24.9%
Debtors Turnover	11.0	9.5	7.4
Inventory Turnover	5.9	5.5	4.6
Interest Coverage Ratio	1.8	2.2	1.6
Current Ratio	1.0	1.0	1.0

SS Sales Volume (MT)



MANAGEMENT DISCUSSION AND ANALYSIS



The Company's consolidated revenue from operations stood at ₹ 10,288.86 crore as compared to ₹ 10,357.14. The performance was largely stable due to steady stainless steel demand and operational performance. Increased emphasis on growing Stainless steel demand through various market driven initiatives supported JSHL's sales volumes.

Consolidated EBITDA stood at ₹ 1,038.74 crore in FY 2019 as compared to ₹ 1,230.64 crore in FY 2018. PAT for the year at ₹ 396.20 crore as compared to ₹ 587.65 crore during previous year. EPS for the year was ₹ 16.16 against ₹ 24.50 for the previous year.

The subsidiaries of JSHL, JSL Lifestyle Limited (JSL) and Jindal Stainless Steelway Limited (JSSL) continued to cater end-users through customized and retail product offerings. JSL registered strong growth performance in line with the Company's strategy to grow end- consumer facing business. The net revenue for JSL rose by 27%, up from ₹ 356 crore in FY18 to ₹ 453 crore in FY19. PAT posted by JSL more than doubled to ₹ 49 crore in FY19 as compared to ₹ 22 crore in FY18. JSSL registered a year-on-year revenue growth of 9% over at ₹ 1,560 crore. PAT posted by JSSL for the year stood at ₹ 20 crore in FY19.

Awards and Accolades - FY19

- JSHL received its 19th National Award for Excellence in Energy management 2018 for "Energy Efficient Unit"
- Received Platinum award in Iron & Steel Sector in SEEM Energy Management Award
- JSHL bagged 13 Gold, 9 Silver and 3 Bronze Awards at the Chapter Convention on Quality Concepts (CCQC) 2018
- JSHL won 1 Excellence and 6 PAR Excellence Award at the National Convention on Quality Concepts (NCQC) 2018

INTEGRATED MANAGEMENT SYSTEMS

Quality & Quality Management Systems

Quality Management System (ISO 9001:2015)

The cornerstone of a quality organization is the concept of the customer and supplier working together for their mutual benefit. For this to become effective, the customer-supplier interfaces must extend into, and outside of, the organization, beyond the immediate customers and suppliers. To achieve this, JSHL has adopted the internationally recognized quality management system (ISO 9001) that not only helps JSHL in becoming cost-competitive but also aids in increasing credibility, lower costs and shorter cycle times through effective use of resources. This has led to increased customer loyalty and increased revenue & market share obtained through flexible and fast responses to market opportunities.

Environmental and Health & Safety Management System

JSHL is also ISO 14001:2015 (EMS) & OHSAS 18001:2007 certified. We believe that Health & Safety of its employees, who are an asset to the company, is of utmost importance. These systems ensure that quality of the product is world class, and at the same time, the processes that go into making such products, are environmental friendly and risk free, thus providing a conducive work environment for all. The internal control systems are continuously monitored and improved by means of a rigorous internal audit system, that includes a cross functional team of auditors specifically trained for the above purpose. Attacking environmental aspects and Occupation hazards/risks in order to reduce/minimize their impact is a normal part of our business day. With these systems in place, we aim to strive from customer satisfaction to customer delight.

Energy Management System (ISO 50001:2018)

The need to improve and maintain energy efficiency in industrial utilities is strongly felt to survive in present scenario of rising energy costs and volatile energy markets and to gain competitive advantage. On the other side, consumption of energy resources in industries leads to atmospheric pollution and damages the environment. JSHL, being a responsible corporate, has established practices around the use of energy that reduces business risk and improves productivity and operations, by means of establishing, implementing and maintaining ISO 50001:2018 certification (Energy Management System). This voluntary EnMS has helped JSHL to boost its energy productivity and cut costs. ISO 50001 has also helped JSHL by providing a framework in order to achieve our energy goals, and also improving the efficiency within your organization's operations.

AD 2000 Merkblatt W0

The W series of AD 2000-Merkblätter apply to metals for use in different product forms for the manufacture of pressure-bearing components of pressure vessels. The AD 2000-Merkblatt lays down general principles for the quality of the products, their manufacture and testing. The AD 2000-Merkblätter

MANAGEMENT DISCUSSION AND ANALYSIS

are prepared by the seven associations in Germany who together form the "Arbeitsgemeinschaft Druckbehälter"(AD). The structure and the application of the AD 2000 Code and the procedural guidelines are covered by AD 2000-Merkblatt. The AD 2000 Code can be applied to satisfy the basic safety requirements of the Pressure Equipment Directive, principally for the conformity assessment. The AD 2000 Code can be used as appropriate for other modules of the Pressure Equipment Directive or for different sectors of the law. In order to gain the competitive edge, JSHL has expanded its product portfolio and ventured into the Long Products segment with AD 2000 W0 certification for Long products

Pressure Equipment Directives

One of the applications of Stainless Steel is the use as pressure equipment, and whenever we talk of pressure, safety is the most important aspect, as any failure can have devastating impact. Taking this into consideration, the European Union has drafted a Directive known as pressure equipment directive that ensures that any material entering the EU countries fulfills the minimum basic safety requirements. The Pressure Equipment Directive 97/23/EC (PED) of the EU sets out the standards for the design and fabrication of pressure equipment (pressure equipment means steam boilers, pressure vessels, piping, safety valves and other components and assemblies subject to pressure loading) generally over one litre in volume and having a maximum pressure more than 0.5 bar gauge. It also sets the administrative procedures requirements for the "conformity assessment" of pressure equipment, for the free placing on the European market without local legislative barriers. It has been mandatory throughout the EU since 30 May 2002. This is enacted in the UK as the Pressure Equipment Regulations (PER). The set out standards and regulations regarding pressure vessels and boilers safety is also very close to the US standards defined by the American Society of Mechanical Engineers (ASME). This enables most international inspection agencies to provide both verification and certification services to assess compliance to the different pressure equipment directives. The newly developed Long Products at JSHL are also covered under the PED umbrella, apart from the flat products portfolio.

Construction Products Regulation

Close to the heels of Pressure Equipment Directive, is the Construction Products Regulation (CE Marking), which seeks to ensure the free movement of all construction products within the European Union by harmonizing national laws with respect to the essential requirements applicable to these products in terms of health and safety. An additional objective of the directive is to standardize the manufacturing of construction products and guarantee the unlimited use of these products within the EU. The objective of CPR is not to define the safety of construction products, but to ensure that reliable information is presented in relation to their performance. This is achieved by providing, mainly in standards, a common technical language, to be used not only by manufacturers, but also by public authorities when defining their requirements on construction works, directly or indirectly influencing the demands placed on the products to be used in them

Environment, Health & Safety

Ensuring safe working conditions is a core value for JSHL. The Company strongly believes that all injuries and occupational illnesses, as well as safety and environmental incidents, are preventable. JSHL is committed in ensuring zero harm to its employees, contractors and the communities in which it operates.

In an endeavour to achieve Vision "zero incident" in Health, Environment & Safety, to in-grain safe behaviour among employees; a concept of Behaviour based training has been implemented. A total of 99% of employees have been covered in BBS campaign. Average 11 hour/ person / year safety training was imparted on various topics of EHS. 437 EHS audits were carried out by Safety officers as per guidelines of BIS 14489 for identification of unsafe acts & conditions and legal compliance. The Company has digitized safety management system and to make implementation of safety system fast and more effective safety portal has been launched and consequently our identification of observations increased up to 12818 out of it 96.55% of Online portal observation were rectified within stipulated time period. In night shift, NDO are deployed to monitor the safety activity. In FY 18-19, 87 mock drills were carried out, EHS kaizen were implemented, 638 EHS training were imparted by safety officers.

Risk assessment has been conducted and compliance against observations are implemented for Process Safety Management, safety gap Evaluation, Hazard operability study of all critical areas, E -Hazop, Fire safety Audit, Lock out Tag Out, Hazard identification and risk assessment, Lightning protection survey, Electrical Audit and safety survey to identify, analyze and assess safety risk. Review of Behavior based safety- implementation was done by external agencies.

To reduce risks from occupational diseases, we conduct medical health check-up all employees in line with statutory requirements as per Punjab Factories Rule 70 N, those engaged in hazardous operation check-ups are carried out half yearly and in other area as per the associated health hazard periodically. We conduct eye test of all operators, drivers and periodic Spirometry and Audiometry tests on workers operating in dust prone areas and high decibel areas. We have Occupational Health Center complying requirement of Punjab Factories Rule 70-O(Factories Act Section 41-c and112). We conduct pre-employment as well as periodic medical tests to check the overall health and fitness of our existing and newly joined employees. We have developed a wellness calendar to raise awareness on healthy actions that can be taken to improve health and well-being of employees. Further strengthening our employee health management framework, we conduct regular camps and awareness sessions on a monthly basis to coach employees on various aspects related to physical and mental health.

Other Safety Initiatives Implemented in FY 2018-2019:

- Standardization of design of fencing/guard of machines has been done in accordance with Indian Standard
- Regular display of safety theme and safety awareness boards at conspicuous locations & in-line with monthly safety theme safety awareness & training programs were conducted in the month.
- Conducted necessary testing of structural portion on Electric Overhead travelling (EOT) cranes. The cranes which did not pass in relevant tests were removed from service. This resulted in replacement of 10 crane structures.
- Installation of fall arresting system over shed roof to work over roof safely.
- Implementation of safety shift briefing program at 35 Locations in all the shifts to discuss safety issues.
- Organized 15 EHS awareness campaigns like fire safety month, road safety month, LOTO awareness etc.
- Digitization of on line portal and work permit system through SAP made operational
- Review of disaster management plan in accordance with statutory requirement, subsequently on site mock drill was conducted in presence of government officials.

MANAGEMENT DISCUSSION AND ANALYSIS

- Installation of infrared guarding on slitting line, and guarding of machineries as per IS norm commenced.
- Necessary training given to plant workers to work at a certain height and in hazardous jobs. Additionally, employee health check-up, trade test and safety training have been made mandatory before deployment at job.
- Usage of reflective jackets has been made mandatory like other PPE.
- Strengthening of fire fighting system by installation of new fire pump house & capacity enhancement of water storage for fire, extension of hydrant lines in HRD & CRD and emergency management plan.
- Implementation of lock out-tag out
- Installation of anti-collision device at EOT Cranes
- Revamping of Carbon Dioxide Flooding system over all rolling mills and its cellar.
- Operation of MVWS through gas leakage detection sensors in Propane Storage area for auto start of MVWS.
- Updation of compliance manager tool to make system effective major compliances incorporated
- Fitness check of all internal vehicles and verification of driving license of all drivers through online RTO portal.
- Corporate recognition award 2018 for outstanding initiatives taken in "Implementation of Behavior- Based- Safety(BBS)", presented at NITIE-POWAI MUMBAI organized by FORUM OF BEHAVIOURAL SAFETY
- Our training programs and safety initiatives are based on root cause analysis of major incidents. We investigate all accidents and major near misses occurred and made analysis of major causes of accidents and implementing hierarchy of control majors.
- Provided standard C hook and material lifting tools and tackles in place of non-standard C hook/tackles.
- Apex EHS committee meetings were conducted quarterly, under the six sub-committee were conducted audits monthly headed by departmental Heads.
- Departmental SHE committee meetings were conducted monthly under chairmanship of HOD's.

Human Resource

The HR department is a catalyst of constant learning and development in the organization. Our human capital strategy is simple- we recognize our employees as a 'source' rather than a 'resource' of immense potential. We have focused on attracting, developing and nurturing the best talent available to make a strong employee workforce. Our constant endeavour at JSHL is to create a conducive and positive organization culture which enables the employees to maximize their performance and fulfil them as an individual.

As on March 31, 2019 the Company comprised total on-roll employee strength (including contractual staff) of 5,508. Our inherent belief and conviction is that people are our greatest asset. One of the key initiatives in this direction during FY 18-19 was to implement SAP Success Factors as our HRMS across the entire organization (including subsidiaries). The entire project was implemented successfully in a short span of 6 months, with meticulous change management to support the transition. It has helped us to not only streamline employee experience and deliver HR services effectively but also to provide a digital experience via a mobile interface.

Our internal social media platform Pulse now forms the lifeline of the organization; acting as an interactive medium for employee engagement. Online town-halls SAMPARK with the senior leadership ensures we get connected to all the locations simultaneously, and are continuously listening to our employees as well as informing them periodically about our direction and strategy. Our engagement with employees also continues via year-long events centered on wellbeing and team-bonding.

With workforce becoming increasingly diverse; we need to understand, accept and value differences, striving to build an inclusive and diverse work environment. As a step in this direction, Jindal Stainless has launched STRIDE- an inclusion & diversity initiative with a series of on-going programs and interventions. We revised our Prevention of Sexual Harassment policy (POSH) incorporating best practices beyond the mandated act; reiterating our commitment towards becoming a 'zero tolerance organization' against sexual harassment of women at workplace.

We are continually refreshing our talent by hiring fresh engineering & diploma graduates every year from leading engineering & diploma colleges across India, selecting the best of the best after rigorous online assessments and interviews. The graduate engineering trainees (GET) go through our flagship year long program - ARISE which will "Shape Stainless Engineers" of the future, preparing them for the transition from academic to the corporate world. Industry-Academia partnership through our MOUs with IIT Bhubaneswar, polytechnics, ITIs is also helping us contribute to build an industry-ready workforce.

A flagship leadership development program, Masterful Management has been launched for middle managers. It is a 12 month development journey focusing on leadership capabilities for the changing business landscape.

Way Forward

Several internal and external factors augur well for the Company's future. Today, JSHL is well positioned to capitalize on the enormous growth potential the Stainless Steel industry offers. It has in place sufficient capacity and headroom for growth and has a wide domestic and International presence. JSHL's focus is to carry forward its growth momentum into the next 12-18 months. On a longer-term basis, the Company remains confident that its strategic initiatives will provide levers for high quality growth and fortify its profitability. However, Indian stainless steel primary producers are facing the challenges of higher imports from FTA countries.

FORWARD-LOOKING STATEMENT

This Annual Report includes forward-looking statements regarding guidance, industry prospects, or future results of operations or financial position. We use words such as anticipates, believes, expects, future, intends, and similar expressions to identify forward looking statements. Forward looking statements reflect management's current expectations and are inherently uncertain. Actual results could differ materially for a variety of reasons, including, among others, fluctuations in foreign exchange rates, changes in global economic conditions and customer spending, world events and the rate of growth among others. The Company assumes no responsibility to amend, modify or revise any such statements. The Company disclaims any obligation to update these forward-looking statements except as may be required by law.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JINDAL STAINLESS (HISAR) LIMITED

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of JINDAL STAINLESS (HISAR) LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information in which are included the RETURN for the year ended on the date audited by the branch auditors of the company's branch located at Kothavalasa in Vizianagaram district, Andhra Pradesh. (herein after referred to as "standalone financial statements").

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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, its profit (including Other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis of 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 Standalone 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 standalone 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.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements for the year ended 31st March 2019. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report:-

Description of Key Audit Matter	Description of Auditor's Report
<p>Contingent liabilities</p> <p>The Company faces a number of actual legal and regulatory proceedings. The determination of the provision and/or the level of disclosure required involves a high degree of judgement resulting in provisions and contingent liabilities being considered as a key audit matter.</p>	<p>We evaluated the design and tested operating effectiveness of controls in respect of determination of the contingencies. We determined that the operation of the controls provided to us with evidence over the completeness, accuracy and valuation of the guarantees by an independent valuer;</p> <p>We read the summary of litigation matters provided by management and held discussions with Company's legal advisors/ counsel and read determinations and judgment's made by the Court/ legal authority(s). We requested legal letters from some of the external legal advisors with respect to the matters included in the summary. Where appropriate we examined correspondence connected with the cases;</p> <p>For litigation provisions/ contingencies, we tested the calculation, assessed the estimates against historical trends.</p> <p>We considered management's judgements on the level of provisioning/ contingencies to be appropriate. We also evaluated appropriateness of the disclosures in Note no. 31 which we considered appropriate.</p>
<p>Inventory</p> <p>Determination of net realizable value of inventory at the year ended March 31, 2019</p> <p>As on March 31, 2019, the Company has inventory with the carrying value ₹ 1,310.65 Crores. The inventory is valued at the lower of cost and net realizable value.</p> <p>We considered the value of the inventory of as a key audit matter given the relative size of the balance in the financial statements and significant judgement involved in the consideration of factors in determination of selling prices such as fluctuation of raw materials prices in the international market and in determination of net realizable value.</p>	<p>We understood and tested the design and operating effectiveness of controls as established by the management in determination of net realizable value of inventory.</p> <p>Assessing the appropriateness of Company's accounting policy for valuation of stock-in-trade and compliance of the policy with the requirements of the prevailing accounting standards.</p> <p>We considered various factors including the actual selling price prevailing around and subsequent to the year-end.</p> <p>Compared the cost of the finished goods with the estimated net realizable value and checked if the finished goods were recorded at net realizable value where the cost was higher than the net realizable value.</p> <p>For the purpose of determination of cost, the Company has considered the prevailing market situation.</p> <p>Further, for the purpose of determination of physical quantity of the inventory as at the year end, the Company has appointed external agency to conduct physical verification of the same. We have relied upon their report.</p> <p>Based on the above procedures performed, the management's determination of the net realizable value of the inventory as at the year end and comparison with cost for valuation of inventory is considered to be reasonable.</p>

INDEPENDENT AUDITOR'S REPORT

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report.

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

In connection with our audit of the standalone 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.

When we read Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position/state of affairs, financial performance (profit and loss including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 standalone 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.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone 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 Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Company 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements 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.

INDEPENDENT AUDITOR'S REPORT

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

Other Matter

We did not audit the financial statements/ information of one branch included in the standalone financial statements of the company whose financial statements/financial information reflect total assets of ₹ 51.71 Crore as at 31st March 2019 and the total revenue of ₹ 221.07 Crore for the year ended on that date, as considered in the standalone financial statements/information of the branch has been audited by the branch auditor whose report have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditor.

Our opinion is not modified in respect of these matters.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of audit, we give in the Annexure 'A' a statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branch not visited by us.
 - (c) The reports on the accounts of the branch office of the company audited under the section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
 - (d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Change in Equity dealt with by this Report are in agreement with the books of account and with the returns received from the branch not visited by us.
 - (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (f) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (g) As required by section 143(3)(i) of the Companies Act, 2013, and based on the checking of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, our separate report with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls is as per Annexure 'B'.
 - (h) With respect to the other matter to be included in the Auditors' report under Section 197(16), as amended:

In our opinion and according to the information and explanation given to us, the managerial remuneration paid/provided during the current year by the Company is in accordance with the provisions of Section 197 of the Act.
 - (i) 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 standalone financial statements – refer Note no. 31 & 38 to the standalone 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 derivatives contracts.
 - iii. There was no amount which was required to be transferred to the Investor Education and Protection Fund by the Company.

For LODHA & CO.
Chartered Accountants
ICAI-FRN: 301051E

For S.S. KOTHARI MEHTA & CO.
Chartered Accountants
ICAI-FRN: 000756N

N.K. LODHA
Partner
Membership No. 85155

SUNIL WAHAL
Partner
Membership No. 87294

Place: New Delhi
Dated: 24th May 2019

INDEPENDENT AUDITOR'S REPORT

ANNEXURE "A" REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF JINDAL STAINLESS (HISAR) LIMITED FOR THE YEAR ENDED 31st MARCH 2019.

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets by which fixed assets have been verified by the management according to the program of periodical physical verification in a phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company read with footnote (#) of Note No. 2 of the standalone financial statements.
- ii. The inventories of the Company (except stock lying with the third parties and in transit) have been physically verified by the management at reasonable intervals. In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable in relation to the size of the Company and nature of its business. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
- iii. The Company has granted loans, unsecured to one company covered in the register maintained under section 189 of the Companies Act, 2013:-
 - a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that terms and conditions of aforesaid loans so granted are not prejudicial to the interest of the Company.
 - b) In respect of aforesaid loan, repayment of principal & payment of interest has been stipulated and repayment and receipts have not become due for payment as on 31st March 2019 (read with footnote @ to note no. 47).
 - c) There is no overdue amount remaining outstanding as at the year-end.
- iv. According to the information, explanations and representations provided by the management and based upon audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and security, the Company has complied with the provisions of the Section 185 and 186 of the Companies Act, 2013, (Read with note no. 47).
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder.
- vi. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act in respect of the Company's products and services to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii. (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, duty of customs, cess and other material statutory dues with the appropriate authorities to the extent applicable and there are no undisputed statutory dues payable as at March 31, 2019 for a period of more than six months from the date they become payable.
- (b) According to the records and information & explanations given to us, there are no dues in respect of Income tax, service tax, goods and service tax and value added tax that have not been deposited with the appropriate authorities to the extent applicable on account of any dispute and the dues in respect of duty of customs, duty of excise, sales tax and labour welfare cess that have not been deposited with the appropriate authorities on account of any dispute and the forum where the dispute is pending are given below:

Name of The Statute	Nature of Dues	Amount (₹ in Crore)	Period (Financial Year)	Forum where dispute is pending
Central Excise Act	Excise Duty	0.02	Apr 95 - Jun 95	High Court, New Delhi
		6.58	Jan 99 - Dec 04	High Court of Punjab & Haryana
		1.80	Aug 08 - Jun 09	CESTAT, Chandigarh
		0.74	Aug 09 - Feb 10	CESTAT, Chandigarh
		14.80	Jul 05 - Dec 07	Commissioner, Rohtak
		0.08	1994-95	Addl. Commissioner of Central Excise, Rohtak
		0.05	May 07 - Oct 07	High Court of Punjab & Haryana.
		0.05	Jul 09	High Court of Punjab & Haryana.
		0.84	May 10 - Jun 10	CESTAT, Chandigarh

INDEPENDENT AUDITOR'S REPORT

Name of The Statute	Nature of Dues	Amount (₹ in Crore)	Period (Financial Year)	Forum where dispute is pending
Central Excise Act	Excise Duty	0.21	Sept 10 - Dec 10	CESTAT, Chandigarh
		8.83	May 04- Nov 04	High Court Hyderabad
		74.16	July 09- Dec 13	Commissioner Vishakhapatnam
The Central Sales Tax, 1956	Sales Tax	0.03	1993-94	High Court of Punjab & Haryana
Finance Act 1994	Service Tax	0.94	April 16 - June 17	High Court Orissa
Labour Welfare Fund	Labour Welfare Cess	0.05	2006-2011	High Court AP

- viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks, government, as applicable. There are no dues to debenture holders.
- ix. On the basis of information and explanations given to us, term loan were applied for the purpose for which the loans were obtained. No moneys have been raised during the year by way of initial public offer or further public offer.
- x. Based on the audit procedure performed and on the basis of information and explanations provided by the management, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the course of the audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations and records made available by the management of the Company and audit procedure performed, for transactions with the related parties during the year, the Company has complied with the provisions of Section 177 and 188 of the Act, where applicable. As explained and as per records, details of related party transactions have been disclosed in the standalone financial statements as per the applicable Indian Accounting Standards (Read with note no. 47).
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. On the basis of records made available to us and according to information and explanations given to us, the Company has not entered into non-cash transactions with the directors or persons connected with him.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **LODHA & CO.**
Chartered Accountants
ICAI-FRN: 301051E

For **S.S. KOTHARI MEHTA & CO.**
Chartered Accountants
ICAI-FRN: 000756N

N.K. LODHA
Partner
Membership No. 85155

SUNIL WAHAL
Partner
Membership No. 87294

Place: New Delhi
Dated: 24th May 2019

INDEPENDENT AUDITOR'S REPORT

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF JINDAL STAINLESS (HISAR) LIMITED

Report on the internal financial controls over financial reporting 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 STAINLESS (HISAR) 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 in which are incorporated the RETURN for the year ended on the date audited by the branch auditor of the company's branch at Kothavalasa in Vizianagaram district, Andhra Pradesh.

Management's responsibility for internal financial controls

The Company's Board of Directors 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 Companies Act, 2013.

Auditor's 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 the Institute of Chartered Accountants of India (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 Institute of Chartered Accountants of India. 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 Standalone IND-AS 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.

INDEPENDENT AUDITOR'S REPORT

Opinion

In our opinion and based on the report of the branch auditor furnished to us, 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, 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 **LODHA & CO.**
Chartered Accountants
ICAI-FRN: 301051E

For **S.S. KOTHARI MEHTA & CO.**
Chartered Accountants
ICAI-FRN: 000756N

N.K. LODHA
Partner
Membership No. 85155

SUNIL WAHAL
Partner
Membership No. 87294

Place: New Delhi
Dated: 24th May 2019

Balance sheet as at 31 March 2019

(₹ in Crore)

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2	1,970.87	2,088.35
Capital work-in-progress		88.08	63.08
Goodwill	3	10.34	10.34
Other intangible assets	3	7.80	3.29
Intangible assets under development		2.25	-
Financial assets			
Investments	4	416.77	416.77
Loans	5	934.86	934.86
Others financial assets	6	28.60	25.95
Other non-current assets	7	11.03	18.31
Total non-current assets		3,470.60	3,560.95
Current assets			
Inventories	8	1,310.65	1,469.72
Financial assets			
Trade receivables	9	771.47	863.49
Cash and cash equivalents	10	17.92	6.29
Bank balances other than above	11	1.01	0.95
Others financial assets	6	114.00	35.99
Other current assets	7	85.40	246.19
Total current assets		2,300.45	2,622.63
Total assets		5,771.05	6,183.58
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	47.19	47.19
Other equity	13	1,469.52	1,208.82
Total equity		1,516.71	1,256.01

Balance sheet as at 31 March 2019

(₹ in Crore)

	Note	As at 31 March 2019	As at 31 March 2018
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	14	1,929.16	2,206.32
Provisions	15	15.79	14.91
Deferred tax liabilities (net)	16	79.04	81.54
Total non-current liabilities		2,023.99	2,302.77
Current liabilities			
Financial liabilities			
Borrowings	17	71.88	442.39
Trade payables			
Total outstanding dues of micro and small enterprises	18	77.73	4.04
Total outstanding dues of creditors other than micro and small enterprises	18	1,396.54	1,481.55
Other financial liabilities	19	424.06	410.44
Other current liabilities	20	225.88	239.73
Provisions	15	2.44	2.20
Current tax liabilities (net)	21	31.82	44.45
Total current liabilities		2,230.35	2,624.80
Total equity and liabilities		5,771.05	6,183.58
Significant accounting policies	1		

The accompanying significant accounting policies and notes form an integral part of these financial statements.

In terms of our report of even date annexed hereto.

For and on behalf of the Board of Directors :

For LODHA & CO.
Chartered Accountants

For S.S. KOTHARI MEHTA & CO.
Chartered Accountants

ABHYUDAY JINDAL
Managing Director

JAGMOHAN SOOD
Whole Time Director

(N.K. LODHA)
Partner
Membership No. 85155
FRN 301051E

(SUNIL WAHAL)
Partner
Membership No. 87294
FRN 000756N

RAMNIK GUPTA
Chief Financial Officer

BHARTENDU HARIT
Company Secretary

PLACE : New Delhi

DATED : 24 May 2019

Statement of profit & loss for the year ended on 31 March 2019

(₹ in Crore)

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
INCOME			
Revenue from operations	22	8,956.40	9,450.23
Other income	23	95.67	112.20
Total Income		9,052.07	9,562.43
EXPENSES			
Cost of materials consumed	24	5,783.64	5,544.47
Excise duty on sales		-	191.56
Purchases of stock in trade	25	125.58	537.31
Changes in inventories of finished goods, work in progress and stock in trade	26	(48.31)	58.38
Employee benefits expenses	27	164.91	169.93
Finance costs	28	347.56	395.45
Depreciation and amortization expenses	29	275.78	266.60
Other expenses	30	2,030.97	1,809.09
Total Expenses		8,680.13	8,972.79
Profit before exceptional items and tax		371.94	589.64
Exceptional items - gain/(loss)	33	31.81	18.44
Profit before tax		403.75	608.08
Tax expense			
Current tax		147.90	167.21
Deferred tax		(5.53)	45.48
Taxes in relation to earlier years		(0.27)	(0.31)
Net profit for the year		261.65	395.70
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(1.46)	(2.67)
Income tax effect on above		0.51	0.92
Total comprehensive income for the year		260.70	393.95
Earnings per share (in ₹)			
Basic	50	11.09	16.77
Diluted		11.09	16.77
Significant accounting policies	1		

The accompanying significant accounting policies and notes form an integral part of these financial statements.

In terms of our report of even date annexed hereto.

For LODHA & CO.
Chartered Accountants

For S.S. KOTHARI MEHTA & CO.
Chartered Accountants

For and on behalf of the Board of Directors :

ABHYUDAY JINDAL
Managing Director

JAGMOHAN SOOD
Whole Time Director

(N.K. LODHA)
Partner
Membership No. 85155
FRN 301051E

(SUNIL WAHAL)
Partner
Membership No. 87294
FRN 000756N

RAMNIK GUPTA
Chief Financial Officer

BHARTENDU HARIT
Company Secretary

PLACE : New Delhi

DATED : 24 May 2019

Statement of changes in equity for the year ended on 31 March 2019

EQUITY SHARE CAPITAL

(₹ in Crore)

As at 01 April 2017	Changes in equity share capital during 2017-18	As at 01 April 2018	Changes in equity share capital during 2018-19	As at 31 March 2019
47.19	-	47.19	-	47.19

OTHER EQUITY

(₹ in Crore)

	Surplus			Items of other comprehensive income	Total
	Capital reserve	Securities premium	Retained earnings	Re-measurement of the net defined benefit plans (net of tax)	
Balance as at 01 April 2017	0.05	562.94	255.03	(3.15)	814.87
Profit for the year 2017-18	-	-	395.70	-	395.70
Re-measurements of the net defined benefit Plans	-	-	-	(1.75)	(1.75)
Balance as at 31 March 2018	0.05	562.94	650.73	(4.90)	1,208.82
Profit for the year 2018-19	-	-	261.65	-	261.65
Re-measurements of the net defined benefit Plans	-	-	-	(0.95)	(0.95)
Balance as at 31 March 2019	0.05	562.94	912.38	(5.85)	1,469.52

The accompanying significant accounting policies and notes form an integral part of these financial statements.

In terms of our report of even date annexed hereto.

For and on behalf of the Board of Directors :

For LODHA & CO.
Chartered Accountants

For S.S. KOTHARI MEHTA & CO.
Chartered Accountants

ABHYUDAY JINDAL
Managing Director

JAGMOHAN SOOD
Whole Time Director

(N.K. LODHA)
Partner
Membership No. 85155
FRN 301051E

(SUNIL WAHAL)
Partner
Membership No. 87294
FRN 000756N

RAMNIK GUPTA
Chief Financial Officer

BHARTENDU HARIT
Company Secretary

PLACE : New Delhi

DATED : 24 May 2019

Cash flow statement for the year ended 31 March 2019

(₹ in Crore)

	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Cash flow from operating activities		
Profit before tax	403.75	608.08
Adjustment for:		
Depreciation and amortisation expenses	275.78	266.60
Allowance for expected credit losses/bad debts (net)	11.25	4.37
Effect of unrealised foreign exchange gain	(1.27)	(4.17)
Mark to market of derivatives contract (gain)/loss	(3.72)	2.16
Finance costs	347.56	395.45
Interest income	(93.06)	(109.86)
Re-measurements of the net defined benefit Plans	(1.46)	(2.67)
Loss on sale/discard of property, plant & equipment (net)	0.45	0.31
Operating profit before working capital changes	939.28	1,160.27
Movement in working capital :		
(Increase) / decrease in inventories	159.07	70.15
(Increase) / decrease in trade receivables	78.42	225.29
(Increase) / decrease in loans & advances and other assets	161.06	125.45
Increase / (decrease) in liabilities and provisions	(45.55)	16.79
Cash inflow from operating activities	1,292.28	1,597.95
Income tax paid (net)	(156.72)	(154.03)
Net cash inflow from operating activities	1,135.56	1,443.92
B. Cash flow from investing activities		
Loan given to related party	-	(289.67)
Capital expenditure	(173.57)	(182.50)
Sales proceeds of property, plant & equipment	6.72	8.78
Interest received	12.08	5.97
Bank deposits encashed/(made)	(0.01)	0.04
Net cash outflow from investing activities	(154.78)	(457.38)
C. Cash flow from financing activities		
Interest and finance charges paid	(350.18)	(395.71)
Repayment of long term borrowings	(246.68)	(190.73)
Repayment of short term borrowings (net)	(372.29)	(400.80)
Net cash outflow from financing activities	(969.15)	(987.24)
Net changes in cash & cash equivalents	11.63	(0.70)
Cash & cash equivalents (closing balance) (refer note no 10)	17.92	6.29
Cash & cash equivalents (opening balance) (refer note no 10)	6.29	6.99
Net changes in cash & cash equivalents	11.63	(0.70)

Cash flow statement for the year ended 31 March 2019

Reconciliation of liabilities arising from financing activities

(₹ in Crore)

	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Long term borrowing	Short term borrowing*	Long term borrowing	Short term borrowing*
Opening balance	2,356.45	442.39	2,547.64	842.09
Cash flows				
Repayment	(246.68)	(372.29)	(190.73)	(400.80)
Proceeds	-	-	-	-
Non cash				
Foreign exchange movement	-	1.78	-	1.10
Fair value changes	(0.45)	-	(0.46)	-
Closing balance	2,109.32	71.88	2,356.45	442.39

* Short term borrowings are presented on net basis

The accompanying significant accounting policies and notes form an integral part of these financial statements.

In terms of our report of even date annexed hereto.

For and on behalf of the Board of Directors :

For **LODHA & CO.**
Chartered Accountants

For **S.S. KOTHARI MEHTA & CO.**
Chartered Accountants

ABHYUDAY JINDAL
Managing Director

JAGMOHAN SOOD
Whole Time Director

(N.K. LODHA)
Partner
Membership No. 85155
FRN 301051E

(SUNIL WAHAL)
Partner
Membership No. 87294
FRN 000756N

RAMNIK GUPTA
Chief Financial Officer

BHARTENDU HARIT
Company Secretary

PLACE : New Delhi

DATED : 24 May 2019

Notes to the financial statements for the year ended 31 March 2019

Corporate and General Information

Jindal Stainless (Hisar) Limited ("the Company") is domiciled and incorporated in India and its equity shares and GDR are listed at Bombay Stock Exchange/National Stock Exchange/ Luxembourg Stock Exchange respectively. The registered office of the Company is located at O. P. Jindal Marg, District Hisar, 125005, Haryana, India.

The company is a leading manufacturer /producer of stainless steel flat products in austenitic, ferritic, martensitic and duplex grades. The product range includes ferro alloys, stainless steel slabs and blooms, hot rolled coils, plates and sheets, cold rolled coils and sheets, specially products such as razor blade steel, precision strips, coin blanks and long products.

The financial statements of the Company for the year 31 March 2019 were approved and authorized for issue by board of directors in their meeting held on 24 May 2019.

Statement of compliances

The financial statements are a general purpose financial statement which have been prepared in accordance with the Indian Companies Act, Indian Accounting Standards and complies with other requirements of the law. Indian Accounting Standards (IND AS) include equivalent to International Financial Reporting Standards (IFRS). Compliance with the IND AS ensures that the financial statements and notes of the entity comply with International Financial Reporting Standards (IFRS).

Basis of preparation

These financial statements have been prepared complying in all material respects with the Indian Accounting Standards notified under section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rule 2015. 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 of financial statement of all period presented.

The financial statements has been prepared considering all IND AS as notified and made applicable by MCA for reporting date i.e. 31 March 2019.

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

Standards issued but not yet effective

On 30 March 2019, Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019. These amendments will come into force for financial periods beginning on or after 01 April 2019.

IND AS 116, Leases

The amendment will require lessees to adopt a uniform approach to the presentation of leases, which replaces existing "IND AS 17 - Leases" and related interpretations. The new standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased term) and a financial liability to pay rentals for virtually all leases contracts by the lessees. An optional exemption exists for short-term and low-value assets.

The Company is evaluating the detailed potential impact of this on the financial statements and related disclosure and effect will be given in due course.

IND AS 12, Income taxes

Appendix C to IND AS 12, which clarify the application and measurement requirements in IND AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognised and measured by applying the requirements in IND AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix.

The Company is evaluating the detailed potential impact of this on the financial statements and related disclosure and effect will be given in due course.

IND AS 19, Employee benefits

The amendment will require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The Company is evaluating the detailed potential impact of this on the financial statements and related disclosure and effect will be given in due course.

IND AS 23, Borrowing Costs:

The amendment clarify that an entity treats as part of general borrowings originally made to develop a qualifying asset when substantially all of the necessary to prepare that assets for its intended use or sale are complete.

The Company is evaluating the detailed potential impact of this on the financial statements and related disclosure and effect will be given in due course.

Notes to the financial statements for the year ended 31 March 2019

NOTE NO 1 : SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies

1.1 Basis of Measurement

The standalone financial statements have been prepared on accrual basis and under a historical cost basis except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Financial assets and liabilities except certain investments, loans and borrowings carried at amortized cost,
- Defined benefit plans – plan assets

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

1.2 Property, plant and equipment

i. Property, plant and equipment are stated cost less accumulated depreciation and impairment losses. Cost comprises of all cost, net of income (if any) incurred to bring the assets to their present location and working condition and other related overheads till such assets are ready for intended use.

ii. Depreciation

Depreciation on property, plant & equipment is provided on straight line method over their useful lives and in the manner specified in Schedule II of the Companies Act, 2013. However, in respect of certain plant & machinery and electric installations, depreciation is provided as per their useful lives assessed on the basis of technical evaluation by the external valuer.

Asset class	Useful life
Property, plant and equipment	
Plant and equipment	1-25 years
Buildings	3-60 years
Furniture and fixtures	1-10 years
Vehicles	1-19 years
Office equipment	1-16 years

- Assets not owned by the Company are amortised over a period of ten years.
- Lease hold assets are amortised over the period of lease.
- The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

iii. Component accounting

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes there placed part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

- iv. Classification of plant & machinery into continuous and non-continuous is made on the basis of technical assessment and depreciation is provided for accordingly.
- v. Expenditure during construction/erection period is included under capital work-in-progress and is allocated to the respective fixed assets on completion of construction/erection.
- vi. Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of Property, plant and equipment and gains or losses arising from derecognition are recognized in statement of profit and loss in the year of occurrence.

Notes to the financial statements for the year ended 31 March 2019

1.3 Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any and cost includes any directly attributable expenditure on making the asset ready for its intended use. Intangible assets with finite useful lives are capitalized at cost and amortized on a straight-line basis normally over a period of 5 to 10 years, depending on their estimated useful lives.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives (like goodwill, brands), if any are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether indefinite life continues to be supportable. The change in useful life from indefinite to finite life if any, is made on prospective basis.

1.4 Research and development cost

Research cost

Revenue expenditure on research is expensed under the respective heads of accounts in the period in which it is incurred.

Development cost

Development expenditure on new product is capitalized as intangible asset, if technical and commercial feasibility as per IND AS 38 demonstrated.

1.5 Inventories

Inventories are stated at lower of cost and fair value (except scrap/ waste which are valued at net realizable value). Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and selling costs. The cost is computed on weighted average basis. Finished goods and process stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Conversion cost includes direct material, labour and allocable material and manufacturing overhead based on normal operating capacity.

1.6 Cash and cash equivalents

Cash and cash equivalents are financial assets. Cash and cash equivalents consist of cash and short-term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the time of purchase/investment and are carried at cost plus accrued interest, if any.

1.7 Financial instruments

A financial instrument is any contract that at the same time gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized as soon as the company becomes a contracting party to the financial instrument. In cases where trade date and settlement date do not coincide, for non-derivative financial instruments the settlement date is used for initial recognition or derecognition, while for derivatives the trade date is used. Financial instruments stated as financial assets or financial liabilities are generally not offset; they are only offset when a legal right to set-off exists at that time and settlement on a net basis is intended.

a) Financial assets

Financial assets include trade receivable, cash and cash equivalents, derivative financial assets and also the equity / debt instruments held. Initially all financial assets are recognized at amortized cost or fair value through other comprehensive income or fair value through Statement of Profit or Loss, depending on its business model for those financial assets and their contractual cash flow characteristics.

Subsequently, based on initial recognition/ classification, where assets are measured at fair value, gain and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income)

i) Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost less expected credit loss/impairment allowances. Receivables that do not bear interest or bear below market interest rates and have an expected term of more than one year are discounted with the discount subsequently amortized to interest income over the term of the receivable.

Impairment is made on the expected credit losses, which are the present value of the cash deficits over the expected life of receivables. The estimated impairment losses are recognized in the statement of profit and loss. Subsequent changes in assessment of impairment are recognized in the statement of profit and loss as changes in estimates.

The company makes provision for expected credit loss against trade receivables based on the simplified approach (i.e. the loss allowance is measured as the amount equal to lifetime expected credit losses).

Notes to the financial statements for the year ended 31 March 2019

ii) Loans & other financial assets

Loans and other financial assets are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and other financial assets are measured at amortized cost using the effective interest method, less any impairment losses.

iii) Investment in equity shares

Investment in equity securities are initially measured at fair value. Any subsequent fair value gain or loss for investments held for trading is recognized through statement of profit & loss. The fair value gains or losses of all other equity securities are recognized in other comprehensive income.

iv) Investment in associates, joint venture and subsidiaries

The Company's investment in subsidiaries, associates and joint ventures are carried at cost except where impairment loss recognized.

b) Financial liabilities

Financial liabilities such as loans and borrowings and other payables are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual terms of the instrument. Financial liabilities other than fair valued through profit and loss are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. Transaction costs of financial liability carried at fair value through profit or loss is expensed in profit or loss.

The Company derecognizes a financial liability when its contractual obligations are settled or cancelled or expired.

Financial liabilities at fair value through profit or loss

It includes financial liabilities held for trading and are designated as such at initial recognition. Financial liabilities are held for trading if they are incurred for the purpose of repurchasing in near term and also include Derivatives that are not part of an effective hedge accounting in accordance with IND AS 109, classified as "held for trading" and carried at fair value through profit or loss. Financial liabilities at fair value through profit or loss are measured at each reporting date at fair value with all the changes recognized in the statement of profit and loss.

Financial liabilities measured at amortized cost

Post recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method ("EIR"). Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss.

Loans and borrowings

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

Financial guarantee contracts

As per IND AS -109 " Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the original or modified terms of a debt instrument. "

Initial recognition

The date the company becomes a party to the irrevocable commitment is considered to be the date of initial recognition and financial guarantee contracts are recognized as liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.

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. Trade accounts payable and other non-derivative financial liabilities are in general measured at amortized cost using the effective interest method. Finance charges, including premiums payable on redemption or settlement, are periodically accrued using the effective interest method and increase the 'liabilities' carrying amounts unless they have already been settled in the period in which they were incurred.

Derivative financial instruments

The Company uses derivative financial instruments principally to manage its exposure to fluctuations in interest rates, foreign exchange rates and prices of raw materials arising from operating, financing and investing activities. Derivative financial instruments are classified as current or non-current assets /liabilities based on their maturity dates. Embedded derivatives are separated from the host contract and accounted for separately if they are not closely related to the host contract. Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit or loss.

Notes to the financial statements for the year ended 31 March 2019

1.8 Business combinations under common control

Common control business combinations include transactions, such as transfer of subsidiaries or business, between entities within a group.

Business combinations involving entities or business under common control are for using the pooling of interest method.

Under pooling of interest method, the assets and liabilities of the combining entries are reflected at their carrying amounts, the only adjustments that are made are to harmonise accounting policies.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves.

1.9 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes in to account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.10 Impairment of non-financial assets

At each reporting date, the company assesses whether there is any indication that a non-financial asset may be impaired. If any such indication exists, the recoverable amount of the non-financial asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is determined:

- In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use: and
- In the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of cash generating unit's fair value less cost to sell and the value in use.

Where it is not possible to estimate the recoverable amount of an individual non-financial asset, the company estimates the recoverable amount of the smallest cash generating unit to which the non-financial asset belongs. The recoverable amount is the higher of an asset's or cash generating unit's fair value less costs of disposal and its value in use. If the recoverable amount of a non-financial asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the non-financial asset or cash generating unit is reduced to its recoverable amount. Impairment losses are recognized immediately in the statement of profit and loss.

Where an impairment loss subsequently reverses, the carrying amount of the non-financial asset or cash generating unit is increased to the revised estimate of its recoverable amount.

However, this increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for that non-financial asset or cash generating unit in prior periods. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.

Notes to the financial statements for the year ended 31 March 2019

1.11 Foreign currency transactions

i. Functional and presentation currency

The functional and reporting currency of company is INR or ₹.

ii. Transaction and balances

Currency transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are retranslated at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are included in the net profit or loss for the period.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item that gave rise to the translation difference.

1.12 Revenue Recognition

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

Revenue is measured based on the consideration specified in a contract with a customer. A performance obligation is a promise in a contract to transfer a distinct good or service (or a bundle of goods and services) to the customer. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue, as, or when, the performance obligation is satisfied. The Company recognizes revenue when it transfers control of a product or service to a customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payments and excludes taxes and duties collected on behalf of the government.

The Company recognizes revenue from the following major sources :

Sale of products:

- Revenue from the sale of goods and services is recognized when the significant risks and rewards of ownership or effective control of promised goods and services have been transferred to the buyer on satisfaction of performance obligations and no significant uncertainty exists regarding the amount of consideration that will be derived.
- Revenue is measured based on transactions price (excluding any taxes or duties collected on behalf of government which are levied on sales) arrived at by determining fair value of consideration received or receivable after adjusting returns, sales incentive, discounts / rebates etc in exchange of goods and services. Export incentives and other benefits are recognised in the year of export.
- Revenue from other activities: is recognized based on the nature of activity, when consideration can be reasonably measured. Certain claims like those relating to railways, insurance, electricity, customs, and excise are accounted for on acceptance/when there is a reasonable certainties.
- Revenue is recognized net of sales reductions such as discounts and sales incentives granted.

Sale of services:

- Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered.

Dividend income:

- Dividend income is accounted for when the right to receive the same is established,

Interest income:

- For all financial instruments measured at amortized cost, interest income is recorded using effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in statement of profit and loss.

1.13 Government grant

- Government grants related to capital nature shall be recognized in the statement of profit and loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate.
- A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognized in statement of profit or loss of the period in which it becomes receivable.

Notes to the financial statements for the year ended 31 March 2019

1.14 Employees benefits

a) Short term employee benefit

All employees' benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

b) Defined contribution plan

Contributions to the employees' provident fund, national pension scheme and employee's state insurance are recognized as defined contribution plan and charged as expenses in the year in which the employees render the services.

c) Defined benefit plan

The Provident Fund (Funded), Leave Encashment and Gratuity are defined benefit plans. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not classified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the statement of profit and loss in the period of plan amendment.

Net Interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss.

- Service costs comprising current service costs, gains and losses on curtailments and non-routine settlements
- Net interest income or expense

d) Long term employee benefit

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

e) Termination benefits

Termination benefits are recognized as an expense in the period in which they are incurred.

The Company shall recognize a liability and expense for termination benefits at the earlier of the following dates:

- (I) When the entity can no longer withdraw the offer of those benefits; and
- (II) When the entity recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

1.15 Borrowing costs

- (a) Borrowing costs that are specifically attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost of such asset till such asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.
- (b) For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.
- (c) All other borrowing costs are recognized as expense in the period in which they are incurred.

1.16 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

a) Finance lease

Finance Lease that transfer substantially all of the risks and benefits incidental to ownership, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's policy on borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Notes to the financial statements for the year ended 31 March 2019

b) Operating lease

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned. Payments/receipts under operating lease are recorded in the statement of profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

Leasehold lands are amortized over the period of lease.

1.17 Taxes on income

a) Current tax

- i) Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income-Tax Act 1961 and based on the expected outcome of assessments / appeals.
- ii) Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

- i) Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit as well as for unused tax losses or credits. In principle, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax assets and liabilities are also recognized on temporary differences arising from business combinations except to the extent they arise from goodwill that is not taken into account for tax purposes.
- ii) Deferred taxes are calculated at the enacted or substantially enacted tax rates that are expected to apply when the asset or liability is settled. Deferred tax is charged or credited to the statement of profit and loss, except when it relates to items credited or charged directly to other comprehensive income in equity, in which case the corresponding deferred tax is also recognized directly in equity.

1.18 Provisions, contingent liabilities, contingent assets and commitments

a) General

The Company recognizes provisions for liabilities and probable losses that have been incurred when it has a present legal or constructive obligation as a result of past events and it is probable that the Company will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation:
- A present obligation arising from past events, when no reliable estimate is possible:
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at the end of each reporting period.

b) Other litigation claims

Provision for litigation related obligation represents liabilities that are expected to materialize in respect of matters in appeal.

c) Onerous contracts

Provisions for onerous contracts are recorded in the statements of operations when it becomes known that the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received.

1.19 Exceptional items

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company is such that its disclosure improves the understanding of the performance of the company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

1.20 Earnings per share

Basic Earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed using the adjusted net profit for the year attributable to the equity shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

Notes to the financial statements for the year ended 31 March 2019

1.21 Segment accounting

The company's business falls within a primary business segment viz. "stainless steel".

1.22 Financial statement classification

Certain line items on the balance sheet and in the statement of profit and loss have been combined. These items are disclosed separately in the notes to the financial statements.

In general the company classifies assets and liabilities as current when they are expected to be realized or settled within twelve months after the balance sheet date.

1.23 Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and are measured at the lower of their carrying amount and fair value less costs to sell. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a complete sale within one year from the date of classification.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

Assets and liabilities classified as held for distribution are presented separately from other assets and liabilities in the balance sheet.

A disposal group qualifies as discontinued operation if it is a component of the Company that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinate plan to dispose of a separate major line of business or geographical area of operations

Or

- Is a subsidiary acquired exclusively with a view to resale.

An entity shall not depreciate (or amortize) a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale.

1.24 Capital

Debt and equity instruments:

Ordinary equity shares are classified as equity. Debt instruments are classified as liability.

1.25 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Income taxes

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

b) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

c) Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

d) Contingencies

Management judgment 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.

Notes to the financial statements for the year ended 31 March 2019

2. PROPERTY, PLANT AND EQUIPMENT

(₹ in Crore)

	# Freehold Land	# Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
GROSS CARRYING AMOUNT							
As at 01 April 2017	321.06	379.18	2,312.17	6.01	20.23	2.09	3,040.74
Additions	-	7.35	131.34	0.13	2.49	0.22	141.53
Disposals/adjustments	-	-	35.50	-	1.35	-	36.85
As at 31 March 2018	321.06	386.53	2,408.01	6.14	21.37	2.31	3,145.42
Additions	3.59	11.68	142.42	0.05	5.54	0.54	163.82
Disposals/adjustments	-	-	33.09	-	0.33	-	33.42
As at 31 March 2019	324.65	398.21	2,517.34	6.19	26.58	2.85	3,275.82
ACCUMULATED DEPRECIATION							
As at 01 April 2017	-	69.83	739.69	1.45	7.40	0.53	818.90
Charge for the year	-	23.54	239.03	0.71	2.40	0.25	265.93
Relating to disposals/adjustments	-	-	27.10	-	0.66	-	27.76
As at 31 March 2018	-	93.37	951.62	2.16	9.14	0.78	1,057.07
Charge for the year	-	24.16	246.49	0.52	2.62	0.34	274.13
Relating to disposals/adjustments	-	-	25.96	-	0.29	-	26.25
As at 31 March 2019	-	117.53	1,172.15	2.68	11.47	1.12	1,304.95
NET CARRYING AMOUNT							
As at 31 March 2018	321.06	293.16	1,456.39	3.98	12.23	1.53	2,088.35
As at 31 March 2019	324.65	280.68	1,345.19	3.51	15.11	1.73	1,970.87

Note

The Company has legally valid, clear & marketable title over the freehold land & buildings amounting ₹ 318.12 crore and ₹ 3.24 crore respectively, vested in the company pursuant to the composite scheme of arrangement. Mutation of whole land at Hisar (other than 97 kanal of land amounting to ₹ 9.98 Crore) has been recorded by Land Revenue Department in the name of the Company.

Notes to the financial statements for the year ended 31 March 2019

3. GOODWILL AND INTANGIBLE ASSETS

(₹ in Crore)

	Goodwill	* Software	Total
GROSS CARRYING AMOUNT			
As at 01 April 2017	10.34	2.16	12.50
Additions	-	2.37	2.37
Disposals/adjustments	-	-	-
As at 31 March 2018	10.34	4.53	14.87
Additions	-	6.16	6.16
Disposals/adjustments	-	-	-
As at 31 March 2019	10.34	10.69	21.03
ACCUMULATED AMORTIZATION			
As at 01 April 2017	-	0.57	0.57
Charge for the year	-	0.67	0.67
Relating to disposals/adjustments	-	-	-
As at 31 March 2018	-	1.24	1.24
Charge for the year	-	1.65	1.65
Relating to disposals/adjustments	-	-	-
As at 31 March 2019	-	2.89	2.89
NET CARRYING AMOUNT			
As at 31 March 2018	10.34	3.29	13.63
As at 31 March 2019	10.34	7.80	18.14

* Amortised up to 5 years

Notes to the financial statements for the year ended 31 March 2019

4. INVESTMENTS

(₹ in Crore)

	As at 31 March 2019			As at 31 March 2018			
	Nos.	Face Value (₹)	Amount	Nos.	Face Value (₹)	Amount	
A	NON - CURRENT INVESTMENTS AT COST LESS PROVISION						
	Equity shares fully paid up of subsidiary company - trade unquoted - at cost						
	Jindal Stainless Steelway Limited @ \$	14,061,667	10	25.81	14,061,667	10	25.81
	JSL Lifestyle Limited @	20,911,676	10	24.61	20,911,676	10	24.61
	Green Delhi BQS Limited @	51,000	10	0.05	51,000	10	0.05
	JSL Media Limited	49,970	10	0.05	49,970	10	0.05
	JSL Logistics Limited (Wholly owned subsidiary)	50,000	10	0.05	50,000	10	0.05
	TOTAL (A)			50.57			50.57
B	Equity shares fully paid up of associate company - at cost						
	Jindal Stainless Corporate Management Services Pvt. Limited-Unquoted	5,000	10	0.01	5,000	10	0.01
	Jindal Stainless Limited-Quoted #	168,284,309	2	366.19	168,284,309	2	366.19
	TOTAL (B)			366.20			366.20
C	Govt./Semi Govt. securities - non trade - fair value						
	National Savings Certificate [₹ 1,500 (₹ 11,500)]*			0.00			0.00
	TOTAL (C)			0.00			0.00
	TOTAL - NON CURRENT INVESTMENT (A+B+C)			416.77			416.77
	Total non current investments			416.77			416.77
	Aggregate amount of quoted investments			366.19			366.19
	Aggregate market value of quoted investments			682.39			1,321.87
	Aggregate amount of unquoted investments			50.58			50.58
	@ Undertaking for non disposing of investment by way of letter of comfort given to banks against credit facilities/financial assistance availed by subsidiaries. \$ Undertaking for non disposing of investment by way of letter of comfort given to financial institution against operating lease taken by subsidiary. # Pledge of 7,84,15,662 (7,84,15,662) shares in favour of lenders of Jindal Stainless Limited. (Read with Note no 34(iv)) * Lodged with Government authorities as security.						

Notes to the financial statements for the year ended 31 March 2019

(₹ in Crore)

		As at 31 March 2019	As at 31 March 2018
5	NON CURRENT LOANS (Unsecured, Considered good unless otherwise stated) (refer Note no 36(a)) Loans to related parties*	934.86	934.86
	TOTAL - NON CURRENT LOANS	934.86	934.86

* carrying interest rate @ 10% - 12.5 % p.a.

(₹ in Crore)

		Non Current		Current	
		As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
6	OTHER FINANCIAL ASSETS				
	Security deposits [Net of provision of ₹ 0.54 crore (₹ 0.54 crore)]	28.54	25.90	1.84	4.42
	Interest receivable \$	-	-	81.49	0.57
	Derivative assets	-	-	1.17	-
	Other receivables #	-	-	29.50	31.00
	Bank deposit with remaining maturity of more than 12 months *	0.06	0.05	-	-
	TOTAL - OTHER FINANCIAL ASSETS	28.60	25.95	114.00	35.99

\$ includes ₹ 81.00 crore (₹ Nil) receivable from Jindal Stainless Limited.

Includes export incentives etc.

* under lien with Govt authorities

(₹ in Crore)

		Non Current		Current	
		As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
7	OTHER ASSETS				
	Capital advances	11.03	18.31	-	-
	Advances to vendors \$	-	-	23.70	49.08
	Advances to related parties #	-	-	1.17	145.53
	Advance to employees	-	-	0.28	0.27
	Balance with indirect tax authorities	-	-	53.59	42.47
	Unbilled revenues	-	-	1.49	0.01
	Other receivables *	-	-	5.17	8.83
	TOTAL - OTHER ASSETS	11.03	18.31	85.40	246.19

\$ includes ₹ Nil (₹ 30.00 crore) to Jindal Stainless Limited.

includes ₹ Nil (₹ 141.41 crore) receivable from Jindal Stainless Limited on current account.

* includes prepaid expenses etc.

Notes to the financial statements for the year ended 31 March 2019

(₹ in Crore)

		As at 31 March 2019	As at 31 March 2018
8	INVENTORIES (As taken by the management) (valued at lower of cost and net realizable value unless otherwise stated)		
	Raw materials [Including material in transit ₹ 194.60 crore (₹ 253.74 crore)]	347.12	546.08
	Work in progress	442.99	428.34
	Finished goods	405.74	370.47
	Store and spares [Including material in transit ₹ 11.60 crore (₹ 7.17 crore)]	106.54	114.96
	Scrap (at estimated realizable value)	8.26	9.87
	TOTAL - INVENTORIES	1,310.65	1,469.72

(₹ in Crore)

		As at 31 March 2019	As at 31 March 2018
9	TRADE RECEIVABLES		
	Unsecured		
	Considered good *	771.47	863.49
	Credit Impaired	4.68	2.94
	Less : Allowance for expected credit losses	(4.68)	(2.94)
	TOTAL - TRADE RECEIVABLES	771.47	863.49

* The above includes trade receivables of ₹ 13.26 crore (₹ 27.64 crore) due for more than 180 days.

(₹ in Crore)

		As at 31 March 2019	As at 31 March 2018
10	CASH AND CASH EQUIVALENTS		
	Balances with banks	7.23	6.18
	Cheques in hand/money in transit	10.59	0.04
	Cash in hand	0.10	0.07
	Puja and silver coins [₹ 16,208 (₹ 14,585)]	0.00	0.00
	TOTAL - CASH AND CASH EQUIVALENTS	17.92	6.29

(₹ in Crore)

		As at 31 March 2019	As at 31 March 2018
11	OTHER BANK BALANCES		
	Bank deposits with original maturity of more than three months but less than 12 months *	1.01	0.95
	TOTAL - OTHER BANKS BALANCES	1.01	0.95

* under lien with banks / Govt authorities

Notes to the financial statements for the year ended 31 March 2019

(₹ in Crore)

		As at 31 March 2019	As at 31 March 2018
12	SHARE CAPITAL		
	AUTHORISED		
	240,000,000 (240,000,000) equity shares of ₹ 2/- each	48.00	48.00
	10,000,000 (10,000,000) preference shares of ₹ 2/- each	2.00	2.00
		50.00	50.00
	ISSUED, SUBSCRIBED AND PAID UP		
	235,934,685 (235,934,685) equity shares of ₹ 2/- each	47.19	47.19
	TOTAL - SHARE CAPITAL	47.19	47.19

(a) RECONCILIATION OF THE NUMBER OF EQUITY SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING YEAR

	31 March 2019 No. of shares	31 March 2018 No. of Shares
Shares outstanding at the beginning of the year	235,934,685	235,934,685
Shares outstanding at the end of the year	235,934,685	235,934,685

(b) TERMS/RIGHTS ATTACHED TO EQUITY SHARES

The company has only one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per equity share held [other than the shares represented by Regulation S Global Depository Shares (the "GDSs") issued by the Company whose voting rights are subject to certain conditions and procedure as prescribed under the Regulation S Deposit Agreement]. The company declares and pays dividends in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and also has equal right in distribution of profit/surplus in proportions to the number of equity shares held by the shareholders.

As on 31 March 2019, 7,552,167 GDSs (7,552,167 GDSs) with 15,104,334 underlying equity shares (15,104,334 equity shares) were outstanding. Each GDS represents 2 underlying equity shares of the Company.

(c) EQUITY SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES ARE AS UNDER :

NAME OF THE SHAREHOLDER	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% holding	No. of shares	% holding
JSL Overseas Holding Limited	30,200,000	12.80%	30,200,000	12.80%
JSL Overseas Limited	26,560,440	11.26%	26,560,440	11.26%
ELM Park Fund Limited	19,432,160	8.24%	19,432,160	8.24%
Hypnos Fund Limited	12,587,711	5.34%	10,301,711	4.37%

(d) No bonus, buy back, issue of share other than in cash in last 5 years except pursuant to composite scheme of arrangement.

Notes to the financial statements for the year ended 31 March 2019

(₹ in Crore)

		Surplus			Items of other comprehensive income	Total
		Capital reserve	Securities premium	Retained earnings	Re-measurement of the net defined benefit plans (net of tax)	
13	OTHER EQUITY					
	Balance as at 01 April 2017	0.05	562.94	255.03	(3.15)	814.87
	Profit for the year 2017-18	-	-	395.70	-	395.70
	Re-measurements of the net defined benefit Plans	-	-	-	(1.75)	(1.75)
	Balance as at 31 March 2018	0.05	562.94	650.73	(4.90)	1,208.82
	Profit for the year 2018-19	-	-	261.65	-	261.65
	Re-measurements of the net defined benefit Plans	-	-	-	(0.95)	(0.95)
	Balance as at 31 March 2019	0.05	562.94	912.38	(5.85)	1,469.52

Nature of Reserves

Capital Reserve :-

Represents on cancellation of share capital in terms of Composite Scheme of Arrangement.

Securities Premium :-

Represents the amount received in excess of par value of securities. Premium on redemption of securities is accounted in security premium available. Where security premium is not available, premium on redemption of securities is accounted in statement of profit and loss. Section 52 of Companies Act, 2013 specify restriction and utilisation of security premium.

Other Comprehensive Income Reserve :-

Represents the balance in equity for items to be accounted in Other Comprehensive Income. OCI is classified into i). Items that will not be reclassified to profit and loss ii). Items that will be reclassified to profit and loss.

(₹ in Crore)

		Non Current		Current	
		As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
14	BORROWINGS				
	SECURED				
	TERM LOANS FROM BANKS				
	Rupee term loans	1,929.16	2,206.32	180.16	150.13
	Less : Amount disclosed under the head other current financial liabilities	-	-	180.16	150.13
	TOTAL - BORROWINGS	1,929.16	2,206.32	-	-

Secured Borrowings

The term loan facility from banks amounting to ₹ 2,109.32 Crore (₹ 2,356.45 Crore) are repayable in quarterly instalments of ₹ 58.50 Crore each during 2019-20 (instalment to the extent of ₹ 53.84 Crore due on 01 April 2019 has already been paid before due date), ₹ 65.00 Crore each during 2020-21, ₹ 71.50 Crore each from 2021-22 to 2026-27 (the excess amount of ₹ 44.69 Crore paid to banks will be adjusted with their last instalments).

The term loan facility is secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge by way of hypothecation and/or pledge of current assets including finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable, etc both present and future. The stated term loan facility are further secured by a first ranking pari-passu charge by way of hypothecation or assignment in relation to loans and advances advanced by the Company to JSL. (read with Note no. 34)

Rupee term loan facility carried floating rate of interest linked with SBI base rate plus applicable spread of 165 bps. The lenders also have an option to link their effective rate of interest with their own bank's base rate/ MCLR and adjust the spread accordingly.

Notes to the financial statements for the year ended 31 March 2019

(₹ in Crore)

		Non Current		Current	
		As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
15	PROVISIONS				
	For employee benefits	15.79	14.91	2.44	2.20
	TOTAL - PROVISIONS	15.79	14.91	2.44	2.20

(₹ in Crore)

		As at 31 March 2019	As at 31 March 2018
16	DEFERRED TAX LIABILITY (NET)		
	DEFERRED TAX LIABILITY		
	Difference between book & tax depreciable assets	107.32	110.42
	Other temporary differences	4.89	4.58
	Total deferred tax liability	112.21	115.00
	DEFERRED TAX ASSETS		
	Disallowance under Income Tax Act	33.17	33.46
	Total deferred tax assets	33.17	33.46
	NET DEFERRED TAX LIABILITY	79.04	81.54

(₹ in Crore)

		As at 31 March 2019	As at 31 March 2018
17	CURRENT BORROWINGS		
	SECURED		
	Working capital facilities from banks	71.88	246.49
	Buyer credit - against working capital	-	195.90
	TOTAL -CURRENT BORROWINGS	71.88	442.39

Secured Borrowings

Working capital facilities (including Buyer's credit facilities) are secured by first pari-passu charge by way of hypothecation and/or pledge of current assets including finished goods, raw material, work in progress, consumable stores and spares, book debts, bill receivable, etc both present and future and by way of second charge in respect of other moveable and immoveable properties, both present and future, of the Company. Working capital facility is repayable on demand. (read with Note no. 34)

(₹ in Crore)

		As at 31 March 2019	As at 31 March 2018
18	TRADE PAYABLES		
	Micro and small enterprises	77.73	4.04
	Trade payables (including acceptances)(other than micro and small enterprises)	1,396.54	1,481.55
	TOTAL TRADE PAYABLES	1,474.27	1,485.59

Notes to the financial statements for the year ended 31 March 2019

Based on the intimation received from supplier regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the required disclosure is given below * :

(₹ in Crore)

	As at 31 March 2019	As at 31 March 2018
Principal amount due outstanding	78.54	4.04
Interest due on above due outstanding and unpaid	-	-
Interest paid to the supplier	-	-
Payments made to the supplier beyond the appointed day during the year.	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding year	-	-

* to the extent information available with the company.

(₹ in Crore)

	As at 31 March 2019	As at 31 March 2018
19 OTHER CURRENT FINANCIAL LIABILITIES		
Current maturities of non-current borrowings	180.16	150.13
Interest accrued	4.22	6.39
Capital payables	39.75	23.37
Security deposits	3.95	2.46
Derivative liabilities	-	2.55
Dues to employees	13.48	23.57
Other outstanding financial liabilities *	182.50	201.97
TOTAL - OTHER CURRENT FINANCIAL LIABILITIES	424.06	410.44

* Includes provision for expenses

(₹ in Crore)

	As at 31 March 2019	As at 31 March 2018
20 OTHER CURRENT LIABILITIES		
Advance from customers	22.47	32.34
Other outstanding liabilities *	203.41	207.39
TOTAL - OTHER CURRENT LIABILITIES	225.88	239.73

* Includes statutory dues, arbitration liability etc.

(₹ in Crore)

	As at 31 March 2019	As at 31 March 2018
21 CURRENT TAX LIABILITIES (NET)		
Current tax liabilities [net of prepaid tax of ₹ 347.14 crore (₹ 195.96 crore)]	31.82	44.45
TOTAL - CURRENT TAX LIABILITIES (NET)	31.82	44.45

Notes to the financial statements for the year ended 31 March 2019

(₹ in Crore)

		For the year ended 31 March 2019	For the year ended 31 March 2018
22	REVENUE FROM OPERATIONS		
	SALE OF PRODUCTS		
	Manufactured goods (net of discounts ₹ 139.74 crore (₹ 99.49 crore))	8,645.68	8,822.44
	Stock in trade	133.88	538.48
	Export benefits	44.48	48.24
		8,824.04	9,409.16
	SALE OF SERVICES		
	Job charges received	73.89	-
		73.89	-
	OTHER OPERATING REVENUE		
	Sale of gases / slag	18.15	14.00
	Rent / operating & maintenance services	27.08	12.47
	Miscellaneous income	13.24	14.60
		58.47	41.07
	TOTAL - REVENUE FROM OPERATIONS	8,956.40	9,450.23

(₹ in Crore)

		For the year ended 31 March 2019	For the year ended 31 March 2018
23	OTHER INCOME		
	INTEREST INCOME ON		
	Loans & advances (net of written off ₹ 2.40 crore (₹ 2.40 crore))	93.06	107.06
	Trade receivables	-	2.80
		93.06	109.86
	OTHER NON-OPERATING INCOME (NET)	2.61	2.34
	TOTAL - OTHER INCOME	95.67	112.20

(₹ in Crore)

		For the year ended 31 March 2019	For the year ended 31 March 2018
24	COST OF MATERIAL CONSUMED		
	Raw material consumed	5,783.64	5,544.47
	TOTAL - COST OF MATERIAL CONSUMED	5,783.64	5,544.47

(₹ in Crore)

		For the year ended 31 March 2019	For the year ended 31 March 2018
25	PURCHASE OF STOCK IN TRADE		
	Steel scrap	125.58	537.31
	TOTAL - PURCHASE OF TRADING GOODS	125.58	537.31

Notes to the financial statements for the year ended 31 March 2019

(₹ in Crore)

		For the year ended 31 March 2019	For the year ended 31 March 2018
26	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE		
	OPENING STOCK		
	Finished goods	370.47	556.33
	Work in progress	428.34	338.37
	Scrap	9.87	25.74
	TOTAL OPENING STOCK	808.68	920.44
	CLOSING STOCK		
	Finished goods	405.74	370.47
	Work in progress	442.99	428.34
	Scrap	8.26	9.87
	TOTAL CLOSING STOCK	856.99	808.68
	Excise duty on account of increase/(decrease) in stock of finished products	-	(53.38)
	TOTAL - CHANGES IN INVENTORIES	(48.31)	58.38

(₹ in Crore)

		For the year ended 31 March 2019	For the year ended 31 March 2018
27	EMPLOYEE BENEFITS EXPENSES (read with Note no 49)		
	Salaries, wages, bonus and other benefits	148.66	153.48
	Contribution to provident and other funds	8.45	8.30
	Staff welfare expenses	7.80	8.15
	TOTAL - EMPLOYEE BENEFITS EXPENSES	164.91	169.93

(₹ in Crore)

		For the year ended 31 March 2019	For the year ended 31 March 2018
28	FINANCE COSTS		
	Interest expenses	331.60	371.62
	Other borrowing costs	15.96	23.83
	TOTAL - FINANCE COSTS	347.56	395.45

(₹ in Crore)

		For the year ended 31 March 2019	For the year ended 31 March 2018
29	DEPRECIATION AND AMORTIZATION EXPENSES		
	Depreciation on property, plant and equipment	274.13	265.93
	Amortization of intangible assets	1.65	0.67
	TOTAL - DEPRECIATION AND AMORTIZATION EXPENSES	275.78	266.60

Notes to the financial statements for the year ended 31 March 2019

(₹ in Crore)

	For the year ended 31 March 2019	For the year ended 31 March 2018
30 OTHER EXPENSES		
MANUFACTURING EXPENSES		
Consumption of stores and spares	638.32	483.71
Power and fuel	881.69	797.29
Labour processing & transportation charges	117.14	102.20
Repairs to buildings	2.96	3.41
Repairs to plant & machinery	25.61	22.73
Job work expenses	110.02	148.20
Other manufacturing expenses	20.84	11.95
	1,796.58	1,569.49
ADMINISTRATIVE EXPENSES		
Insurance	6.90	8.56
Rent	3.16	2.06
Rates and taxes	0.63	0.68
Legal and professional	65.64	45.62
Postage, telegram, telex and telephone	1.98	1.77
Printing & stationery	3.59	3.50
Travelling & conveyance	3.34	3.71
Managerial commission	11.45	25.52
Director's Remuneration	5.58	-
Director's meeting fees	0.27	0.19
Vehicle upkeep and maintenance	6.82	6.22
Auditor's remuneration	0.39	0.41
Donation	0.16	0.68
Loss (net) on sale/discard of property, plant and equipment	0.45	0.31
Miscellaneous expenses	13.59	11.89
	123.95	111.12
SELLING EXPENSES		
Freight & forwarding expenses	77.25	88.89
Commission on sales	15.36	28.05
Other selling expenses	5.40	6.02
Allowance for expected credit losses	1.74	1.52
Bad debts (net of recovery)	9.51	2.85
Advertisement & publicity	1.18	1.15
	110.44	128.48
TOTAL - OTHER EXPENSES	2,030.97	1,809.09
NET (GAIN)/LOSS ON SALE OF PROPERTY, PLANT AND EQUIPMENT INCLUDES :		
Gain on sale	(0.06)	(0.16)
Loss on sale	0.05	0.21
Loss on discard	0.46	0.26
	0.45	0.31

Corporate Profile

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Notes to the financial statements for the year ended 31 March 2019

31.

(₹ in Crore)

		As at 31 March 2019	As at 31 March 2018
A	Contingent liabilities not provided for in respect of :		
	i) Sale tax demands against which Company preferred appeals.	0.03	0.03
	ii) Excise duty/custom/service tax/Cess show cause notices/ demands against which Company has preferred appeals.	113.30	66.27
	iii) Claims and other liabilities against the Company not acknowledged as debt.	45.24	45.15
B	Guarantee given to custom authorities for import under EPCG Scheme. (Custom duty saved as on 31 March 2019 ₹ 12.61 Crore (₹Nil))	77.98	-
C	i) Letter of comfort to banks against credit facilities/ financial assistance availed by subsidiaries.	153.57	111.81
	ii) Corporate guarantee given to financial institution against financial assistance availed by a subsidiary.	-	21.88
	iii) Guarantees given by the Company's bankers on behalf of the subsidiary.	77.65	44.73
D	Corporate guarantee given to banks against credit facilities / financial assistance availed by Jindal Stainless Limited.	4,819.79	5,184.20

32. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 113.92 Crore (₹ 73.24 Crore).

33. Exceptional items includes gain/ (loss) (net) of ₹ 25.86 Crore (₹ 30.13 Crore) on translation/settlement of foreign currency monetary items (including borrowing), gain / (loss) of ₹ 3.72 Crore (₹ 2.16 Crore) upon marked to market of derivatives contracts (net), gain/ (loss) of ₹ 2.23 Crore (₹ 9.53 Crore) on forward cover cancellation.

34. The term loan facility and working capital facility (including buyers' credit) of the Company are also secured by the following additional securities:

- Unconditional & irrevocable personal guarantee of Mr. Ratan Jindal;
- Unconditional & irrevocable corporate guarantee of Jindal Stainless Limited (JSL);
- Pledge of 87.7% of Promoter's shareholding, as determined on the basis of the filings of the Borrower with the Securities Exchange Board of India (SEBI);
- Pledge of 8,98,68,647 shares of JSL (out of 16,82,84,309 shares) held by the Company in favour of lenders of the Company. Balance 7,84,15,662 no. shares have been pledged in favour of lenders of JSL;
- Pledge over investments of the Company in subsidiaries as listed below:
 - JSL Lifestyle Limited; and
 - JSL Logistics Limited

35. Research and Development expenses for the year amounting to ₹ 17.09 Crore (₹ 7.92 Crore) on account of revenue expenditure charged/debited to respective heads of accounts and ₹ 0.04 Crore (₹ Nil) on account of capital expenditure debited to property, plant and equipment.

36. (a) Pursuant to regulation 34 (3) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, loans and advances in the nature of loans to related parties:

(₹ in Crore)

Name of the Company	Amount Outstanding		Maximum balance outstanding	
	As at 31 March 2019	As at 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018
JSL Lifestyle Limited	12.26	12.26	12.26	12.26
Green Delhi BQS Limited	21.39	21.39	21.39	21.39
JSL Media Limited	1.21	1.21	1.21	1.21
Jindal Stainless Limited	900.00	900.00	900.00	900.00

Note : for general business purpose.

(b) Details of Loans given, investment made and guarantees given, covered U/S 186 (4) of the Companies Act ,2013:-

- Loans given and investment made are given under respective heads.
- Corporate guarantee given by the Company on behalf of parties covered u/s 186(4), details of which is given in related party transactions. Refer note no 31 C (ii), 31 D and note no 34 & 47.

Notes to the financial statements for the year ended 31 March 2019

37. (a) Certain balances of trade receivable, loan & advance, trade payable and other liabilities are subject to confirmation and/or reconciliation. In the opinion of the management, on confirmation / reconciliation, there will not be any material impact.
- (b) Goods and Service Tax Act ("GST") has been implemented with effect from 01 July 2017 and therefore, revenue from operations for the year ended 31 March 2018 and 31 March 2019 are presented net of GST. Revenue from operations and expenses for the year ended 31 March 2018, till 30 June 2017, being inclusive of excise duty, are not comparable with corresponding figures of year ended 31 March 2019.
- (c) The Company has given inter corporate deposits to its two subsidiaries namely Green Delhi BOS Limited & JSL Media Limited, amounting to ₹ 22.60 Crore (₹ 22.60 Crore) {also investment of ₹ 0.10 Crore (₹ 0.10 Crore)} where the subsidiary companies has accumulated losses/negative net worth. In view of the long term involvement of the Company and future prospects, in the opinion of the management, these are good and realizable hence no provision has been considered necessary.
- (d) The audited GST return for the year ended 31 March 2018 is pending for the filing as competent authority has extended the date of filing till 30 June 2019. The company is in process of reconciling the data of GSTR 2A with GSTR 3B. In view of the management on final reconciliation the impact will not be material.
38. The Company had challenged the legality of LADT Act / Entry Tax Act in the state of Haryana before the Hon'ble Punjab and Haryana High Court / Supreme Court of India. Subsequently, on the SLP of the Haryana Government, Constitutional Bench of the Hon'ble Supreme vide its judgement dated 11 November 2016 held the applicability of entry tax valid on compensatory ground and directed its Divisional/ Regular Bench for examining the provisions of the state legislation on the issue of discrimination with respect to the parameters of Article 304 (a) of the Constitution and competence of state legislatures to levy entry tax on goods entering the landmass of India from another country. The division bench of Hon'ble Supreme Court vide its order dated 21 March 2017 (declared on 20 May 2017) remanded back the matter and permitted the petitioners to file petition before respective High Court to decide on factual background or any other constitutional/ statutory issues arises for consideration. The company accordingly filed Civil Writ Petition before Hon'ble High Court of Punjab & Haryana on 30 May 2017. The Hon'ble High Court granted interim relief by order for stay of demand on 31 May 2017 till any further direction.
- In the meanwhile, the division bench of Hon'ble Supreme Court of India vide its order dated 09 October 2017 has upheld the legislative competence of the State Legislatures to levy Entry Tax on Import of goods from any territory outside India while examining the Entry Tax legislations of the State of Odisha, Kerala and Bihar.
- The Company has been making necessary provisions in this regard. Interest/ penalty if any, will be accounted for as and when this is finally determined/ decided by the Hon'ble Court.
39. Amount required to be spent towards Corporate Social Responsibility as per the provisions of section 135 of Companies Act, 2013 by the Company during the year is ₹ 6.29 Crore (₹ 2.45 Crore) and details of amount spent towards Corporate Social Responsibility is as under :

(₹ in Crore)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Promoting education & enhancing vocational skills	3.77	0.67
Promoting gender equality & empowering women	0.61	0.37
Ensuring environment sustainability & ecological balance	0.80	0.07
Promoting preventive health care	0.69	0.25
Rural development programme	0.49	1.06
Administration expenditure	0.08	0.09
Total	6.44	2.51

40. Financial risk management

40.1 Financial risk factors

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loan, investment, trade receivables, other receivables, cash and short-term deposits that arise directly from its operations. The Company also enters into derivative transactions. The Company's activities expose it to a variety of financial risks:

(i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as at 31 March 2019 and 31 March 2018.

Notes to the financial statements for the year ended 31 March 2019

(ii) Credit risk

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

(iii) Liquidity risk

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

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes.

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

(i) Market risk

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Company uses derivative financial instruments such as foreign exchange forward contracts depending upon the underlying contract and risk management strategy to manage its exposures to foreign exchange fluctuations and interest rate.

Foreign exchange risk and sensitivity

An exposure can be defined as a contracted cash flow (trade receivables, trade payables, loans, purchase order placed or sales order received) denominated in a currency other than Indian Rupees. The Company may have foreign currency exposure on account of the following items:

Exposure against working capital –

- i) Export trade receivables and export sales orders received;
- ii) Imports trade payables and purchase orders raised;
- iii) Packing credit in foreign currency (PCFC),
- iv) Borrowings against FCNR(B) deposits of the banks;
- v) Advances from customers;
- vi) Any other kind of foreign currency borrowings as permitted by RBI for financing working capital of the Company.
- vii) Exposure against long term financing/relating to projects:
 - i. Foreign currency borrowings for capital and project expansion;
 - ii. Payments due against imported capital equipment for projects;
 - iii. Purchase orders for capital expenditure;
 - iv. Any kind of foreign currency borrowing used for long term financing requirements of the Company.

Derivatives financial instruments

Derivative contracts entered into by the Company and outstanding as on 31 March 2019 for hedging currency risks:

As at 31 March 2019

Nature of derivatives	Type	No. of contracts	Foreign currency (Million)	Amount (₹ In Crore)
Forward covers				
USD/INR	Sale	31	34.709	240.02
EURO/USD	Sale	14	13.690	106.19
USD/INR	Buy	67	22.442	155.21

Notes to the financial statements for the year ended 31 March 2019

As at 31 March 2018

Nature of derivatives	Type	No. of contracts	Foreign currency (Million)	Amount (₹ In Crore)
Forward covers				
USD/INR	Sale	37	55.020	358.57
EURO/USD	Sale	27	32.016	257.07
USD/INR	Buy	103	66.329	432.33

Note: INR equivalent values have been calculated at the year end exchange rates in INR to give an indicative value of the contracts in Indian rupees. Actual hedges however may be in different currency denominations.

Foreign Currency exposures that are not hedged by derivative instruments or otherwise outstanding as on 31 March 2019 is as under:

Nature	As at 31 March 2019		As at 31 March 2018	
	Foreign Currency (Millions)	Amount (₹ In Crore)	Foreign Currency (Millions)	Amount (₹ In Crore)
Account receivables				
JPY	1.648	0.10	2.751	0.17
CAD	-	-	0.004	0.02
CHF	0.047	0.33	0.095	0.65
Account payables				
USD	23.850	164.95	40.841	266.20
EURO	0.671	5.21	1.164	9.35
GBP	0.452	4.07	0.447	4.08
Loans				
USD	1.154	7.98	20.303	132.34

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

Foreign exchange risk and sensitivity (Un hedged)

(₹ in Crore)

	Change in currency exchange rate	31 March 2019	31 March 2018
		Effect on profit/ (loss) before tax	Effect on profit/ (loss) before tax
USD	+5%	(8.65)	(19.93)
	-5%	8.65	19.93
EURO	+5%	(0.26)	(0.47)
	-5%	0.26	0.47
CAD	+5%	-	0.00
	-5%	-	(0.00)
GBP	+5%	(0.20)	(0.20)
	-5%	0.20	0.20
JPY	+5%	0.01	0.01
	-5%	(0.01)	(0.01)
CHF	+5%	0.02	0.03
	-5%	(0.02)	(0.03)

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

The Company transacts business primarily in Indian Rupee, USD, EURO and CAD. The Company has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. Certain transactions of the Company act as natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Company adapts the policy of selective hedging based on risk perception of management. Foreign exchange hedging contracts are carried at fair value.

Notes to the financial statements for the year ended 31 March 2019

Summary of exchange difference accounted in statement of profit and loss

(₹ in Crore)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Currency Fluctuations		
Net foreign exchange gain shown as exceptional item	31.81	18.44
TOTAL	31.81	18.44

Interest rate risk and sensitivity

The Company will have Interest rate exposure on all interest bearing financial assets and liabilities. These could be broadly categorized as under:

- Interest bearing trade receivables and trade payables;
- Working capital borrowings;
- Long term borrowings.

All interest bearing assets and liabilities need to be captured, first based on the currency denomination e.g., INR, USD. Further classification needs to be done based on whether these are against floating rate benchmarks or fixed rate

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

(₹ in Crore)

	Increase /decrease in basis points	Effect on profit/ (loss) before tax	
		31 March 2019	31 March 2018
INR borrowings	+50	(10.87)	(12.34)
	-50	10.87	12.34
USD borrowings	+50	(0.04)	(1.64)
	-50	0.04	1.64

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

Price risk and sensitivity

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

The Company is not facing any exposure to equity price risk as all of its equity investments are within the group and its associates.

ii) Credit risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Trade receivables

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

In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Financial instruments and cash deposits

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. The bank balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations

Notes to the financial statements for the year ended 31 March 2019

iii) Liquidity risk

The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

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

The Company is required to maintain ratios (including total debt to EBITDA / net worth, EBITDA to gross interest, debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels. In the event of failure to meet any of these ratios these loans become callable at the option of lenders, except where exemption is provided by lender.

As at 31 March 2019

(₹ in Crore)

	Carrying amount	Less than 1 Year	1 to 3 Years	> 3 years	Total
Borrowings*	2,181.20	252.04	546.00	1,383.16	2,181.20
Other financial liabilities	243.90	243.90	-	-	243.90
Trade payables	1,474.27	1,474.27	-	-	1,474.27
Total	3,899.37	1,970.21	546.00	1,383.16	3,899.37

* Including current maturity.

As at 31 March 2018

(₹ in Crore)

	Carrying amount	Less than 1 Year	1 to 3 Years	> 3 years	Total
Borrowings*	2,798.84	592.52	494.00	1,712.32	2,798.84
Other financial liabilities	260.31	260.31	-	-	260.31
Trade payables	1,485.59	1,485.59	-	-	1,485.59
Total	4,544.74	2,338.42	494.00	1,712.32	4,544.74

* Including current maturity.

Unused lines of credit

(₹ in Crore)

	As at 31 March 2019	As at 31 March 2018
Secured	325.88	215.63
Unsecured	-	-
Total	325.88	215.63

Interest rate and currency of borrowings

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

For the year ended 31 March 2019

	Total borrowings (₹ In Crore)	Floating rate borrowings (₹ In Crore)	Fixed rate borrowings (₹ In Crore)	Weighted average interest rate (%)
INR	2,173.22	2,173.22	-	9.56%
USD	7.98	7.98	-	4.76%
Total	2,181.20	2,181.20	-	

Notes to the financial statements for the year ended 31 March 2019

For the year ended 31 March 2018

	Total borrowings (₹ In Crore)	Floating rate borrowings (₹ In Crore)	Fixed rate borrowings (₹ In Crore)	Weighted average interest rate (%)
INR	2,470.60	2,470.60	-	10.53%
USD	328.24	328.24	-	2.79%
Total	2,798.84	2,798.84	-	

40.2 Competition and price risk

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

40.3 Capital risk management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, redeem or buy back capital to shareholders or issue new shares. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital.

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

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

Gearing ratio

(₹ in Crore)

	As at 31 March 2019	As at 31 March 2018
Loans and borrowings	2,181.20	2,798.84
Less: Cash and cash equivalents	17.92	6.29
Net debt	2,163.28	2,792.55
Total capital	1,516.71	1,256.01
Capital and net debt	3,679.99	4,048.56
Gearing ratio	59%	69%

41. Fair values of financial assets and liabilities and hierarchy

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

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

1. Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the Company is considered to be insignificant in valuation.
3. The fair values of derivatives are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters, basis contractual terms, period to maturity, and market parameters such as interest rates, foreign exchange rates, and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgment, and inputs thereto are readily observable from actively quoted market prices. Management has evaluated the credit and non-performance risks associated with its derivative counterparties and believe them to be insignificant and not warranting a credit adjustment.

Notes to the financial statements for the year ended 31 March 2019

Fair value hierarchy

The following table provides the fair value measurement hierarchy of Company's financial asset and financial liabilities, grouped into Level 1 to Level 3 as described below:

Level 1- Quoted price (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2- Inputs other than quoted prices include within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3- Unobservable inputs for the asset or liability.

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the companies: -

	Note	Level	As at 31 March 2019 (₹ In Crore)	As at 31 March 2018 (₹ In Crore)	Valuation Techniques and Key Inputs
Financial assets /liabilities at fair value through amortised cost:					
(a) Financial assets					
Loans	5	3	934.86	934.86	Discounted cash flows
Other financial assets	6	3	141.43	61.94	Discounted cash flows
(b) Financial liabilities					
Borrowings - non current	14	3	1,929.16	2,206.32	Discounted cash flows
Borrowings - current	17	3	71.88	442.39	Discounted cash flows
Other financial liabilities	19	3	424.06	407.89	Discounted cash flows
Financial assets / liabilities at fair value through statement of profit or loss:					
Derivative Forward Contract (assets)	6	2	1.17	-	Forward foreign currency exchange rate
Derivative Forward Contract (liabilities)	21	2	-	2.55	Forward foreign currency exchange rate

There were no significant changes in the classification and no significant movements between the fair value hierarchy of assets and liabilities during FY 2018-19.

Fair valuation of financial guarantees

Financial guarantees issued by the company on behalf of Jindal Stainless Limited have been measured at fair value through profit and loss. Fair value of said guarantees as at 31 March 2019, and 31 March 2018 have been considered at nil as estimated by the management and an independent professional.

42. Operating lease

The Company has taken land and building under operating lease arrangement which is non-cancellable for a fixed period of 29 years. The lease rental expense is subject to escalation whereby the lessor is entitled to increase the lease rental by 5% after every three years.

The Company has taken another land and building under operating lease arrangement for a fixed period of 12 years. The lease rental expense is subject to escalation whereby the lessor is entitled to increase the lease rental by 5% every year and are usually renewable by mutual agreeable terms.

The schedule of future minimum lease rental payments in respect of non-cancellable operating leases is set out below: (₹ in Crore)

	Minimum lease payments	
	As at 31 March 2019	As at 31 March 2018
Not later than one year	0.23	0.23
Later than one year but not later than five years	1.00	0.96
Later than five years	4.55	4.81

Rental expense recognised under such leases during the current year are ₹ 0.23 Crores (₹ 0.22 Crores)

43. Information related to consolidated financials

The Company is listed on stock exchange in India, the Company has prepared consolidated financial statement as required under IND AS 110 Consolidated Financial Statements, Sections 129 of Companies Act, 2013 and listing requirements. The consolidated financial statement is available on Company's web site for public use.

Notes to the financial statements for the year ended 31 March 2019

44. Income tax reconciliation

Tax expenses

(₹ in Crore)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax	147.90	167.21
Deferred tax	(5.53)	45.48
Income tax change/(credit) for earlier years	(0.27)	(0.31)
Total	142.10	212.38

Effective tax reconciliation:

Numerical reconciliation of tax expense applicable to profit before tax at the latest statutory enacted tax rate in India to income tax expense reported is as follows:

(₹ in Crore)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Net income / (loss) before taxes	403.75	608.08
Enacted tax rates	34.944%	34.608%
Computed tax (income)/expense	141.09	210.44
Increase/(reduction) in taxes on account of:		
Additional allowance for tax purpose	(2.99)	(1.29)
Expenses not allowed for tax purpose	3.48	3.72
Effect of change in tax rate	0.79	(0.80)
Deferred tax recognized for earlier years	3.53	1.27
Current tax recognized for earlier years	(3.80)	(0.96)
Income tax expense reported	142.10	212.38

45. Segment Reporting

As per IND AS 108 Operating Segment, segment information has been provided in notes to consolidated financial statements.

46. Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') within the Company at which the goodwill or other assets are monitored for internal management purposes, within an operating segment.

The impairment assessment is based on higher of value in use and fair value less costs of disposal.

The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid term market conditions.

Assumption	Approach used to determining values
Sales volume	Average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development.
Sales price	Average annual growth rate over the five-year forecast period; based on current industry trends and including long term inflation forecasts for each territory.
Budgeted gross margin	Based on past performance and management's expectations for the future.
Other operating costs	Fixed costs of the CGUs, which do not vary significantly with sales volumes or prices. Management forecasts these costs based on the current structure of the business, adjusting for inflationary increases but not reflecting any future restructurings or cost saving measures. The amounts disclosed above are the average operating costs for the five-year forecast period.
Annual capital	Expected cash costs in the CGUs. This is based on the historical experience of management, and the planned refurbishment expenditure. No incremental revenue or cost savings are assumed in the value-in-use model as a result of this expenditure.
Long-term growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.
Pre-tax discount rates	Reflect specific risks relating to the relevant segments and the countries in which they operate.

Notes to the financial statements for the year ended 31 March 2019

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A List of related parties & relationship (as identified by the Management)

		Country of Incorporation	Ownership Interest	
			31 March 2019	31 March 2018
a)	Subsidiary companies			
1	Jindal Stainless Steelway Limited	India	81.91%	81.91%
2	JSL Lifestyle Limited	India	73.37%	73.37%
3	Green Delhi BQS Limited	India	51.00%	51.00%
4	JSL Media Limited	India	99.94%	99.94%
5	JSL Logistics Limited	India	100.00%	100.00%
b)	Associates			
1	Jindal Stainless Corporate Management Services Pvt. Ltd.	India	50.00%	50.00%
2	Jindal Stainless Limited	India	35.12%	35.12%
c)	Subsidiaries, associates and joint ventures of parties listed in a & b above with whom transactions have taken place during the current and previous year			
1	J S S Steel Italia Limited	India		
2	Jindal Stainless UK Ltd. (Dissolved w.e.f. 11.12.2018)	UK		
3	Jindal Stainless FZE, Dubai	UAE		
4	PT Jindal Stainless Indonesia	Indonesia		
5	Iberjindal S.I.	Spain		
6	Jindal Coke Limited	India		
7	Jindal United Steel Limited	India		
d)	Trusts			
1	Jindal Stainless (Hisar) Limited Group Gratuity Fund			
2	Jindal Stainless (Hisar) Limited (Ferro alloys) Group Gratuity Scheme			
3	Jindal Stainless (Hisar) Limited EPF Trust			
4	Jindal Stainless (Hisar) Welfare Fund			
e)	Key Management Personnel with whom transactions have taken place during the current and previous year			
1	Mr. Ratan Jindal	Chairman		
2	Mr. Abhyuday Jindal	Vice Chairman (upto 25.04.2018) and Managing Director (w.e.f. 26.04.2018)		
3	Mr. Ashok Kumar Gupta	Whole Time Director and Manager (upto 14.05.2018)		
4	Mr. Jagmohan Sood	COO & Unit Head, Hisar Plant (upto 14.05.2018) and Whole Time Director (w.e.f. 15.05.2018)		
5	Mr. Ankur Agrawal	Chief Financial Officer (upto 27.04.2018)		
6	Mr. Ajay Goyal	Chief Financial Officer (From 30.10.2018 to 29.01.2019)		
7	Mr. Ramnik Gupta	Chief Financial Officer (w.e.f. 30.01.2019)		
8	Mr. Bhartendu Harit	Company Secretary		
9	Mr. Kanwaljit Singh Thind	Independent Director*		
10	Mr. Girish Sharma	Independent Director*		
11	Mr. Arunendra Kumar	Independent Director*		
12	Mr. Nirmal Chandra Mathur	Independent Director*		
	*Independent directors are included only for the purpose of compliance with definition of key management personnel given under IND AS 24.			
f)	Enterprises over which any person described in (e) along with their relatives is able to exercise significant influence with whom transactions have been taken place during the year:			
1	Jindal Defence Systems Limited			
2	Jindal Advance Materials Pvt. Limited			

Notes to the financial statements for the year ended 31 March 2019

B Transactions:

(₹ in Crore)

Description	For the year ended 31 March 2019			For the year ended 31 March 2018		
	Subsidiary (a)	Associates & Other Parties (b,c,d & f)	Key Management Personnels (e)	Subsidiary (a)	Associates & Other Parties (b,c,d & f)	Key Management Personnels (e)
Purchase of goods	124.64	1,020.90	-	99.74	1,319.89	-
Jindal Stainless Steelway Limited	102.37	-	-	80.48	-	-
JSL Lifestyle Limited	22.27	-	-	19.26	-	-
PT. Jindal Stainless Indonesia	-	16.91	-	-	24.77	-
J S S Steel Italia Limited	-	0.66	-	-	0.30	-
Jindal Stainless Limited	-	975.95	-	-	1,162.18	-
Jindal United Steel Limited	-	-	-	-	121.18	-
Jindal Coke Limited	-	27.38	-	-	11.45	-
Sale of goods	637.68	857.00	-	694.94	1,067.38	-
Jindal Stainless Steelway Limited	461.02	-	-	517.73	-	-
JSL Lifestyle Limited	176.65	-	-	177.21	-	-
PT. Jindal Stainless Indonesia	-	48.88	-	-	39.65	-
J S S Steel Italia Limited	-	-	-	-	12.54	-
Iberjindal S.I.	-	136.04	-	-	158.33	-
Jindal Stainless Limited	-	672.09	-	-	856.86	-
Purchase of fixed assets	1.92	-	-	-	-	-
JSL Lifestyle Limited	1.92	-	-	-	-	-
Job charges received	-	84.26	-	0.06	0.15	-
Jindal Stainless Steelway Limited	-	-	-	0.06	-	-
Jindal Stainless Limited	-	84.26	-	-	0.15	-
Job work charges paid	23.33	0.01	-	16.12	44.01	-
Jindal Stainless Steelway Limited	23.29	-	-	16.01	-	-
JSL Lifestyle Limited	0.04	-	-	0.11	-	-
Jindal Stainless Limited	-	-	-	-	43.96	-
Jindal United Steel Limited	-	0.01	-	-	0.05	-
Commission on sale paid	-	16.23	-	-	7.82	-
Jindal Stainless FZE, Dubai	-	16.23	-	-	7.63	-
Jindal Stainless UK Ltd.	-	-	-	-	0.19	-
Freight Paid	-	10.12	-	-	-	-
Jindal Stainless Limited	-	10.12	-	-	-	-

Notes to the financial statements for the year ended 31 March 2019

(₹ in Crore)

Description	For the year ended 31 March 2019			For the year ended 31 March 2018		
	Subsidiary (a)	Associates & Other Parties (b,c,d & f)	Key Management Personnels (e)	Subsidiary (a)	Associates & Other Parties (b,c,d & f)	Key Management Personnels (e)
Receiving of services (remuneration paid)	-	-	20.12	-	-	30.53
Mr. Ratan Jindal (Commission)	-	-	10.59	-	-	15.95
Mr. Abhyuday Jindal (Commission and Remuneration)	-	-	6.44	-	-	9.57
Mr. Ashok Kumar Gupta	-	-	1.12	-	-	2.79
Mr. Jagmohan Sood	-	-	1.25	-	-	1.17
Mr. Ankur Agrawal	-	-	0.18	-	-	0.76
Mr. Ajay Goyal	-	-	0.10	-	-	-
Mr. Ramnik Gupta	-	-	0.15	-	-	-
Mr. Bhartendu Harit	-	-	0.30	-	-	0.30
Rent received	2.41	2.88	-	2.00	0.95	-
Jindal Stainless Steelway Limited	1.47	-	-	1.32	-	-
JSL Lifestyle Limited	0.94	-	-	0.68	-	-
Jindal Stainless Corporate Management Services Pvt. Ltd.	-	-	-	-	0.19	-
Jindal Stainless Limited	-	2.88	-	-	0.75	-
Jindal Defence Systems Limited (₹ 40,415)	-	0.00	-	-	-	-
Jindal Advance Materials Pvt. Limited (₹ 29,500)	-	0.00	-	-	-	-
Rent paid	0.20	1.43	-	0.08	0.56	-
Jindal Stainless Steelway Limited	0.20	-	-	0.08	-	-
Jindal Stainless Limited	-	1.43	-	-	0.56	-
Interest income	3.69	90.00	-	3.69	103.90	-
JSL Lifestyle Limited	1.29	-	-	1.29	-	-
Green Delhi BQS Limited *	2.25	-	-	2.25	-	-
Jindal Stainless Limited	-	90.00	-	-	103.90	-
JSL Media Limited *	0.15	-	-	0.15	-	-
Quality claim paid	0.21	-	-	7.85	-	-
Jindal Stainless Steelway Limited	0.21	-	-	1.65	-	-
JSL Lifestyle Limited	-	-	-	6.20	-	-
Bad Debts written off	-	12.16	-	-	-	-
J S S Steel Italia Limited	-	12.16	-	-	-	-
Consultancy charges paid	-	60.30	-	-	35.91	-
Jindal Stainless Corporate Management Services Pvt. Ltd.	-	60.30	-	-	35.91	-

Notes to the financial statements for the year ended 31 March 2019

(₹ in Crore)

Description	For the year ended 31 March 2019			For the year ended 31 March 2018		
	Subsidiary (a)	Associates & Other Parties (b,c,d & f)	Key Management Personnels (e)	Subsidiary (a)	Associates & Other Parties (b,c,d & f)	Key Management Personnels (e)
Operating & maintenance services charged	26.44	-	-	10.23	-	-
Jindal Stainless Steelway Limited	26.44	-	-	10.23	-	-
Sharing of exp. reimbursed/to be reimbursed	-	8.12	-	0.07	0.20	-
JSL Lifestyle Limited	-	-	-	0.07	-	-
Jindal Stainless Limited	-	8.12	-	-	0.19	-
Jindal Stainless Corporate Management Services Pvt. Ltd.(₹18,824)	-	-	-	-	0.00	-
Jindal Coke Limited	-	-	-	-	0.01	-
Sharing of exp. recovered/to be recovered	-	0.20	-	0.64	1.02	-
Jindal Stainless Steelway Limited	-	-	-	0.64	-	-
Jindal Stainless Limited	-	0.18	-	-	0.95	-
Jindal Stainless Corporate Management Services Pvt. Ltd.	-	0.02	-	-	0.07	-
Loans & advances given	-	-	-	-	415.00	-
Jindal Stainless Limited	-	-	-	-	415.00	-
Guarantee/ counter guarantee given	67.20	-	-	54.76	-	-
Jindal Stainless Steelway Limited	67.20	-	-	54.76	-	-
Contribution towards trusts	-	29.06	-	-	31.01	-
Jindal Stainless (Hisar) Limited Group Gratuity Fund	-	4.20	-	-	8.78	-
Jindal Stainless (Hisar) Limited (Ferro alloys) Group Gratuity Scheme	-	0.07	-	-	0.05	-
Jindal Stainless (Hisar) Limited EPF Trust	-	24.07	-	-	21.50	-
Jindal Stainless (Hisar) Welfare Fund	-	0.72	-	-	0.68	-
Outstanding balance						
Letter of comfort given	153.57	-	-	111.81	-	-
Jindal Stainless Steelway Limited	124.02	-	-	88.13	-	-
JSL Lifestyle Limited	29.55	-	-	23.68	-	-
Guarantee/ counter guarantee given	77.65	4,832.90	-	66.61	5,184.20	-
Jindal Stainless Steelway Limited	77.65	-	-	66.61	-	-
Jindal Stainless Limited	-	4,832.90	-	-	5,184.20	-

Notes to the financial statements for the year ended 31 March 2019

(₹ in Crore)

Description	For the year ended 31 March 2019			For the year ended 31 March 2018		
	Subsidiary (a)	Associates & Other Parties (b,c,d & f)	Key Management Personnels (e)	Subsidiary (a)	Associates & Other Parties (b,c,d & f)	Key Management Personnels (e)
Loans & advances	36.03	981.00	-	38.98	900.00	-
JSL Media Limited	1.21	-	-	1.21	-	-
JSL Lifestyle Limited **	13.42	-	-	16.36	-	-
Green Delhi BQS Limited	21.40	-	-	21.40	-	-
Jindal Stainless Limited @	-	981.00	-	-	900.00	-
Advance against supplies/vendors	3.44	-	-	3.44	171.41	-
JSL Media Limited	3.44	-	-	3.44	-	-
Jindal Stainless Limited	-	-	-	-	171.41	-
Receivables	54.79	72.28	-	170.30	74.77	-
Jindal Stainless Steelway Limited	18.34	-	-	73.42	-	-
JSL Lifestyle Limited	36.44	-	-	96.88	-	-
J S S Steel Italia Limited	-	-	-	-	12.10	-
PT. Jindal Stainless Indonesia	-	43.12	-	-	8.00	-
Iberjindal S.I.	-	22.21	-	-	48.40	-
Jindal Stainless Limited	-	6.96	-	-	-	-
Jindal Stainless Corporate Management Services Pvt. Ltd.	-	-	-	-	6.27	-
Green Delhi BQS Limited	0.01	-	-	0.01	-	-
Jindal Defence Systems Limited (₹ 40,415)	-	0.00	-	-	-	-
Jindal Advance Materials Pvt. Limited (₹ 29,500)	-	0.00	-	-	-	-
Payables	10.35	11.00	-	4.86	9.19	-
Jindal Stainless Steelway Limited	4.87	-	-	0.42	-	-
JSL Lifestyle Limited	5.48	-	-	4.44	-	-
Jindal Stainless Corporate Management Services Pvt. Ltd.	-	1.23	-	-	-	-
PT. Jindal Stainless Indonesia	-	0.69	-	-	1.38	-
Jindal Stainless FZE, Dubai	-	5.38	-	-	7.56	-
J S S Steel Italia Limited (₹ 5,723)	-	0.00	-	-	0.24	-
Jindal Coke Limited	-	3.69	-	-	0.01	-

Corporate Profile

Statutory Reports

Financial Reports

Notes to the financial statements for the year ended 31 March 2019

(₹ in Crore)

Description	For the year ended 31 March 2019			For the year ended 31 March 2018		
	Subsidiary (a)	Associates & Other Parties (b,c,d & f)	Key Management Personnels (e)	Subsidiary (a)	Associates & Other Parties (b,c,d & f)	Key Management Personnels (e)
Remuneration payable	-	-	2.86	-	-	15.66
Mr. Ratan Jindal	-	-	2.73	-	-	9.50
Mr. Abhyuday Jindal	-	-	-	-	-	5.72
Mr. Ashok Kumar Gupta	-	-	-	-	-	0.25
Mr. Jagmohan Sood	-	-	0.09	-	-	0.09
Mr. Ankur Agrawal	-	-	-	-	-	0.07
Mr. Ramnik Gupta	-	-	0.02	-	-	-
Mr. Bhartendu Harit	-	-	0.02	-	-	0.03

Note :- Above to be read with note no. 31 (C) (ii) & 31 (D).

* written off

** Includes loan of ₹ 12.26 crore (₹ 12.26 crore)

@ Includes Inter corporate Deposits amounting to ₹ 900.00 crore (₹ 900.00 crore) and interest accrue over it during financial year 2018-19, which is repayable in one or more instalment by 31 March 2023, or such other terms as may be mutually agreed between the company and Jindal Stainless Limited and interest thereon is payable on monthly basis from March 2020 onwards. Further interest servicing for financial year 2018-19 has been deferred till Feb 2020, as mutually agreed.

Compensation to key management personnel

(₹ in Crore)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Short-term employee benefits*	20.12	30.53
Total Compensation to key management personnel	20.12	30.53

*As the future liability for gratuity & leave encashment is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

48 Revenue from Contracts with Customers

Effective 01 April 2018, the company has adopted Indian Accounting Standard (IND AS) 115 'Revenue from contracts with customers' using the cumulative catch-up transition method and accordingly comparative amount have not been retrospectively adjusted. There is no material impact of adoption of IND AS 115.

A Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

(₹ in Crore)

Revenue from operations	Goods	Services	Other operating revenue*	Total
Revenue by geography				
Domestic *	7,540.38	73.89	58.47	7,672.74
Export	1,283.66	-	-	1,283.66
Total	8,824.04	73.89	58.47	8,956.40
Revenue by time				
Revenue recognised at point in time				8,882.51
Revenue recognised over time				73.89
Total				8,956.40

* Export benefit has been included in domestic revenue

Notes to the financial statements for the year ended 31 March 2019

B. Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

Description	(₹ in Crore)
	For the year ended 31 March 2019
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	32.34
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-

C. Assets and liabilities related to contracts with customers

Description	As at 31 March 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
	Contract liabilities related to sale of goods			
Advance from customers	-	22.47	-	32.34

D. Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price

Description	(₹ in Crore)
	For the year ended 31 March 2019
Contract price	8,816.66
Less: Discount, rebates, credits etc.	139.74
Revenue from operations as per Statement of Profit and Loss	8,956.40

49 Retirement benefit obligations

Expenses recognised for defined contribution plans

	(₹ in Crore)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Company's contribution to provident fund	3.34	3.30
Company's contribution to employee state insurance	0.38	0.57
Company's contribution to national pension scheme	0.50	0.28
Total	4.22	4.15

Expenses recognised for defined benefit plans

	(₹ in Crore)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Company's contribution to provident fund	3.70	3.38
Total	3.70	3.38

Notes to the financial statements for the year ended 31 March 2019

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in the standalone balance sheet as at 31 March 2019 and 31 March 2018, being the respective measurement dates.

A. Change in defined benefit obligation

(₹ in Crore)

	Gratuity (Funded)	Leave Encashment (Unfunded)
Defined benefit obligation at 01 April 2017	33.07	7.88
Service cost		
Current service cost	2.18	0.70
Interest expense	2.20	0.47
Cash flows		
Benefit payments from plan assets	(3.31)	(2.39)
Remeasurements		
Due to change in financial assumptions	0.30	0.04
Due to experience adjustments	2.45	2.27
Defined benefit obligation at 31 March 2018	36.89	8.97
Service Cost		
Current service cost	2.38	0.71
Interest expense	2.70	0.60
Cash flows		
Benefit payments from plan assets	(3.14)	(2.69)
Remeasurements		
Due to change in financial assumptions	(0.32)	-0.03
Due to experience adjustments	1.64	2.44
Defined benefit obligation at 31 March 2019	40.15	9.99

B. Change in fair value of plan assets-gratuity

(₹ in Crore)

	As at 31 March 2019	As at 31 March 2018
Fair value of plan assets at end of prior period	28.75	21.52
Interest income	2.18	1.62
Cash flows		
Total employer contributions	4.27	8.83
Benefit payments from plan assets	(3.14)	(3.31)
Remeasurements		
Return on assets (excluding interest income)	(0.14)	0.09
Fair value of plan assets at end of period	31.92	28.75

Notes to the financial statements for the year ended 31 March 2019

C. Recognized in statement of profit and loss

(₹ in Crore)

	Gratuity	Leave Encashment
Service cost		
Current service cost	2.18	0.70
Total service cost	2.18	0.70
Net interest cost		
Interest expense on define benefit obligation	2.06	0.47
Interest (income) on plan assets	(1.48)	-
Total net interest cost	0.58	0.47
Remeasurements of other long term benefits	-	2.31
For the year ended 31 March 2018	2.76	3.48
Service Cost		
Current service cost	2.38	0.71
Total service cost	2.38	0.71
Net interest cost		
Interest expense on define benefit obligation	2.55	0.60
Interest (income) on plan assets	(2.03)	-
Total net interest cost	0.52	0.60
Remeasurements of other long term benefits	-	2.41
For the year ended 31 March 2019	2.90	3.71

D. Recognized in other comprehensive income (OCI)

(₹ in Crore)

	Gratuity
Due to change in financial assumptions	0.19
Due to change in experience adjustments	2.57
Return on assets (excluding interest income)	(0.09)
For the year ended 31 March 2018	2.67
Due to change in financial assumptions	(0.20)
Due to change in experience adjustments	1.52
Return on assets (excluding interest income)	0.14
For the year ended 31 March 2019	1.46

E. Expected cash flows for following year

(₹ in Crore)

Particulars	As at 31 March 2019	As at 31 March 2018
Year 1	2.62	2.81
Year 2	3.06	2.55
Year 3	3.30	3.04
Year 4	4.01	3.19
Year 5	4.68	3.85
Next 5 years	33.14	29.00

Notes to the financial statements for the year ended 31 March 2019

F. Current and non-current liability for gratuity and leave encashment

(₹ in Crore)

	Gratuity	Leave Encashment
As on 31 March 2018		
Current liabilities (₹11,884)	0.00	2.20
Non current liabilities	8.14	6.77
As on 31 March 2019		
Current liabilities	0.01	2.43
Non current liabilities	8.22	7.57

G. Disaggregation of plan assets into classes

The weighted-average asset allocations at the period end were as follows:

	Unquoted	Unquoted
Insurance Company products	100%	100%

H. Actuarial assumptions

Particulars	As at 31 March 2019	As at 31 March 2018
Discount rate	7.70% P.a.	7.60% P.a.
Salary increase rate	6.00% P.a.	6.00% P.a.
Rate of return on plan assets	7.70% P.a.	7.60% P.a.
Mortality table	(IALM) (2006-08) (Modified)Ult.	(IALM) (2006-08) (Modified)Ult.
Disability	5.00% of Mortality Rate	5.00% of Mortality Rate
Withdrawal (rate of employee turnover)	Upto age 30 Years:3% 31-44 Years:2% 45 and above:1%	Upto age 30 Years:3% 31-44 Years:2% 45 and above:1%
Retirement Age	58 Years	58 Years
Weighted Average Duration	9 Years	9 Years

The assumption of future salary increases have been set after taking into account aspects relating to inflation, seniority, promotion and other relevant factors

The assumption of attrition rate has been set based on the expected turnover of the company

I. Sensitivity analysis

Particulars	As at 31 March 2019	As at 31 March 2018
A. Discount Rate		
Discount Rate - 50 basis points	41.86	38.50
Assumptions	7.20% p.a.	7.10%P.a.
Discount Rate + 50 basis points	38.57	35.40
Assumptions	8.20% p.a.	8.10%P.a.
B. Salary increase rate		
Salary Rate - 50 basis points	38.45	35.35
Assumptions	5.50%	5.50% P.a
Salary Rate + 50 basis points	41.98	38.60
Assumptions	6.50%	6.50% P.a

Notes to the financial statements for the year ended 31 March 2019

The company makes monthly contributions to Provident Fund managed by trust for qualifying employees. Under the scheme, the company is required to contribute a specified percentage of the payroll costs to fund the benefits. Employer established provident fund trusts are treated as Defined Benefit Plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. Accounting to the actuarial Valuation, the Defined Benefit Obligation of Interest Rate Guarantee on exempted Provident Fund in respect of employees of the company as on 31 March 2019 works out of ₹ Nil (₹ Nil) and hence no provision is required to be provided for in the books of account towards the guarantee for notified interest rates.

Actuarial assumptions

	As at 31 March 2019	As at 31 March 2018
Discount rate	7.70% p.a.	7.60% P.a.
Rate of return on plan assets	8.55% p.a.	8.55% P.a.
Guaranteed Rate of return	8.55% p.a.	8.55% P.a.

50 Earning Per Share (EPS) computed in accordance with Ind AS 33 "Earning Per Share"

	For the year ended 31 March 2019	For the year ended 31 March 2018
Net Profit/(Loss) after tax as per P & LA/c (₹ in Crore)	261.65	395.70
Weighted average no. of equity shares for basic/diluted EPS (No's)	235,934,685	235,934,685
Basic/Diluted EPS per share (in ₹)	11.09	16.77
Face value per share (in ₹)	2.00	2.00

51 A) Auditors Remuneration includes the following

	(₹ in Crore)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
(i) Payment to auditors		
Audit fee	0.21	0.20
Certification work	0.02	0.06
Other services	0.06	0.07
Out of pocket expenses	0.01	0.02
	0.31	0.35
(ii) Payment to branch auditors		
Audit fee	0.03	0.03
Tax audit fees	0.01	0.01
Other capacity	0.00	0.00
Certification work	0.03	0.02
Out of pocket expenses	-	-
	0.08	0.06
Total	0.39	0.41
(B) Payment to Cost auditors		
Audit fee	0.02	0.02
Out of pocket expenses	-	-
Total	0.02	0.02

Notes to the financial statements for the year ended 31 March 2019

52. Capital work-in-progress (CWIP) includes technical know-how and supervision fees, taxes, machinery under installation/in transit, pre-operative expenses and other assets under erection. Details is as under:-

(₹ in Crore)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening balance	63.08	40.54
Add: Additions during the year	134.62	119.89
Less: Capitalisation during the year	109.62	97.35
Closing balance	88.08	63.08

53.

A. C.I.F. VALUE OF IMPORTS

(₹ in Crore)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Raw material	1,262.59	1,893.69
Stores & spares	159.00	133.02
Capital goods	70.70	41.96

B. EXPENDITURE IN FOREIGN CURRENCY

(₹ in Crore)

	For the year ended 31 March 2019	For the year ended 31 March 2018
i) Export selling expenses	17.52	28.98
ii) Interest	16.50	18.82
iii) Travelling	0.32	0.57
iv) Legal & professional expenses	0.48	0.09
v) Quality claim	3.26	2.40
vi) Others	4.26	11.61

C. EARNINGS IN FOREIGN CURRENCY

(₹ in Crore)

	For the year ended 31 March 2019	For the year ended 31 March 2018
F.O.B. value of export	1,237.54	1,342.75

D. Remittance of dividend on equity shares

NIL

NIL

54. No adjusting or significant non adjusting events have occurred between the reporting date and date of authorization of financial statements.
55. Previous years' figures have been re-arranged and regrouped wherever considered necessary. Figures less than ₹ 50000 have been shown as absolute number. Figures in bracket indicate previous year figures.
56. Note 1 to 56 are annexed to and form an integral part of the balance sheet and statement of profit & loss.

In terms of our report of even date annexed hereto.

For and on behalf of the Board of Directors :

For LODHA & CO.
Chartered Accountants

For S.S. KOTHARI MEHTA & CO.
Chartered Accountants

ABHYUDAY JINDAL
Managing Director

JAGMOHAN SOOD
Whole Time Director

(N.K. LODHA)
Partner
Membership No. 85155
FRN 301051E

(SUNIL WAHAL)
Partner
Membership No. 87294
FRN 000756N

RAMNIK GUPTA
Chief Financial Officer

BHARTENDU HARIT
Company Secretary

PLACE : New Delhi

DATED : 24 May 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JINDAL STAINLESS (HISAR) LIMITED

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of JINDAL STAINLESS (HISAR) LIMITED (herein after referred to as "the Holding Company") and its subsidiaries ("the Holding Company & its subsidiaries" together referred as "the Group") and its associates, which comprise of the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated statement of profit and loss (including other comprehensive income), the Consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information in which are included the RETURN for the year ended on that date audited by the branch auditor of the Holding Company's branch located at Kothavalasa in Vizianagaram district, Andhra Pradesh (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associates referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group and its associates as at 31st March, 2019, and its consolidated profit (financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis of Opinion

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 and its associates 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 consolidated 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 and the audit evidence obtained by the other auditors in terms of their report referred to in the sub-paragraphs (a) to (c) of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, 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 informing our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Description of Key Audit Matter	Description of Auditor's Report
Contingent liabilities The Company (Holding Company) faces a number of actual legal and regulatory proceedings. The determination of the provision and/or the level of disclosure required involves a high degree of judgement resulting in provisions and contingent liabilities being considered as a key audit matter.	<p>We evaluated the design and tested operating effectiveness of controls in respect of determination of the contingencies. We determined that the operation of the controls provided to us with evidence over the completeness, accuracy and valuation of the guarantees by an independent valuer;</p> <p>We read the summary of litigation matters provided by management and held discussions with Company's legal advisors/ counsel and read determinations and judgment's made by the Court/ legal authority(s). We requested legal letters from some of the external legal advisors with respect to the matters included in the summary. Where appropriate we examined correspondence connected with the cases;</p> <p>For litigation provisions/ contingencies, we tested the calculation, assessed the estimates against historical trends.</p> <p>We considered management's judgment's on the level of provisioning/ contingencies to be appropriate. We also evaluated appropriateness of the disclosures in Note no. 31 which we considered appropriate.</p>

INDEPENDENT AUDITOR'S REPORT

Description of Key Audit Matter	Description of Auditor's Report
<p>Inventory</p> <p>Determination of net realizable value of inventory at the year ended March 31, 2019</p> <p>As on March 31, 2019, the Company has inventory with the carrying value ₹ 1477.29 Crores. The inventory is valued at the lower of cost and net realizable value.</p> <p>We considered the value of the inventory of as a key audit matter given the relative size of the balance in the financial statements and significant judgement involved in the consideration of factors in determination of selling prices such as fluctuation of raw materials prices in the international market and in determination of net realizable value.</p>	<p>We understood and tested the design and operating effectiveness of controls as established by the management in determination of net realizable value of inventory.</p> <p>Assessing the appropriateness of Company's accounting policy for valuation of stock-in-trade and compliance of the policy with the requirements of the prevailing accounting standards.</p> <p>We considered various factors including the actual selling price prevailing around and subsequent to the year-end.</p> <p>Compared the cost of the finished goods with the estimated net realizable value and checked if the finished goods were recorded at net realizable value where the cost was higher than the net realizable value.</p> <p>For the purpose of determination of cost, the Company has considered the prevailing market situation.</p> <p>Further, for the purpose of determination of physical quantity of the inventory as at the year end, the Company has appointed external agency to conduct physical verification of the same. We have relied upon their report.</p> <p>Based on the above procedures performed, the management's determination of the net realizable value of the inventory as at the year end and comparison with cost for valuation of inventory is considered to be reasonable.</p>
<p>For Key Audit Matters identified by Component Auditors, refer "Annexure I" attached herewith (as stated in respective audit reports).</p>	

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report.

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Holding 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 Consolidated financial statements that give a true and fair view of the Consolidated state of affairs (consolidated financial position), Consolidated financial performance (consolidated statement of profit and loss including other comprehensive income), Consolidated cash flows and consolidated statement of changes in Equity of the Group and its associates in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Board of Directors of the Companies included in the Group and its Associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its Associates and for preventing and detecting frauds and other irregularities; the 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 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates 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.

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

INDEPENDENT AUDITOR'S REPORT

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

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.

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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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 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 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.

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.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

- (a) We did not audit the financial statements of three subsidiaries, namely, JSL Lifestyle Limited, JSL Media Limited and Green Delhi BQS Limited; included in the consolidated financial statements whose financial statements reflect total assets of ₹ 229.53 Crores, and net assets of (₹ 24.63 crores) as at 31st March 2019, total revenues of ₹ 465.41 crores and net cash outflow of ₹ 0.09 Crores for the year ended on that date, as considered in the consolidated financial statements. We did not audit the financial statements of three associates, namely Jindal Stainless Corporate Management Services Pvt. Limited, Jindal Stainless limited and J.S.S. Steelitalia Limited (having negative net worth); in whose financial statements the Company's share of profit is ₹ 51.66 Crores and total Comprehensive Income of ₹ 50.71 Crores for the year ended on 31st March, 2019. These financial statements have been audited by other auditor whose report have been furnished to us by the management and our opinion on the statement, in so far as it relates to the amounts and disclosures included in respect of subsidiaries, is based solely on the reports of the other auditors.
- (b) Financial statements of two subsidiary companies namely Jindal Stainless Steelway Limited and JSL Logistic Limited; which reflect total assets of ₹ 326.01 crores and net assets of ₹ 144.45 crores as at 31st March, 2019, net cash outflow of ₹ 0.94Crores, total revenue of ₹ 1,569.50 crores, total profit after tax of ₹ 20.21 crores and total Comprehensive Income of ₹ 20.24 crores for the year, have been audited by one of the joint auditors of the company.

INDEPENDENT AUDITOR'S REPORT

- (c) We did not audit the financial statements of one branch of Holding Company included in consolidated financial statements of the Company whose financial statements reflect total assets of ₹ 51.71 crore as at 31st March 2019 and the total revenue of ₹ 221.07 crore for the year ended on that date, as considered in consolidated financial statements of the branch has been audited by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branch, is based solely on the report of such branch auditor.

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

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, the Consolidated cash flow statement and Consolidated statement of Changes In Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS 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 31 March 2019 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the Directors of the Group and its Associate companies incorporated in India is disqualified as on 31 March 2019 from being appointed as a Director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group (Holding and Subsidiary Companies) and its associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure- A"; and
- (g) With respect to the other matter to be included in the Auditors' report under Section 197(16), based on our audit and on the consideration of the report of the other auditors, we report that:
The managerial remuneration paid/provided during the current year to their respective directors by the holding company, its subsidiaries companies and associate Companies is in accordance with the provisions of Section 197 of the Act.
- (h) 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 and based on the consideration of the report of the other auditors on separate financial statements of the subsidiaries and associates:
- The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its Associates- Refer Note 31, 36, 37 and 49 to the consolidated financial statements.
 - Provision has been made in the consolidated financial statement, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company, its subsidiaries companies and Associate Companies incorporated in India.

For LODHA & CO.
Chartered Accountants
ICAI-FRN: 301051E

For S.S. KOTHARI MEHTA & CO.
Chartered Accountants
ICAI-FRN: 000756N

N.K. LODHA
Partner
Membership No. 85155

SUNIL WAHAL
Partner
Membership No. 87294

Place: New Delhi
Dated: 24th May 2019

INDEPENDENT AUDITOR'S REPORT

Annexure I

Components	Description of Key Audit Matter	Description of Auditor's Report
Jindal Stainless Limited (an Associate)	<p>Valuation of investment in associate company</p> <p>We draw reference to note 4 to the consolidated financial statements.</p> <p>The Company has investment in equity instruments of its associate company amounting to ₹ 175.05 cores. Such investment in the aforesaid associate company is accounted for at cost in accordance with Ind AS 27, Separate Financial Statements. The Company assesses the recoverable amount of the investment when impairment indicators exist by comparing the fair value (less costs of disposal) and carrying amount of the investment as on the reporting date.</p> <p>The aforesaid investment is not traded in the market. The fair value of the investment is determined by a management-appointed independent valuation specialist based on discounted cash flow ('DCF') method. The process of computation of fair valuation for in associate company using DCF method is complex. Management's assessment of the fair valuation of investment requires estimation and judgement around assumptions used. The key assumptions underpinning management's assessment of the fair valuation include, but are not limited to, projections of future cash flows, growth rates, discount rates, estimated future operating and capital expenditure.</p> <p>The application of significant judgment in this matter required substantial involvement of senior personnel on the audit engagement including individuals with expertise in valuation.</p> <p>Accordingly, assessment of impairment losses to be recognized, if any, on the carrying value of investment made in the associate company has been considered as be a key audit matter for current year's audit.</p>	<p>Our audit procedures were focused on obtaining sufficient appropriate audit evidence that the carrying value of investment in associate company is not materially misstated. These procedures included, but were not limited to, the following:</p> <p>We obtained an understanding of management's processes and controls for determining the fair valuation of investment. The understanding was obtained by performance of walkthroughs which included inspection of documents produced by the Company and discussion with those involved in the process of valuation.</p> <p>In addition to the evaluation of design and testing the operating effectiveness of controls implemented for identification of impairment indicators and measurement of impairment provisions, we also performed the following procedures:</p> <ul style="list-style-type: none"> Assessed the qualification and objectivity of the management-appointed independent valuation specialist to determine the fair value of investment; Assessed the appropriateness of valuation methodology used for the fair valuation computation with the help of an auditor's expert, and tested the mathematical accuracy of management's model; Reconciled the cash flow projections to the business plans approved by the Company's management; Challenged the management's assessment of underlying assumptions used for the cash flow projections including the implied growth rates, considering evidence available to support these assumptions and our understanding of the business; Tested the discount rate and long-term growth rates used in the forecast including comparison to economic and industry forecasts where appropriate; Evaluated the sensitivity analysis performed by management in respect of the key assumptions such as discount and growth rates to ensure there was sufficient headroom with respect to the estimation uncertainty impact of such assumptions on the fair value calculation; Evaluated the appropriateness of disclosures in relation to investment in associate company and related impairment indicators. <p>We also obtained written representations from management and those charged with governance on whether the significant assumptions used in valuation of the investment in the associate company are considered reasonable.</p>

INDEPENDENT AUDITOR'S REPORT

Components	Description of Key Audit Matter	Description of Auditor's Report
<p>Jindal Stainless Limited (an Associate)</p>	<p>Recoverability of Minimum Alternate Tax (MAT) Credit</p> <p>As at 31 March 2019, the Company has recognized Minimum Alternate Tax (MAT) credit amounting ₹ 77.65 crores, within deferred tax assets. On that date, the Company also has unabsorbed depreciation amounting to ₹ 2,005.16 crores.</p> <p>The recognition of a deferred tax asset in the form of MAT credit is based on management's estimate of taxable and accounting profits in future, which are underpinned by the Company's price assumptions and business plans, and tax adjustments required to be made in the taxable profit computations, as per the provisions of Income Tax Act, 1961 (IT Act). Estimating recoverability of MAT credit also requires significant judgments, including the timing of reversals of unabsorbed depreciation.</p> <p>Considering the materiality of the amounts involved and inherent subjectivity requiring significant judgment involved in the determination of utilization of MAT credit through estimation of future taxable profits, this area was considered to be of most significance to the audit and determined to be a key audit matter.</p>	<p>Our procedures in relation to assessment of MAT credit recognized as at reporting date included, but were not limited to, the following:</p> <ul style="list-style-type: none"> ● Obtained and updated understanding of the management's process of computation of future accounting and taxable profits of the Company, and expected utilization of available MAT credit within specified time period as per provision of the IT Act. ● Evaluated the design of and tested the operating effectiveness of controls around the preparation of underlying business plans, future taxable profit computation, and assessment of recognition of MAT credit at year end. ● Reconciled the business results projections to the future business plans approved by the Company's board of directors; ● Challenged the management's assessment of underlying assumptions used for the business results projections including expected capacity expansion and utilization, implied growth rates and expected prices considering evidence available to support these assumptions and our understanding of the business; ● Tested the growth rates used in the forecast by comparing them to past trends and to economic and industry forecasts where appropriate; ● Evaluated the sensitivity analysis performed by management in respect of the key assumptions such as growth rates to ensure there was sufficient headroom with respect to the estimation uncertainty impact of such assumptions on the timing reversal of unabsorbed depreciation and utilization of MAT credit; ● Tested the computations of future taxable profits, including testing of the adjustments made in such computations with respect to tax-allowed and tax-disallowed items, other tax rebates and deductions available to the Company, and tested the computation of MAT liability in such future years, in accordance with the provisions of the IT Act. ● Evaluated the historical accuracy of the estimates made in the prior periods with respect to business projections and aforesaid tax assumptions. ● Tested the mathematical accuracy of management's projections and tax computations. ● Based on aforesaid computations, assessed the appropriateness of management's estimate of likelihood of utilization of MAT credit within the time period specified and in accordance with the provisions of the IT Act. ● Evaluated the appropriateness and adequacy of the disclosures related to MAT credit in the financial statements in accordance with the applicable accounting standards.

INDEPENDENT AUDITOR'S REPORT

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JINDAL STAINLESS (HISAR) LIMITED

Report on the internal financial controls over financial reporting under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of 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 STAINLESS (HISAR) LIMITED ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries (incorporated in India) together referred to as "the Group") and its associates which are companies incorporated in India and in which are incorporated the RETURN audited by the branch auditor of the Holding Company's branch at Kothavalasa in Vizianagaram district, Andhra Pradesh, as of that date.

Management's responsibility for internal financial controls

The respective board of directors of Holding Company, its subsidiary companies and its associates, which are companies incorporated in India, are 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 Companies Act, 2013.

Auditor's responsibility

Our responsibility is to express an opinion on the Group's and its associates 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 the Institute of Chartered Accountants of India (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 Institute of Chartered Accountants of India. 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 consolidated 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 Group's and its associates 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 consolidated 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 consolidated 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 consolidated 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 Holding Company, its subsidiary companies and its associates 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.

INDEPENDENT AUDITOR'S REPORT

Other matters

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 in so far as it relates to 5 subsidiary companies (including 2 subsidiary companies audited by one of the joint auditor of the Holding Company) and 3 associate companies which are companies incorporated in India, is based on the corresponding reports of the respective auditors of such companies incorporated in India and RETURN audited by the branch auditor of the Holding Company's branch at Kothavalasa in Vizianagaram district, Andhra Pradesh.

Our opinion is not modified in respect of this matters with respect to our reliance on the work done and the reports of the other auditors.

For **LODHA & CO.**
Chartered Accountants
ICAI-FRN: 301051E

For **S.S. KOTHARI MEHTA & CO.**
Chartered Accountants
ICAI-FRN: 000756N

N.K. LODHA
Partner
Membership No. 85155

SUNIL WAHAL
Partner
Membership No. 87294

Place: New Delhi
Dated: 24th May 2019

Consolidated balance sheet as at 31 March 2019

(₹ in Crore)

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2	2,093.28	2,199.25
Capital work-in-progress		92.33	66.21
Goodwill (includes goodwill on consolidation)	3	86.25	86.25
Other intangible assets	3	10.69	4.46
Intangible assets under development		2.25	-
Investment in associates - equity method	4	621.69	570.98
Financial assets			
Investments	4	0.00	0.00
Loans	5	900.00	900.00
Other financial assets	6	32.69	28.92
Deferred tax assets (net)	7	2.02	8.71
Other non-current assets	8	11.53	18.47
Total non-current assets		3,852.73	3,883.25
Current assets			
Inventories	9	1,477.29	1,673.70
Financial assets			
Trade receivables	10	873.99	846.62
Cash and cash equivalents	11	18.62	8.03
Bank balances other than above	12	7.50	7.13
Other financial assets	6	118.36	42.22
Current tax assets (net)	13	4.95	3.34
Other current assets	8	141.60	300.92
Total current assets		2,642.31	2,881.96
Total Assets		6,495.04	6,765.21
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	14	47.19	47.19
Other equity	14A	1,805.59	1,427.38
Total equity		1,852.78	1,474.57
Non-controlling interest	14A	47.49	31.46

Consolidated balance sheet as at 31 March 2019

(₹ in Crore)

	Note	As at 31 March 2019	As at 31 March 2018
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	15	1,971.52	2,257.38
Other financial liabilities	16	-	0.27
Provisions	17	20.50	18.87
Deferred tax liabilities (net)	18	82.79	84.76
Total non-current liabilities		2,074.81	2,361.28
Current liabilities			
Financial liabilities			
Borrowings	19	205.55	517.43
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	20	77.89	4.30
Total outstanding dues of creditors other than micro and small enterprises	20	1,500.05	1,627.70
Other financial liabilities	16	455.24	439.65
Other current liabilities	21	240.94	258.63
Provisions	17	2.75	2.38
Current tax liabilities (net)	22	37.54	47.81
Total current liabilities		2,519.96	2,897.90
Total Equity and Liabilities		6,495.04	6,765.21
Significant accounting policies	1		

The accompanying significant accounting policies and notes form an integral part of these financial statements.

In terms of our report of even date annexed hereto.

For and on behalf of the Board of Directors :

For **LODHA & CO.**
Chartered Accountants

For **S.S. KOTHARI MEHTA & CO.**
Chartered Accountants

ABHYUDAY JINDAL
Managing Director

JAGMOHAN SOOD
Whole Time Director

(N.K. LODHA)
Partner
Membership No. 85155
FRN 301051E

(SUNIL WAHAL)
Partner
Membership No. 87294
FRN 000756N

RAMNIK GUPTA
Chief Financial Officer

BHARTENDU HARIT
Company Secretary

PLACE : New Delhi

DATED : 24 May 2019

Consolidated statement of profit and loss for the year ended on 31 March 2019

(₹ in Crore)

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
INCOME			
Revenue from operations	23	10,288.86	10,563.30
Other income	24	102.11	116.05
Total Income		10,390.97	10,679.35
EXPENSES			
Cost of materials consumed	25	6,688.16	6,333.34
Purchases of stock in trade		193.45	634.72
Changes in inventories of finished goods, work in progress and stock in trade	26	(21.65)	16.55
Employee benefits expenses	27	209.89	208.74
Excise duty on sales		-	206.16
Finance costs	28	367.12	408.20
Depreciation and amortization expense	29	289.29	284.26
Other expenses	30	2,180.27	1,933.15
Total Expenses		9,906.53	10,025.12
Profit before exceptional items and tax		484.44	654.23
Share of profit from associates - equity method		51.66	147.31
Exceptional items - gain/(loss)	33	33.71	19.56
Profit before tax		569.81	821.10
Tax expense			
Current tax		177.14	191.51
Deferred tax		(3.65)	42.25
Taxes in relation to earlier years		0.12	(0.31)
Net Profit for the year		396.20	587.65
Profit for the year attributable to:			
Owners of the parent		381.35	578.04
Non-controlling interest		14.85	9.61
		396.20	587.65
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(1.50)	(2.70)
Income tax effect on above		0.52	0.93
Share of other comprehensive income from associates		(0.95)	5.27
Other comprehensive income for the year		(1.93)	3.50
Other comprehensive income for the year attributable to:			
Owners of the parent		(1.92)	3.47
Non-controlling interest		(0.01)	0.03
		(1.93)	3.50
Total comprehensive income for the year		394.27	591.15
Total comprehensive income for the year attributable to:			
Owners of the parent		379.43	581.51
Non-controlling interest		14.84	9.64
		394.27	591.15

Corporate Profile

Statutory Reports

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Consolidated statement of profit and loss for the year ended on 31 March 2019

(₹ in Crore)

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Earnings per share (in ₹)	47		
Basic		16.16	24.50
Diluted		16.16	24.50
Significant accounting policies	1		

The accompanying significant accounting policies and notes form an integral part of these financial statements.

In terms of our report of even date annexed hereto.

For and on behalf of the Board of Directors :

For **LODHA & CO.**
Chartered Accountants

For **S.S. KOTHARI MEHTA & CO.**
Chartered Accountants

ABHYUDAY JINDAL
Managing Director

JAGMOHAN SOOD
Whole Time Director

(N.K. LODHA)
Partner
Membership No. 85155
FRN 301051E

(SUNIL WAHAL)
Partner
Membership No. 87294
FRN 000756N

RAMNIK GUPTA
Chief Financial Officer

BHARTENDU HARIT
Company Secretary

PLACE : New Delhi

DATED : 24 May 2019

Statement of changes in equity for the year ended on 31 March 2019

EQUITY SHARE CAPITAL

(₹ in Crore)

As at 01 April 2017	Changes in equity share capital during 2017-18	As at 01 April 2018	Changes in equity share capital during 2018-19	As at 31 March 2019
47.19	-	47.19	-	47.19

OTHER EQUITY

(₹ in Crore)

	Surplus			Items of other comprehensive income	Total	Non-Controlling Interest
	Capital reserve	Securities premium	Retained earnings	Re-measurement of the net defined benefit plans (net of tax)		
Balance as at 01 April 2017	0.05	562.94	286.03	(3.15)	845.87	21.82
Profit for the year 2017-18	-	-	578.04	-	578.04	9.61
Re-measurements of the net defined benefit plans	-	-	-	3.47	3.47	0.03
Balance as at 31 March 2018	0.05	562.94	864.07	0.32	1,427.38	31.46
Profit for the year 2018-19	-	-	381.35	-	381.35	14.85
Re-measurements of the net defined benefit plans	-	-	-	(1.92)	(1.92)	(0.01)
Non controlling interests on acquisition of interest by subsidiary	-	-	(1.22)	-	(1.22)	1.19
Balance as at 31 March 2019	0.05	562.94	1,244.20	(1.60)	1,805.59	47.49

The accompanying significant accounting policies and notes form an integral part of these financial statements.

In terms of our report of even date annexed hereto.

For and on behalf of the Board of Directors :

For LODHA & CO.
Chartered Accountants

For S.S. KOTHARI MEHTA & CO.
Chartered Accountants

ABHYUDAY JINDAL
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RAMNIK GUPTA
Chief Financial Officer

BHARTENDU HARIT
Company Secretary

PLACE : New Delhi

DATED : 24 May 2019

Consolidated cash flow statement for the year ended 31 March 2019

(₹ in Crore)

	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Cash flow from operating activities		
Profit before tax	569.81	821.10
Adjustment for:		
Depreciation and amortisation expenses	289.29	284.26
Allowance for expected credit losses/bad debts (net)	15.29	14.19
Effect of unrealised foreign exchange gain	(1.31)	(4.17)
Mark to market of derivatives contract (gain)/loss	(3.72)	2.16
Share of profit from associates	(51.66)	(147.31)
Re-measurements of the net defined benefit Plans	(2.45)	2.57
Finance costs	367.12	408.20
Interest income	(93.68)	(111.70)
Loss on sale/discard of property, plant & equipment (net)	1.69	0.28
Operating profit before working capital changes	1,090.38	1,269.58
Movement in working capital :		
(Increase) / decrease in inventories	196.41	42.36
(Increase) / decrease in trade receivables	(45.01)	193.55
(Increase) / decrease in loans & advances and other assets	157.16	112.68
Increase / (decrease) in liabilities and provisions	(88.55)	9.28
Cash inflow from operating activities	1,310.39	1,627.45
Income tax paid (net)	(180.25)	(173.19)
Net cash inflow from operating activities	1,130.14	1,454.26
B. Cash flow from investing activities		
Bank deposits encashed/(made)	(0.37)	(1.60)
Capital expenditure	(204.70)	(193.68)
Loan given to related party	-	(289.67)
Sales proceeds of property, plant & equipment	8.36	8.86
Interest received	15.88	10.54
Net cash outflow from investing activities	(180.83)	(465.55)
C. Cash flow from financing activities		
Interest and finance charges paid	(369.74)	(408.47)
Repayment of long term borrowings	(255.36)	(164.50)
Repayment of short term borrowings (net)	(313.62)	(415.77)
Net cash outflow from financing activities	(938.72)	(988.74)
Net changes in cash & cash equivalents	10.59	(0.03)
Cash & cash equivalents (closing balance) (refer note no.11)	18.62	8.03
Cash & cash equivalents (opening balance)(refer note no.11)	8.03	8.06
Net changes in cash & cash Equivalents	10.59	(0.03)

Consolidated cash flow statement for the year ended 31 March 2019

Reconciliation of liabilities arising from financing activities

(₹ in Crore)

	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Long term borrowing	Short term borrowing*	Long term borrowing	Short term borrowing*
Opening balance	2,417.15	517.43	2,582.10	932.09
Cash flows				
Repayment	(255.36)	(313.62)	(164.50)	(415.77)
Non cash				
Foreign exchange movement	-	1.74	-	1.11
Fair value changes	(0.45)	-	(0.45)	-
Closing balance	2,161.34	205.55	2,417.15	517.43

* Short term borrowings are presented on net basis

The accompanying significant accounting policies and notes form an integral part of these financial statements.

In terms of our report of even date annexed hereto.

For and on behalf of the Board of Directors :

For LODHA & CO.
Chartered Accountants

For S.S. KOTHARI MEHTA & CO.
Chartered Accountants

ABHYUDAY JINDAL
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RAMNIK GUPTA
Chief Financial Officer

BHARTENDU HARIT
Company Secretary

PLACE : New Delhi

DATED : 24 May 2019

Notes to the consolidated financial statements for the year ended 31 March 2019

NOTE NO – 1 BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

1) General information

Jindal Stainless (Hisar) Limited ("the Company" or "the Parent Company") is a leading manufacturer /producer of stainless steel flat products in austenitic, ferritic, martensitic and duplex grades. The product range includes ferro alloys, stainless steel slabs and blooms, hot rolled coils, plates, cold rolled coils and specialty products such as razor blade steel, precision strips, coin blanks and long products.

The Parent and its subsidiaries (together referred as "the Group") are manufacturer of diverse range of steel products with its manufacturing facilities located in the state of Haryana, Andhra Pradesh, Tamil Nadu, Gujarat and Maharashtra in India.

2) Basis of preparation

The consolidated financial statements have been prepared complying in all material respects with the Indian Accounting Standards (IND AS) notified under section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rule 2015. 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 of financial statement of all period presented.

The financial statements has been prepared considering all IND AS as notified and made applicable by MCA for reporting date i.e. 31 March 2019.

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

3) Standards issued but not yet effective

On 30 March 2019, Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019. These amendments will come into force for financial periods beginning on or after 1 April 2019.

IND AS 116, Leases

The amendment will require lessees to adopt a uniform approach to the presentation of leases, which replaces existing "IND AS 17 - Leases" and related interpretations. The new standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased term) and a financial liability to pay rentals for virtually all leases contracts by the lessees. An optional exemption exists for short-term and low-value assets.

The Company is evaluating the detailed potential impact of this on the financial statements and related disclosure and effect will be given in due course.

IND AS 12, Income taxes

Appendix C to IND AS 12, which clarify the application and measurement requirements in IND AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognised and measured by applying the requirements in IND AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix.

The Company is evaluating the detailed potential impact of this on the financial statements and related disclosure and effect will be given in due course.

IND AS 19, Employee benefits

The amendment will require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The Company is evaluating the detailed potential impact of this on the financial statements and related disclosure and effect will be given in due course.

IND AS 23, Borrowing Costs:

The amendment clarify that an entity treats as part of general borrowings originally made to develop a qualifying asset when substantially all of the necessary to prepare that assets for its intended use or sale are complete.

The Company is evaluating the detailed potential impact of this on the financial statements and related disclosure and effect will be given in due course.

Notes to the consolidated financial statements for the year ended 31 March 2019

4) Basis of consolidation of financial statements

- i) The Company has prepared consolidated financial statements by consolidating its accounts with those of the followings as on 31 March 2019:

Name	Country of Incorporation	% Age Shareholding / Voting Power	
		31 March 2019	31 March 2018
Subsidiaries @			
Jindal Stainless Steelway Limited	India	81.91%	81.91%
JSL Lifestyle Limited	India	77.74%	77.74%
JSL Logistics Limited	India	100.00%	100.00%
Green Delhi BQS Limited	India	94.86%	68.88%
JSL Media Limited	India	99.94%	99.94%
Associates*			
J.S.S. Steelitalia Limited	India	33.00%	33.00%
Jindal Stainless Limited	India	35.12%	35.12%
Jindal Stainless Corporate Management services Pvt Ltd.	India	50.00%	50.00%

@ The control in subsidiary is gained when the Company is exposed to, or has rights to variable returns from its involvement with the entity and the ability to affect those returns through its power over the entity.

* An associate is entity over which the group has significant influence, i.e. the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

- ii) The financial statements of parent Company and its subsidiaries have been consolidated on line-by-line basis by adding together book value of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra- group transactions in accordance with Ind AS 110 "Consolidated Financial Statement".
- iii) Non-controlling interest represents the equity in a subsidiary not attributable, directly or indirectly to a Parent. Non-controlling interest in the net assets of the subsidiaries being consolidated is identified and presented in the consolidated balance sheet separately from the equity attributable to the Parent's shareholders and liabilities. Profit or loss and each component of other comprehensive income are attributed to parent and to the non-controlling interest. Impact of any insignificant and immaterial non-controlling interest is not considered.
- iv) In case of associates, where Company holds directly or indirectly through subsidiaries 20% or more equity or / and exercises significant influence, investments are accounted for by using equity method in accordance with Ind AS 28 "Investments in Associates and Joint Ventures".
- v) Post-acquisition, the Company accounts for its share in the change in net assets of the associates, through its statement of profit and loss, other comprehensive income and through its reserves for the balance.
- vi) The difference between the cost of investment and the share of net fair value of investees' assets and liabilities at the time of acquisition of shares in the associates is identified in the financial statements as goodwill or capital reserve as the case may be. However goodwill is not separately recognised but included in the value of investments.
- vii) The difference between the cost of investment at the time of acquisition of shares in the subsidiaries and the share of net of the assets acquired and the liabilities assumed measured at their acquisition date fair values is identified in the financial statements as goodwill or capital reserve as the case may be.
- viii) The accounting policies of the parent company, its subsidiaries and associates are largely similar.
- ix) The deferred tax is recognised for temporary differences arising after elimination of profits and losses resulting from intragroup transactions.
- x) Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with parent company's financial statements.

Notes to the consolidated financial statements for the year ended 31 March 2019

- xi) Significant accounting policies of the financial statements of the company and its subsidiaries are set out in their respective Standalone Financial Statements.

5) Significant accounting policies

The significant accounting policies to prepare consolidated financial statements are in uniformity with the standalone financial statements of the Company. Following are the additional policies specifically considered for preparation of consolidated financial statements:

a) Business combination

Business combinations are accounted for using the acquisition method. The cost of acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued by the Company in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the recognition criteria are stated at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders' proportionate share of the acquiree's identifiable net assets.

b) Deferred tax

The Company does not recognise deferred tax liability with respect to undistributed retained earnings of subsidiaries as the Company controls the timing of distribution of profits and it is probable that the subsidiaries will not distribute the profits in the foreseeable future.

c) Goodwill

Goodwill arising on an acquisition of business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination.

Notes to the consolidated financial statements for the year ended 31 March 2019

2. PROPERTY, PLANT AND EQUIPMENT

(₹ in Crore)

	Leasehold land	# Freehold land	# Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
GROSS CARRYING AMOUNT								
As at 01 April 2017	7.53	327.69	438.03	2,451.78	13.45	25.08	4.21	3,267.77
Additions	-	-	7.46	139.57	0.19	3.08	0.57	150.87
Disposal/adjustments	-	-	-	35.66	-	1.41	0.08	37.15
As at 31 March 2018	7.53	327.69	445.49	2,555.69	13.64	26.75	4.70	3,381.49
Additions	1.03	3.59	13.81	165.06	0.32	5.87	1.45	191.13
Disposal/adjustments	-	-	-	35.41	2.24	0.33	0.06	38.04
As at 31 March 2019	8.56	331.28	459.30	2,685.34	11.72	32.29	6.09	3,534.58
ACCUMULATED DEPRECIATION								
As at 01 April 2017	0.89	-	87.28	821.69	5.58	11.55	2.17	929.16
Charge for the year	0.44	-	25.77	250.63	1.33	2.53	0.41	281.11
Disposal/adjustments	-	-	-	27.23	-	0.73	0.07	28.03
As at 31 March 2018	1.33	-	113.05	1,045.09	6.91	13.35	2.51	1,182.24
Charge for the year	0.54	-	26.12	256.16	1.06	2.78	0.38	287.04
Disposal/adjustments	-	-	-	26.43	1.20	0.30	0.05	27.98
As at 31 March 2019	1.87	-	139.17	1,274.82	6.77	15.83	2.84	1,441.30
NET CARRYING AMOUNT								
As at 31 March 2018	6.20	327.69	332.44	1,510.60	6.73	13.40	2.19	2,199.25
As at 31 March 2019	6.69	331.28	320.13	1,410.52	4.95	16.46	3.25	2,093.28

Notes

#The Company has legally valid, clear & marketable title over the freehold land & buildings amounting ₹ 318.12 crore and ₹ 3.24 crore respectively, vested in the company pursuant to the composite scheme of arrangement. Mutation of whole land at Hisar (other than 97 kanal of land amounting to ₹ 9.98 Crore) has been recorded by Land Revenue Department in the name of the Company.

Notes to the consolidated financial statements for the year ended 31 March 2019

3. GOODWILL AND INTANGIBLE ASSETS

(₹ in Crore)

	Goodwill	* Software	Bus Q Shelter Concession Rights	Total
GROSS CARRYING AMOUNT				
As at 01 April 2017	86.25	6.27	50.26	142.78
Additions	-	2.69	-	2.69
Disposals/adjustments	-	-	-	-
As at 31 March 2018	86.25	8.96	50.26	145.47
Additions	-	8.48	-	8.48
Disposals/adjustments	-	-	-	-
As at 31 March 2019	86.25	17.44	50.26	153.95
ACCUMULATED AMORTIZATION				
As at 01 April 2017	-	3.24	48.37	51.61
Charge for the year	-	1.26	1.89	3.15
Relating to disposals/adjustments	-	-	-	-
As at 31 March 2018	-	4.50	50.26	54.76
Charge for the year	-	2.25	-	2.25
Relating to disposals/adjustments	-	-	-	-
As at 31 March 2019	-	6.75	50.26	57.01
NET CARRYING AMOUNT				
As at 31 March, 2018	86.25	4.46	-	90.71
As at 31 March, 2019	86.25	10.69	-	96.94

* Amortised upto 5 Years

Notes to the consolidated financial statements for the year ended 31 March 2019

4. INVESTMENTS

(₹ in Crore)

	As at 31 March 2019			As at 31 March 2018		
	Nos.	Face Value (₹)	Amount	Nos.	Face Value (₹)	Amount
A	NON - CURRENT INVESTMENTS AT COST LESS PROVISION					
	Equity shares fully paid up of associate company-quoted					
Jindal Stainless Limited #	168,284,309	2	366.19	168,284,309	2	366.19
Share in profit from associate			252.71			203.57
TOTAL (A)			618.90			569.76
B	Equity shares fully paid up of associate company-unquoted					
Jindal Stainless Corporate Management Services Pvt. Ltd.	5,000	10	0.01	5,000	10	0.01
Share in profit from associate			2.78			1.21
J.S.S. Steellitalia Limited	7,713,190	10	7.71	7,713,190	10	7.71
Share in (loss) from associate\$			(7.71)			(7.71)
TOTAL (B)			2.79			1.22
C	Govt./Semi Govt. securities - non trade at fair value					
National Savings Certificate [₹ 1,500 (₹ 11,500)]*			0.00			0.00
TOTAL (C)			0.00			0.00
TOTAL - NON CURRENT INVESTMENT (A+B+C)			621.69			
Aggregate amount of quoted investments			618.90	569.76		
Aggregate market value of quoted investments			682.39	1,321.87		
Aggregate amount of unquoted investments			2.79	1.22		
# Pledge of 7,84,15,662 (7,84,15,662) shares in favour of lenders of Jindal Stainless Limited. (Read with Note no 34(iv)) * Lodged with Government Authorities as security. \$ As per Para 38 of Ind AS-28 "Investments in associates" investor will recognise share of loss in associate upto its interest in associate, accordingly loss of ₹ 5.19 crores (₹ 2.75 crores) not recognised till 31 March, 2019.						

Notes to the consolidated financial statements for the year ended 31 March 2019

(₹ in Crore)

		As at 31 March 2019	As at 31 March 2018
5	NON CURRENT LOAN (Unsecured, considered good unless otherwise stated) Loans to related parties*	900.00	900.00
	TOTAL - NON CURRENT LOANS	900.00	900.00

* carries interest rate @ 10% p.a.

(₹ in Crore)

		Non Current		Current	
		As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
6	OTHER FINANCIAL ASSETS				
	Derivative assets	-	-	1.17	-
	Security deposits [Net of provision of ₹ 0.54 crore (₹ 0.54 crore)]	32.44	28.76	1.84	4.42
	Interest receivable \$	-	-	82.08	4.28
	Other receivable #	-	-	33.27	33.52
	Bank deposits with remaining maturity of more than 12 Months*	0.25	0.16	-	-
	TOTAL - OTHER FINANCIAL ASSETS	32.69	28.92	118.36	42.22

\$ includes ₹ 81.00 crore (₹ Nil) receivable from Jindal Stainless Limited.

Includes export incentives etc.

* under lien with banks/govt. authorities

(₹ in Crore)

		As at 31 March 2019	As at 31 March 2018
7	DEFERRED TAX ASSET (NET)		
(a)	DEFERRED TAX LIABILITY		
	Difference between book & tax depreciable assets	3.93	3.54
	Total deferred tax liability	3.93	3.54
(b)	DEFERRED TAX ASSETS		
	Disallowance under income tax act	0.80	1.73
	Brought forward loss/unabsorbed depreciation	0.17	0.17
	Total deferred tax assets	0.97	1.90
	MAT CREDIT ENTITLEMENT	4.98	10.35
	DEFERRED TAX ASSET (NET)	2.02	8.71

Notes to the consolidated financial statements for the year ended 31 March 2019

(₹ in Crore)

	Non Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
8 OTHER ASSETS				
Capital advances	11.51	18.38	-	-
Advances to vendors \$	-	-	26.28	54.48
Advances to related parties #	-	-	-	141.41
Advance to employees	-	-	0.28	0.50
Balance with indirect tax authorities	-	-	101.58	94.14
Unbilled revenues	-	-	1.49	0.01
Other receivables *	0.02	0.09	11.97	10.38
TOTAL - OTHER ASSETS	11.53	18.47	141.60	300.92

\$ includes ₹ Nil (₹ 30.00 crore) to Jindal Stainless Limited.

includes ₹ Nil (₹ 141.41 crore) receivable from Jindal Stainless Limited on current account.

* includes prepaid expenses, etc.

(₹ in Crore)

	As at 31 March 2019	As at 31 March 2018
9 INVENTORIES (As taken by the management) (valued at lower of cost and net realizable value unless otherwise stated)		
Raw materials [Including material in Transit ₹ 204.96 crore (₹ 265.55 crore)]	394.40	604.40
Work in progress	521.08	516.21
Finished goods	433.76	413.06
Store and spares [Including material in Transit ₹ 11.60 crore (₹ 7.15 crore)]	117.32	125.38
Scrap (at estimated realizable value)	10.73	14.65
TOTAL - INVENTORIES	1,477.29	1,673.70

(₹ in Crore)

	As at 31 March 2019	As at 31 March 2018
10 TRADE RECEIVABLES		
Unsecured		
Considered good*	873.99	846.62
Credit impaired	42.58	45.38
Less : Allowance for expected credit losses	(42.58)	(45.38)
TOTAL - TRADE RECEIVABLE	873.99	846.62

*The above includes trade receivables of ₹15.45 crore (₹ 30.67 crore) due for more than 180 days.

Notes to the consolidated financial statements for the year ended 31 March 2019

(₹ in Crore)

		As at 31 March 2019	As at 31 March 2018
11	CASH AND CASH EQUIVALENTS		
	Balances with banks	7.92	7.89
	Cheques in hand/money in transit	10.59	0.04
	Cash in hand	0.11	0.10
	Pooja and Silver Coins [₹ 16,208 (₹ 14,585)]	0.00	0.00
	TOTAL - CASH AND CASH EQUIVALENTS	18.62	8.03

(₹ in Crore)

		As at 31 March 2019	As at 31 March 2018
12	OTHER BANK BALANCES		
	Bank deposits with original maturity of more than three months but less than 12 months *	7.50	7.13
	TOTAL - OTHER BANKS BALANCES	7.50	7.13

* under lien with banks / Govt authorities

(₹ in Crore)

		As at 31 March 2019	As at 31 March 2018
13	CURRENT TAX ASSETS (NET)		
	Current tax assets [Net of provision of ₹ 33.79 Crore(₹ 26.44 Crore)]	4.95	3.34
	TOTAL - CURRENT TAX ASSETS (NET)	4.95	3.34

Notes to the consolidated financial statements for the year ended 31 March 2019

(₹ in Crore)

		As at 31 March 2019	As at 31 March 2018
14	SHARE CAPITAL		
	AUTHORISED		
	240,000,000 (240,000,000) equity shares of ₹ 2/- each	48.00	48.00
	10,000,000 (10,000,000) preference shares of ₹ 2/- each	2.00	2.00
		50.00	50.00
	ISSUED, SUBSCRIBED AND PAID UP		
	235,934,685 (235,934,685) equity shares of ₹ 2/- each	47.19	47.19
	TOTAL - SHARE CAPITAL	47.19	47.19

(a) RECONCILIATION OF THE NUMBER OF EQUITY SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING YEAR

	31 March 2019 No. of shares	31 March 2018 No. of Shares
Shares outstanding at the beginning of the year	235,934,685	235,934,685
Shares outstanding at the end of the year	235,934,685	235,934,685

(b) TERMS/RIGHTS ATTACHED TO EQUITY SHARES

The company has only one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per equity share held [other than the shares represented by Regulation S Global Depository Shares (the "GDSs") issued by the Company whose voting rights are subject to certain conditions and procedure as prescribed under the Regulation S Deposit Agreement]. The company declares and pays dividends in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and also has equal right in distribution of Profit/Surplus in proportions to the number of equity shares held by the shareholders.

As on 31 March 2019, 7,552,167 GDSs (7,552,167 GDSs) with 15,104,334 underlying equity shares (15,104,334 equity shares) were outstanding. Each GDS represents 2 underlying equity shares of the Company.

(c) EQUITY SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES ARE AS UNDER :

NAME OF THE SHAREHOLDER	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% holding	No. of shares	% holding
JSL Overseas Holding Limited	30,200,000	12.80%	30,200,000	12.80%
JSL Overseas Limited	26,560,440	11.26%	26,560,440	11.26%
ELM Park Fund Limited	19,432,160	8.24%	19,432,160	8.24%
Hypnos Fund Limited	12,587,711	5.34%	10,301,711	4.37%

(d) No bonus, buy back, issue of share other than in cash in last 5 years except pursuant to composite scheme of arrangement.

Notes to the consolidated financial statements for the year ended 31 March 2019

(₹ in Crore)

		Surplus			Items of other comprehensive income	Total	Non-Controlling Interest
		Capital reserve	Securities premium	Retained earnings	Re-measurement of the net defined benefit plans (net of tax)		
14A	OTHER EQUITY						
	Balance as at 01 April 2017	0.05	562.94	286.03	(3.15)	845.87	21.82
	Profit for the year	-	-	578.04	-	578.04	9.61
	Re-measurements of the net defined benefit plans	-	-	-	3.47	3.47	0.03
	Balance as at 31 March 2018	0.05	562.94	864.07	0.32	1,427.38	31.46
	Profit for the year	-	-	381.35	-	381.35	14.85
	Re-measurements of the net defined benefit plans	-	-	-	(1.92)	(1.92)	(0.01)
	Non controlling interests on acquisition of interest by subsidiary	-	-	(1.22)	-	(1.22)	1.19
	Balance as at 31 March 2019	0.05	562.94	1,244.20	(1.60)	1,805.59	47.49

Nature of Reserves

Capital Reserve :-

Represents on cancellation of share capital in terms of Composite Scheme of Arrangement.

Securities Premium :-

Represents the amount received in excess of par value of securities. Premium on redemption of securities is accounted in security premium available. Where security premium is not available, premium on redemption of securities is accounted in statement of profit and loss. Section 52 of Companies Act, 2013 specify restriction and utilisation of security premium.

Other Comprehensive Income Reserve :-

Represents the balance in equity for items to be accounted in Other Comprehensive Income. OCI is classified into i). Items that will not be reclassified to profit and loss ii). Items that will be reclassified to profit and loss.

(₹ in Crore)

		Non Current		Current	
		As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
15	LONG-TERM BORROWINGS				
	SECURED				
(a)	Rupee term loans from banks	1,929.16	2,206.32	180.16	150.13
(b)	Working capital term loans from financial institutions	14.98	23.75	9.60	9.61
(c)	Car loans from banks	0.08	0.03	0.06	0.03
	TOTAL - SECURED	1,944.22	2,230.10	189.82	159.77
	UNSECURED				
(d)	Loan from other party	27.30	27.28	-	-
	TOTAL - UNSECURED	27.30	27.28	-	-
	Less : Amount disclosed under the head other current financial liabilities	-	-	189.82	159.77
	TOTAL - LONG TERM BORROWINGS	1,971.52	2,257.38	-	-

Notes to the consolidated financial statements for the year ended 31 March 2019

Secured Borrowings

- (a) The term loan facility from banks amounting to ₹ 2,109.32 Crore (₹ 2,356.45 Crore) are repayable in quarterly instalments of ₹ 58.50 Crore each during 2019-20 (instalment to the extent of ₹ 53.84 Crore due on 01 April 2019 has already been paid before due date), ₹ 65.00 Crore each during 2020-21, ₹ 71.50 Crore each from 2021-22 to 2026-27 (the excess amount of ₹ 44.69 Crore paid to banks will be adjusted with their last instalments).

The term loan facility is secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge by way of hypothecation and/or pledge of current assets including finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable, etc both present and future. The stated term loan facility are further secured by a first ranking pari-passu charge by way of hypothecation or assignment in relation to loans and advances advanced by the Company to JSL. (read with Note no. 34)

Rupee term loan facility carried floating rate of interest linked with SBI base rate plus applicable spread of 165 bps. The lenders also have an option to link their effective rate of interest with their own bank's base rate/ MCLR and adjust the spread accordingly.

- (b) In case of Jindal Stainless Steelway Limited, Working Capital Term Loan Facility are secured by way of First pari-passu charge on the existing fixed assets of the company (both present and future) and Second pari-passu charge on the current assets of the company (both present and future).
- (c) Secured by way of hypothecation of vehicles purchased there under and payable for the terms of the agreement.

Unsecured Borrowings

- (d) In case of Green Delhi BQS Limited and JSL Lifestyle Limited, unsecured loan shall be repayable by the end of March 2025.

(₹ in Crore)

		Non Current		Current	
		As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
16	OTHER FINANCIAL LIABILITIES				
	Current maturities of non-current borrowings	-	-	189.82	159.77
	Interest accrued	-	-	4.22	6.39
	Capital payables	-	-	39.75	23.37
	Derivative liabilities	-	-	-	2.55
	Security deposits	-	-	3.96	2.48
	Due to employees	-	-	15.21	24.60
	Other outstanding financial liabilities*	-	0.27	202.28	220.49
	TOTAL - FINANCIAL LIABILITIES	-	0.27	455.24	439.65

* Includes provision for expenses

(₹ in Crore)

		Non Current		Current	
		As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
17	PROVISIONS				
	For employee benefits	20.50	18.87	2.75	2.38
	TOTAL - PROVISIONS	20.50	18.87	2.75	2.38

Notes to the consolidated financial statements for the year ended 31 March 2019

(₹ in Crore)

		As at 31 March 2019	As at 31 March 2018
18	DEFERRED TAX LIABILITY (NET)		
(a)	DEFERRED TAX LIABILITY		
	Difference between book & tax depreciable assets	112.56	116.22
	Other temporary differences	4.89	4.58
	Total deferred tax liability	117.45	120.80
(b)	DEFERRED TAX ASSETS		
	Disallowance under income tax act	34.65	36.04
	Total deferred tax assets	34.65	36.04
	MAT CREDIT ENTITLEMENT	0.01	-
	DEFERRED TAX LIABILITY (NET)	82.79	84.76

(₹ in Crore)

		As at 31 March 2019	As at 31 March 2018
19	CURRENT BORROWINGS		
	SECURED		
	Working capital facilities from banks	181.82	290.41
	Buyer credit - against working capital	-	195.90
	TOTAL - SECURED	181.82	486.31
	UNSECURED		
	Loan from other parties	23.73	31.12
	TOTAL - UNSECURED	23.73	31.12
	TOTAL -CURRENT BORROWINGS	205.55	517.43

Secured Borrowings

Working capital facilities (including Buyer's Credit facilities) are secured by first pari-passu charge by way of hypothecation and/or pledge of current assets including finished goods, raw material, work in progress, consumable stores and spares, book debts, bill receivable, etc both present and future and by way of second charge in respect of other moveable and immoveable properties, both present and future, of the Company. Working capital facility is repayable on demand. (read with Note no. 34)

(₹ in Crore)

		As at 31 March 2019	As at 31 March 2018
20	TRADE PAYABLES		
	Micro and small enterprises	77.89	4.30
	Trade payables (including acceptances)(other than micro and small enterprises)	1,500.05	1,627.70
	TOTAL - TRADE PAYABLES	1,577.94	1,632.00

Notes to the consolidated financial statements for the year ended 31 March 2019

Based on the intimation received from supplier regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the required disclosure is given below * :

(₹ in Crore)

	As at 31 March 2019	As at 31 March 2018
Principal amount due outstanding	78.70	4.30
Interest due on above due outstanding and unpaid	-	-
Interest paid to the supplier	-	-
Payments made to the supplier beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding year	-	-

* to the extent information available with the company.

(₹ in Crore)

	As at 31 March 2019	As at 31 March 2018
21 OTHER CURRENT LIABILITIES		
Advance from customers	32.85	45.59
Other outstanding liabilities *	208.09	213.04
TOTAL - OTHER CURRENT LIABILITIES	240.94	258.63

* Includes statutory dues, arbitration liability etc.

(₹ in Crore)

	As at 31 March 2019	As at 31 March 2018
22 CURRENT TAX LIABILITIES (NET)		
Current tax liabilities [net of prepaid tax of ₹ 355.52 crore (₹ 204.82 crore)]	37.54	47.81
TOTAL - CURRENT TAX LIABILITIES (NET)	37.54	47.81

(₹ in Crore)

	For the year ended 31 March 2019	For the year ended 31 March 2018
23 REVENUE FROM OPERATIONS		
SALE OF PRODUCTS		
Manufactured goods	9,925.77	9,878.36
Stock in trade	140.74	542.89
Export benefits	48.33	51.89
	10,114.84	10,473.14
SALE OF SERVICES		
Job charges received	114.46	43.24
	114.46	43.24
OTHER OPERATING REVENUE		
Sale of gases / slag	18.15	14.01
Sale of scrap	17.78	16.25
Provision for doubtful debts/advances reversed	7.76	-
Miscellaneous income	15.87	16.66
	59.56	46.92
TOTAL - REVENUE FROM OPERATIONS	10,288.86	10,563.30

Notes to the consolidated financial statements for the year ended 31 March 2019

(₹ in Crore)

		For the year ended 31 March 2019	For the year ended 31 March 2018
24	OTHER INCOME		
	INTEREST INCOME ON		
	Loan & advances	92.36	107.21
	Trade receivables	1.32	4.49
		93.68	111.70
	OTHER NON-OPERATING INCOME (NET)	8.43	4.35
	TOTAL - OTHER INCOME	102.11	116.05

(₹ in Crore)

		For the year ended 31 March 2019	For the year ended 31 March 2018
25	COST OF MATERIAL CONSUMED		
	Raw material consumed	6,688.16	6,333.34
	TOTAL - COST OF MATERIAL CONSUMED	6,688.16	6,333.34

(₹ in Crore)

		For the year ended 31 March 2019	For the year ended 31 March 2018
26	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE		
	OPENING STOCK		
	Finished goods	413.06	591.77
	Work in progress	516.21	397.49
	Scrap	14.65	27.23
	TOTAL OPENING STOCK	943.92	1,016.49
	CLOSING STOCK		
	Finished goods	433.76	413.06
	Work in progress	521.08	516.21
	Scrap	10.73	14.65
	TOTAL CLOSING STOCK	965.57	943.92
	Excise duty on account of increase/(decrease) in stock of finished products	-	(56.02)
	TOTAL - CHANGES IN INVENTORIES	(21.65)	16.55

Notes to the consolidated financial statements for the year ended 31 March 2019

(₹ in Crore)

		For the year ended 31 March 2019	For the year ended 31 March 2018
27	EMPLOYEE BENEFITS EXPENSES		
	Salaries, wages, bonus and other benefits	190.04	188.72
	Contribution to provident and other funds	10.16	9.82
	Staff welfare expenses	9.69	10.20
	TOTAL - EMPLOYEE BENEFITS EXPENSES	209.89	208.74

(₹ in Crore)

		For the year ended 31 March 2019	For the year ended 31 March 2018
28	FINANCE COSTS		
	Interest expenses	346.99	380.56
	Other borrowing costs	20.13	27.64
	TOTAL - FINANCE COSTS	367.12	408.20

(₹ in Crore)

		For the year ended 31 March 2019	For the year ended 31 March 2018
29	DEPRECIATION AND AMORTIZATION EXPENSES		
	Depreciation on property, plant and equipment	287.04	281.11
	Amortization of intangible assets	2.25	3.15
	TOTAL - DEPRECIATION AND AMORTIZATION EXPENSES	289.29	284.26

Notes to the consolidated financial statements for the year ended 31 March 2019

(₹ in Crore)

		For the year ended 31 March 2019	For the year ended 31 March 2018
30	OTHER EXPENSES		
	MANUFACTURING EXPENSES		
	Consumption of stores and spares	660.11	495.15
	Power and fuel	888.38	804.44
	Labour processing & transportation charges	163.15	109.35
	Repairs to buildings	4.64	3.89
	Repairs to plant & machinery	27.63	24.98
	Job work expenses	104.47	145.00
	Other manufacturing expenses	38.87	58.53
		1,887.25	1,641.34
	ADMINISTRATIVE EXPENSES		
	Insurance	7.82	9.54
	Rent	8.74	5.70
	Rates and taxes	0.99	2.26
	Legal and professional	73.28	52.81
	Postage, telegram, telex and telephone	3.55	2.81
	Printing & stationery	3.93	3.87
	Travelling & conveyance	9.03	8.55
	Managerial commission	11.45	25.52
	Director's remuneration	5.58	-
	Director's meeting fees	0.33	0.21
	Vehicle upkeep and maintenance	7.39	6.77
	Auditor's remuneration	0.57	0.57
	Donation	0.18	0.68
	Loss (net) on sale/discard of property, plant and equipment	1.69	0.28
	Miscellaneous expenses	18.27	18.97
		152.80	138.54
	SELLING EXPENSES		
	Freight & forwarding expenses	87.82	96.23
	Commission on sales	20.05	32.92
	Other selling expenses	5.68	6.19
	Allowance for expected credit losses	1.74	2.43
	Bad debts (net of recovery)	18.09	11.76
	Advertisement & publicity	6.84	3.74
		140.22	153.27
	TOTAL OTHER EXPENSES	2,180.27	1,933.15
	NET LOSS ON SALE/DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT INCLUDES :		
	Gain on sale	(0.06)	(0.20)
	Loss on sale	1.29	0.22
	Loss on discard	0.46	0.26
		1.69	0.28

Notes to the consolidated financial statements for the year ended 31 March 2019

31.

(₹ in Crore)

		As at 31 March 2019	As at 31 March 2018
A	Contingent liabilities not provided for in respect of :		
	i) Sale tax demands against which Company preferred appeals.	0.32	0.49
	ii) Excise duty/custom/service tax/ show cause notices/ demands against which Company has preferred appeals.	116.03	68.22
	iii) Claims and other liabilities against the Company not acknowledged as debt.	45.24	45.15
	iv) Income tax demands against which company has preferred appeals.	0.09	0.30
C	Custom duty saved on guarantee given to the custom authorities for import under EPCG Scheme	7.89	7.49
C	Guarantee given to custom authorities for import under EPCG Scheme	77.98	-
D	Corporate guarantee given to banks against credit facilities / financial assistance availed by Jindal Stainless Limited.	4,819.79	5184.20

Note: Contingent Liability in respect of Associate (Refer note no. 48)

32. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 120.20 Crores (₹ 80.35 Crores).
33. Exceptional items includes gain/ (loss) (net) of ₹ 27.76 Crore (₹ 31.25 Crore) on translation/settlement of foreign currency monetary items (including borrowing), gain / (loss) of ₹ 3.72 Crore (₹ 2.16 Crore) upon marked to market of derivatives contracts (net), gain/(loss) of ₹ 2.23 Crore (₹9.53 Crore) on forward cover cancellation.
34. The term loan facility and working capital facility of the Company are also be secured by the following additional securities:
- Unconditional & irrevocable personal guarantee of Mr. Ratan Jindal;
 - Unconditional & irrevocable corporate guarantee of Jindal Stainless Limited (JSL);
 - Pledge of 87.7% of Promoter's shareholding, as determined on the basis of the filings of the Borrower with the Securities Exchange Board of India (SEBI);
 - Pledge of 8,98,68,647 shares of JSL (out of 16, 82, 84,309 shares) held by the Company in favour of lenders of the Company. Balance 7,84,15,662 no. shares have been pledged in favour of Lenders of JSL;
 - Pledge over investments of the Company in subsidiaries as listed below:
 - JSL Lifestyle Limited; and
 - JSL Logistics Limited
35. a) Certain balances of trade receivable, loan & advance, trade payable and other liabilities are subject to confirmation and/or reconciliation. In the opinion of the management, on confirmation / reconciliation, there will not be any material impact.
- b) Goods and Service Tax Act ("GST") has been implemented with effect from 01 July 2017 and therefore, revenue from operations for the year ended 31 March 2018 and 31 March 2019 are presented net of GST. Revenue from operations and expenses for the year ended 31 March 2018, till 30 June 2017, being inclusive of excise duty, are not comparable with corresponding figures of year ended 31 March 2019.
36. The Company had challenged the legality of LADT Act / Entry Tax Act in the state of Haryana before the Hon'ble Punjab and Haryana High Court / Supreme Court of India. Subsequently, on the SLP of the Haryana Government, Constitutional Bench of the Hon'ble Supreme vide its judgement dated 11 November 2016 held the applicability of entry tax valid on compensatory ground and directed its Divisional/ Regular Bench for examining the provisions of the state legislation on the issue of discrimination with respect to the parameters of Article 304 (a) of the Constitution and competence of state legislatures to levy entry tax on goods entering the landmass of India from another country. The division bench of Hon'ble Supreme Court vide its order dated 21 March 2017 (declared on 20 May 2017) remanded back the matter and permitted the petitioners to file petition before respective High Court to decide on factual background or any other constitutional/ statutory issues arises for consideration. The company accordingly filed Civil Writ Petition before Hon'ble High Court of Punjab & Haryana on 30 May 2017. The Hon'ble High Court granted interim relief by order for stay of demand on 31 May 2017 till any further direction.

In the meanwhile, the division bench of Hon'ble Supreme Court of India vide its order dated 09 October 2017 has upheld the legislative competence of the State Legislatures to levy Entry Tax on Import of goods from any territory outside India while examining the Entry Tax legislations of the State of Odisha, Kerala and Bihar.

The Company has been making necessary provisions in this regard. Interest/ penalty if any, will be accounted for as and when this is finally determined/ decided by the Hon'ble Court.

Notes to the consolidated financial statements for the year ended 31 March 2019

37. In case of Green Delhi BQS Limited (GDBQS), the Company has Concession Agreement with Delhi Transport Corporation (DTC) for BOT Project of Bus-Q-Shelter (BQS) wherein the Company is to pay ₹ 93,800/- per BQS per month as concession fee. However, DTC did not hand over some of the premium sites at Airport area of Delhi for construction of BQS as per the agreed Contract and breached the terms of Concession Agreement. The advertisement revenue of the aforesaid sites is much higher than the sites proposed to be handed over, The Company has approached, Hon'ble Delhi High Court, to resolve the dispute for the injustice done to the Company in non allotment of the premium sites. Meanwhile, DTC has terminated the contract because of non payment of full concession fee to DTC. However, Hon'ble Delhi High Court vide order dated 31 March 2011 upheld the decision of termination of contract by DTC wherein the Hon'ble Court had given the order that as per the contract agreement, the matter is to be contemplated in Arbitration Proceedings. BQS were handed over to DTC. Case is being heard in the Arbitration Proceedings. One of the outcomes of Arbitration could be that GDBQS may get back all the shelters and will resume the business.
38. Green Delhi BQS Limited has taken unsecured loan from certain companies, aggregating to ₹ 72.13 crores outstanding as on March 31, 2019 (Inclusive of interest credited till 31 March 2012). The Company is not able to service interest liability due to insufficient cash flow/negative net worth of the Company. The Company has negotiated said Companies for waiver of interest liability with an assurance to pay the principal liability after the outcome of the Arbitration Proceedings, which is likely to be decided during the next financial year.

39. Financial Risk Management

39.1 Financial risk factors

The Group's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to manage finances for the Group's operations. The Group has loan, investment, trade receivables, other receivables, cash and short-term deposits that arise directly from its operations. The Group also enters into derivative transactions. The Group's activities expose it to a variety of financial risks:

i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as at 31 March 2019 and 31 March 2018.

ii) Credit risk

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

iii) Liquidity risk

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

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures. The Group does not acquire or issue derivative financial instruments for trading or speculative purposes.

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

i) Market Risk

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Group uses derivative financial instruments such as foreign exchange forward contracts depending upon the underlying contract and risk management strategy to manage its exposures to foreign exchange fluctuations and interest rate.

Foreign exchange risk and sensitivity

An Exposure can be defined as a Contracted Cash Flow (Trade Receivable, Trade Payable, loan, purchase order placed or sales order received) denominated in a currency other than Indian Rupees. The Group may have foreign currency exposure on account of the following items:

Exposure against Working capital –

- i) Export Trade Receivables and export sales orders received;
- ii) Imports Trade Payables and purchase orders raised;
- iii) Packing credit in foreign currency (PCFC),

Notes to the consolidated financial statements for the year ended 31 March 2019

- iv) Borrowings against FCNR(B) deposits of the banks;
- v) Advances from customers;
- vi) Any other kind of foreign currency borrowings as permitted by RBI for financing working capital of the Group.
- vii) Exposure against long term financing/relating to projects:
 - i. Foreign Currency Borrowings for capital and project expansion;
 - ii. Payments due against imported capital equipment for projects;
 - iii. Purchase orders for capital expenditure;
 - iv. Any kind of foreign currency borrowing used for long term financing requirements of the Group.

Derivatives financial instruments

Derivative contracts entered into by the Group and outstanding as on 31 March 2019 for hedging currency risks:

As at 31 March 2019

Nature of derivatives	Type	No. of contracts	Foreign currency (Million)	Amount (₹ In Crore)
Forward covers				
USD/INR	Sale	31	34.709	240.02
EURO/USD	Sale	14	13.690	106.19
USD/INR	Buy	67	22.442	155.21

As at 31 March 2018

Nature of derivatives	Type	No. of contracts	Foreign currency (Million)	Amount (₹ In Crore)
Forward covers				
USD/INR	Sale	37	55.020	358.57
EURO/USD	Sale	27	32.016	257.07
USD/INR	Buy	103	66.329	432.33

Note: INR equivalent values have been calculated at the year end exchange rates in INR to give an indicative value of the contracts in Indian rupees. Actual hedges however may be in different currency denominations.

Foreign Currency exposures that are not hedged by derivative instruments or otherwise outstanding as on 31 March 2019 is as under:

Nature	As at 31 March 2019		As at 31 March 2018	
	Foreign Currency (Millions)	Amount (₹ In Crore)	Foreign Currency (Millions)	Amount (₹ In Crore)
Account receivables				
USD	3.721	25.74	4.142	27.00
JPY	1.648	0.10	2.751	0.17
CAD	-	-	0.004	0.02
CHF	0.047	0.33	0.095	0.65
Account payables				
USD	23.850	164.95	40.841	266.20
EURO	0.671	5.21	1.164	9.35
GBP	0.452	4.07	0.447	4.08
Loans				
USD	2.554	17.663	22.778	148.47

Notes to the consolidated financial statements for the year ended 31 March 2019

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

Foreign exchange risk and sensitivity (Un hedged)

(₹ in Crore)

	Change in currency exchange rate	31 March 2019	31 March 2018
		Effect on profit/ (loss) before tax	Effect on profit/ (loss) before tax
USD	+5%	(7.84)	(19.39)
	-5%	7.84	19.39
EURO	+5%	(0.26)	(0.47)
	-5%	0.26	0.47
GBP	+5%	(0.20)	(0.20)
	-5%	0.20	0.20
JPY	+5%	0.01	0.01
	-5%	(0.01)	(0.01)
CHF	+5%	0.02	0.03
	-5%	(0.02)	(0.03)

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

The Group transacts business primarily in Indian Rupee, USD, EURO, JPY, GBP and CHF. The Group has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. Certain transactions of the Group act as natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Group adapts the policy of selective hedging based on risk perception of management. Foreign exchange hedging contracts are carried at fair value.

Summary of exchange difference accounted in statement of profit and loss

(₹ in Crore)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Currency Fluctuations		
Net foreign exchange gain shown as exceptional item	33.71	19.56
TOTAL	33.71	19.56

Interest rate risk and sensitivity

The Group will have Interest rate exposure on all interest bearing financial assets and liabilities. These could be broadly categorized as under:

- Interest bearing Trade Receivables and Trade Payables;
- Working capital borrowings;
- Long term borrowings.

All interest bearing assets and liabilities need to be captured, first based on the currency denomination e.g., INR, USD. Further classification needs to be done based on whether these are against floating rate benchmarks or fixed rate.

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

(₹ in Crore)

	Increase /decrease in basis points	Effect on profit/ (loss) before tax	
		31 March 2019	31 March 2018
INR borrowings	+50	(11.34)	(12.53)
	-50	11.34	12.53
USD borrowings	+50	(0.09)	(1.64)
	-50	0.09	1.64

Notes to the consolidated financial statements for the year ended 31 March 2019

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

Price risk and sensitivity

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

The Group is not facing any exposure to equity price risk as all of its equity investments are within the group and its associates.

ii) Credit risk

The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Trade receivables

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

In determining the allowances for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Financial instruments and cash deposits

The Group considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. The bank balances are maintained with the institutions with which the Group has also availed borrowings. The Group does not maintain significant cash and deposit balances other than those required for its day to day operations

iii) Liquidity risk

The Group's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

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

The Group is required to maintain ratios (including total debt to EBITDA / net worth, EBITDA to gross interest, debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels. In the event of failure to meet any of these ratios these loans become callable at the option of lenders, except where exemption is provided by lender.

As at 31 March 2019

(₹ in Crore)

	Carrying amount	Less than 1 Year	1 to 3 Years	> 3 years	Total
Borrowings*	2,366.89	395.37	588.08	1,383.44	2,366.89
Other financial liabilities	265.42	265.42	-	-	265.42
Trade payables	1,577.94	1,577.94	-	-	1,577.94
Total	4,210.25	2,238.73	588.08	1,383.44	4,210.25

* Including current maturity.

As at 31 March 2018

(₹ in Crore)

	Carrying amount	Less than 1 Year	1 to 3 Years	> 3 years	Total
Borrowings*	2,934.58	677.19	538.87	1,718.52	2,934.58
Other financial liabilities	280.15	279.88	0.27	-	280.15
Trade payables	1,632.00	1,632.00	-	-	1,632.00
Total	4,846.73	2,589.07	539.14	1,718.52	4,846.73

* Including current maturity.

Notes to the consolidated financial statements for the year ended 31 March 2019

Unused lines of credit

(₹ in Crore)

	As at 31 March 2019	As at 31 March 2018
Secured	330.95	291.63
Unsecured	-	-
Total	330.95	291.63

Interest rate and currency of borrowings

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

For the year ended 31 March 2019

	Total borrowings (₹ In Crore)	Floating rate borrowings (₹ In Crore)	Fixed rate borrowings (₹ In Crore)	Weighted average interest rate (%)
INR	2,349.23	2,267.99	81.24	9.45%
USD	17.66	17.66	-	5.26%
Total	2,366.89	2,285.65	81.24	

For the year ended 31 March 2018

	Total borrowings (₹ In Crore)	Floating rate borrowings (₹ In Crore)	Fixed rate borrowings (₹ In Crore)	Weighted average interest rate (%)
INR	2,595.40	2,503.57	91.83	10.31%
USD	339.18	339.18	-	2.86%
Total	2,934.58	2,842.75	91.83	

39.2 Competition and price risk

The Group faces competition from domestic and international competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products and trustworthy and innovative solution to meet the needs of its customers.

39.3 Capital risk management

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, redeem or buy back capital to shareholders or issue new shares. The Group's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Group's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Group also proposes to maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalent.

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

(₹ in Crore)

	As at 31 March 2019	As at 31 March 2018
Loans and borrowings	2,366.89	2,934.58
Less: Cash and cash equivalents	18.62	8.03
Net debt	2,348.27	2,926.55
Total capital	1,852.78	1,474.57
Capital and net debt	4,201.05	4,401.12
Gearing ratio	56%	66%

Notes to the consolidated financial statements for the year ended 31 March 2019

40. Fair values of financial assets and liabilities and hierarchy

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

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

- 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- 2) Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the Group is considered to be insignificant in valuation.
- 3) The fair values of derivatives are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters, basis contractual terms, period to maturity, and market parameters such as interest rates, foreign exchange rates, and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgment, and inputs thereto are readily observable from actively quoted market prices. Management has evaluated the credit and non-performance risks associated with its derivative counterparties and believe them to be insignificant and not warranting a credit adjustment.

Fair Value hierarchy

The following table provides the fair value measurement hierarchy of Group's financial asset and financial liabilities, grouped into Level 1 to Level 3 as described below:

Level 1- Quoted price (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2- Inputs other than quoted prices include within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3- Unobservable inputs for the asset or liability.

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the companies: -

	Note	Level	As at 31 March 2019 (₹ In Crore)	As at 31 March 2018 (₹ In Crore)	Valuation Techniques and Key Inputs
Financial assets /liabilities at fair value through amortised cost:					
(a) Financial assets					
Loans	5	3	900.00	900.00	Discounted cash flows
Other financial assets	6	3	149.88	71.14	Discounted cash flows
(b) Financial liabilities					
Borrowings - non current	15	3	1,971.52	2,257.38	Discounted cash flows
Borrowings - current	19	3	205.55	517.43	Discounted cash flows
Other financial liabilities	16	3	455.24	437.37	Discounted cash flows
Financial assets / liabilities at fair value through statement of profit or loss:					
Derivative Forward Contract (assets)	6	2	1.17	-	Forward foreign currency exchange rate
Derivative Forward Contract (liabilities)	16	2	-	2.55	Forward foreign currency exchange rate

There were no significant changes in the classification and no significant movements between the fair value hierarchy of assets and liabilities during FY 2018-19.

Fair valuation of financial guarantees

Financial guarantees issued by the company on behalf of Jindal Stainless Limited have been measured at fair value through profit and loss account. Fair value of said guarantees as at 31 March 2019 and 31 March 2018 have been considered at nil as estimated by the management and an independent professional.

41. The Company has made investment in a associate in terms of composite scheme of arrangements approved by Hon'ble High Court where the prices of equity shares are determined as per SEBI formula.

Notes to the consolidated financial statements for the year ended 31 March 2019

42 Related Party Transactions (as identified by the Management)

A As defined in Indian Accounting Standard-24, the group has related parties with whom transactions have taken place during the current and previous year, which are:

		Country of Incorporation	Ownership Interest	
			31 March 2019	31 March 2018
a)	Associates			
1	Jindal Stainless Corporate Management Services Pvt. Limited	INDIA	50.00%	50.00%
2	Jindal Stainless Limited	INDIA	35.12%	35.12%
3	J S S Steeltalia Limited	INDIA	33.00%	33.00%
b)	Subsidiaries and associates of parties listed in (a) above			
1	Jindal Stainless UK Ltd. (Dissolved w.e.f. 11.12.2018)	UK		
2	Jindal Stainless FZE, Dubai	UAE		
3	PT Jindal Stainless Indonesia	INDONESIA		
4	Iberjindal S.I.	SPAIN		
5	Jindal Coke Limited	INDIA		
6	Jindal United Steel Limited	INDIA		
c)	Trusts			
1	Jindal Stainless (Hisar) Limited Group Gratuity Fund			
2	Jindal Stainless (Hisar) Limited (Ferro alloys) Group Gratuity Scheme			
3	Jindal Stainless (Hisar) Limited EPF Trust			
4	Jindal Stainless (Hisar) Welfare Fund			
d)	Key Management Personnel			
1	Mr. Ratan Jindal		Chairman-Jindal Stainless (Hisar) Limited	
2	Mr. Abhyuday Jindal		Vice Chairman (upto 25.04.2018) and Managing Director (w.e.f. 26.04.2018) -Jindal Stainless (Hisar) Limited	
3	Ms. Deepika Jindal		Managing Director-JSL Lifestyle Limited	
4	Mr. Ashok Kumar Gupta		Whole Time Director and Manager (upto 14.05.2018)-Jindal Stainless (Hisar) Limited	
5	Mr. Jagmohan Sood		COO & Unit head,Hisar Plant (upto 14.05.2018) and Whole Time Director (w.e.f. 15.05.2018)-Jindal Stainless (Hisar) Limited	
6	Mr. Ankur Agrawal		Chief Financial Officer (upto 27.04.2018)-Jindal Stainless (Hisar) Limited	
7	Mr.Ajay Goyal		Chief Financial Officer (From 30.10.2018 to 29.01.2019)-Jindal Stainless (Hisar) Limited	
8	Mr.Ramnik Gupta		Chief Financial Officer (w.e.f. 30.01.2019)-Jindal Stainless (Hisar) Limited	
9	Mr. Bhartendu Harit		Company Secretary-Jindal Stainless (Hisar) Limited	
10	Mr. Tomy Sebastian		Whole Time Director (resigned w.e.f. 4th April 2019)-JSL Lifestyle Limited	
11	Mr. Mandeep Singh		Executive Director & CEO (appointed w.e.f. 1st April 2019)-JSL Lifestyle Limited	
12	Mr. Bhartendu Harit		Company Secretary-JSL Lifestyle Limited	
13	Mr.Tarun Jain		Chief Financial Officer (resigned w.e.f. 30th November 2018)-JSL Lifestyle Limited	
14	Mr. Rajinder Kumar Garg		Chief Financial Officer (appointed w.e.f. 22nd January 2019)-JSL Lifestyle Limited	
15	Mr. Ashish Aggarwal		Whole Time Director-Jindal Stainless Steelway Limited	
16	Mr. Sanjeev Sharma		Chief Financial Officer -Jindal Stainless Steelway Limited	
17	Mr. Rajesh Kumar Pandey		Company Secretary-Jindal Stainless Steelway Limited	
18	Mr. Kanwaljit Singh Thind		Independent Director -Jindal Stainless(Hisar) Limited and Jindal Stainless Steelway Limited*	

Notes to the consolidated financial statements for the year ended 31 March 2019

19	Mr. Girish Sharma	Independent Director-Jindal Stainless (Hisar) Limited *
20	Mr. Arunendra Kumar	Independent Director-Jindal Stainless (Hisar) Limited *
21	Mr. Nirmal Chandra Mathur	Independent Director -Jindal Stainless(Hisar) Limited and Jindal Stainless Steelway Limited*
22	Mr.Ashok K Agrawal	Independent Director -JSL Lifestyle Limited*
23	Mr. Abhishek Poddar	Independent Director -JSL Lifestyle Limited*
*Independent directors are included only for the purpose of compliance with definition of key management personnel given under IND AS 24.		
e)	Enterprises over which any person described in (d) along with their relatives is able to exercise significant influence with whom transactions have been taken place during the year:	
1	Jindal Defence Systems Limited	
2	Jindal Advance Materials Pvt. Limited	

B Transactions:

(₹ in Crore)

Description	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Associates & Other Parties (a,b,c & e)	Key Management Personnels (d)	Associates & Other Parties (a,b,c & e)	Key Management Personnels (d)
Purchase of goods	2,184.01	-	2,358.03	-
PT. Jindal Stainless Indonesia	16.91	-	24.77	-
J S S Steel Italia Limited	26.12	-	1.34	-
Jindal United Steel Limited	-	-	121.18	-
Jindal Coke Limited	27.38	-	11.45	-
Jindal Stainless Limited	2,113.60	-	2,199.28	-
Sale of goods	895.76	-	1,090.42	-
PT. Jindal Stainless Indonesia	48.88	-	39.65	-
J S S Steel Italia Limited	17.61	-	17.57	-
Iberjindal S.I.	136.04	-	158.33	-
Jindal Stainless Limited	692.55	-	874.67	-
Jindal Stainless Corporate Management Services Pvt. Ltd.	0.69	-	0.19	-
Job charges received	119.09	-	33.40	-
Jindal Stainless Limited	119.09	-	33.40	-
J S S Steel Italia Limited (₹23094)	0.00	-	-	-
Job work charges paid	4.52	-	44.01	-
Jindal Stainless Limited	-	-	43.96	-
Jindal United Steel Limited	0.01	-	0.05	-
JSS Steelitalia Limited	4.51	-	-	-
Freight charges Paid	10.12	-	-	-
Jindal Stainless Limited	10.12	-	-	-

Notes to the consolidated financial statements for the year ended 31 March 2019

(₹ in Crore)

Description	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Associates & Other Parties (a,b,c & e)	Key Management Personnels (d)	Associates & Other Parties (a,b,c & e)	Key Management Personnels (d)
Freight charges received	1.58	-	0.97	-
Jindal Stainless Limited	1.58	-	0.97	-
Rent received	6.72	-	1.48	-
Jindal Stainless Limited	6.72	-	1.29	-
Jindal Stainless Corporate Management Services Pvt. Ltd.	-	-	0.19	-
Jindal Defence Systems Limited (₹ 40,415)	0.00	-	-	-
Jindal Advance Materials Pvt. Limited (₹ 29,500)	0.00	-	-	-
Rent paid	1.43	-	0.56	-
Jindal Stainless Limited	1.43	-	0.56	-
Overheads & maintenance charges received	0.31	-	0.09	-
JSS Steelitalia Limited	0.31	-	0.09	-
Overheads & maintenance charges paid	9.98	-	7.61	-
Jindal Stainless Limited	9.98	-	7.61	-
Commission on sale paid	16.23	-	7.82	-
Jindal Stainless FZE, Dubai	16.23	-	7.63	-
Jindal Stainless UK Ltd.	-	-	0.19	-
Receiving of services (remuneration paid)	-	25.26	-	35.02
Mr. Ratan Jindal (Commission)	-	10.59	-	15.95
Mr. Abhyuday Jindal (Commission and remuneration)	-	6.44	-	9.57
Mr. Ashok Kumar Gupta	-	1.12	-	2.79
Mr. Jagmohan Sood	-	1.25	-	1.17
Mr. Ankur Agrawal	-	0.18	-	0.76
Mr. Ajay Goyal	-	0.10	-	-
Mr. Ramnik Gupta	-	0.15	-	-
Mr. Bhartendu Harit	-	0.30	-	0.30
Ms. Deepika Jindal	-	2.22	-	2.09
Mr. Tomy Sebastian	-	0.93	-	0.74
Mr. Tarun Jain	-	0.48	-	0.40
Mr. Rajinder Kumar Garg	-	0.08	-	-
Mr. Ashish Aggarwal	-	0.79	-	0.72
Mr. Sanjeev Sharma	-	0.49	-	0.44
Mr. Rajesh Kumar Pandey	-	0.15	-	0.11

Notes to the consolidated financial statements for the year ended 31 March 2019

(₹ in Crore)

Description	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Associates & Other Parties (a,b,c & e)	Key Management Personnels (d)	Associates & Other Parties (a,b,c & e)	Key Management Personnels (d)
Interest income	90.00	-	103.90	-
Jindal Stainless Limited	90.00	-	103.90	-
Support Service Charges Paid	0.42	-	-	-
Jindal Stainless Limited	0.42	-	-	-
Consultancy charges paid	60.30	-	35.91	-
Jindal Stainless Corporate Management Services Pvt. Ltd.	60.30	-	35.91	-
Bad Debts written off	12.16	-	-	-
J S S Steel Italia Limited	12.16	-	-	-
Sharing of exp. reimbursed/to be reimbursed	11.72	-	1.49	-
Jindal Stainless Limited	9.89	-	1.27	-
Jindal Stainless Corporate Management Services Pvt. Ltd.	1.83	-	0.21	-
Jindal Coke Limited	-	-	0.01	-
Sharing of exp. recovered/to be recovered	0.20	-	1.07	-
J S S Steel Italia Limited	-	-	0.06	-
Jindal Stainless Limited	0.18	-	0.95	-
Jindal Stainless Corporate Management Services Pvt. Ltd.	0.02	-	0.07	-
Loans & advances given	-	-	415.00	-
Jindal Stainless Limited	-	-	415.00	-
Contribution towards trusts	29.06	-	31.01	-
Jindal Stainless (Hisar) Limited Group Gratuity Fund	4.20	-	8.78	-
Jindal Stainless (Hisar) Limited (Ferro alloys) Group Gratuity Scheme	0.07	-	0.05	-
Jindal Stainless (Hisar) Limited EPF Trust	24.07	-	21.50	-
Jindal Stainless (Hisar) Welfare Fund	0.72	-	0.68	-
Outstanding balance				
Guarantee/ counter guarantee given	4,832.90	-	5,184.20	-
Jindal Stainless Limited	4,832.90	-	5,184.20	-
Loans & advances	981.00	-	900.00	-
Jindal Stainless Limited @	981.00	-	900.00	-
Advance against supplies/vendor	-	-	171.41	-
Jindal Stainless Limited	-	-	171.41	-

Corporate Profile

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Notes to the consolidated financial statements for the year ended 31 March 2019

(₹ in Crore)

Description	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Associates & Other Parties (a,b,c & e)	Key Management Personnels (d)	Associates & Other Parties (a,b,c & e)	Key Management Personnels (d)
Receivables	73.65	-	80.52	-
J S S Steel Italia Limited	-	-	16.95	-
PT. Jindal Stainless Indonesia	43.12	-	8.00	-
Iberjindal S.I.	22.21	-	48.40	-
Jindal Stainless Limited	8.20	-	0.77	-
Jindal Stainless Corporate Management Services Pvt. Ltd.	0.12	-	6.41	-
Jindal Defence Systems Limited (₹ 40,415)	0.00	-	-	-
Jindal Advance Materials Pvt. Limited (₹ 29,500)	0.00	-	-	-
Payables	38.50	-	55.39	-
Jindal Stainless Corporate Management Services Pvt. Ltd.	1.27	-	0.21	-
J S S Steel Italia Limited	0.01	-	0.24	-
PT. Jindal Stainless Indonesia	0.69	-	1.38	-
Jindal Stainless FZE, Dubai	5.38	-	7.56	-
Jindal Stainless Limited	27.46	-	45.99	-
Jindal Coke Limited	3.69	-	0.01	-
Remuneration payable	-	2.86	-	15.66
Mr. Ratan Jindal	-	2.73	-	9.50
Mr. Abhyuday Jindal	-	-	-	5.72
Mr. Ashok Kumar Gupta	-	-	-	0.25
Mr. Jagmohan Sood	-	0.09	-	0.09
Mr. Ankur Agrawal	-	-	-	0.07
Mr. Ramnik Gupta	-	0.02	-	-
Mr. Bhartendu Harit	-	0.02	-	0.03

Above to read with note no. 31 (d).

@ Includes Inter corporate Deposits amounting to ₹ 900.00 crore (₹ 900.00 crore) and interest accrue over it during financial year 2018-19, which is repayable in one or more instalment by 31 March 2023, or such other terms as may be mutually agreed between the company and Jindal Stainless Limited and interest thereon is payable on monthly basis from March 2020 onwards. Further interest servicing for financial year 2018-19 has been deferred till Feb 2020, as mutually agreed.

Compensation to key management personnel

(₹ in Crore)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Short-term employee benefits*	25.26	35.02
Total Compensation to key management personnel	25.26	35.02

*As the future liability for gratuity & leave encashment is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

Notes to the consolidated financial statements for the year ended 31 March 2019

43 Income tax reconciliation

Tax expenses

(₹ in Crore)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax	177.14	191.51
Deferred tax	(3.65)	42.25
Taxes in relation to earlier years	0.12	(0.31)
Total	173.61	233.45

Effective tax reconciliation

Numerical reconciliation of tax expense applicable to profit before tax at the latest statutory enacted tax rate in India to income tax expense reported is as follows:

(₹ in Crore)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Net Profit before taxes and before Share of associate	518.15	673.79
Enacted Tax Rate	34.944%	34.608%
Computed tax (income)/expense	181.06	233.19
Increase/(reduction) in taxes on account of:		
Additional allowance for tax purpose	(4.36)	(1.29)
Expenses not allowed for tax purpose	5.13	4.55
Deferred Tax recognized for earlier years	3.53	(0.57)
Current Tax recognized for earlier years	(3.41)	(0.96)
Effect of change in tax rate	0.79	(2.22)
Non taxable subsidiaries and effect of differential tax rate	(9.13)	0.75
Income tax expense reported	173.61	233.45

44 Operating lease

The Company has taken land and building under operating lease arrangement which is non-cancellable for a fixed period of 29 years. The lease rental expense is subject to escalation whereby the lessor is entitled to increase the lease rental by 5% after every three years.

The Company has taken another land and building under operating lease arrangement for a fixed period of 12 years. The lease rental expense is subject to escalation whereby the lessor is entitled to increase the lease rental by 5% every year and are usually renewable by mutual agreeable terms.

The schedule of future minimum lease rental payments in respect of non-cancellable operating leases is set out below:

(₹ in Crore)

Particulars	As at 31 March 2019	As at 31 March 2018
Not later than one year	0.23	0.23
Later than one year but not later than five years	1.00	0.96
Later than five years	4.55	4.81

Rental expense recognised under such leases during the current year are ₹ 0.23 Crores (₹ 0.22 Crores).

Notes to the consolidated financial statements for the year ended 31 March 2019

- 45 Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each cash generating unit ('CGU') within the group at which the goodwill or other assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and fair value less costs of disposal. During the year, the testing did not result in any impairment in the carrying amount of goodwill and other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid term market conditions.

Assumption	Approach used to determining values
Sales volume	Average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development.
Sales price	Average annual growth rate over the five-year forecast period; based on current industry trends and including long term inflation forecasts for each territory.
Budgeted gross margin	Based on past performance and management's expectations for the future.
Other operating costs	Fixed costs of the CGUs, which do not vary significantly with sales volumes or prices. Management forecasts these costs based on the current structure of the business, adjusting for inflationary increases but not reflecting any future restructurings or cost saving measures. The amounts disclosed above are the average operating costs for the five-year forecast period.
Annual capital	Expected cash costs in the CGUs. This is based on the historical experience of management, and the planned refurbishment expenditure. No incremental revenue or cost savings are assumed in the value-in-use model as a result of this expenditure.
Long-term growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.
Pre-tax discount rates	Reflect specific risks relating to the relevant segments and the countries in which they operate.

46 Segment reporting

i) Information about business segment (for the year 2018-19)

Company operates in a Single Primary Segment (Business Segment) i.e. Stainless Steel products.

ii) Secondary segments (geographical segment)

(₹ in Crore)

		2018-19			2017-18		
		Within India	Outside India	Total	Within India	Outside India	Total
1	Revenue*	8,781.23	1,448.07	10,229.30	9,020.41	1,495.97	10,516.38
2	Non Current Assets**	2,296.33	-	2,296.33	2,374.64	-	2,374.64

* excludes other operating revenue

**The company operating facilities are located in India

47 Earning Per Share (EPS) computed in accordance with Ind AS 33 " Earning Per Share "

	For the year ended 31 March 2019	For the year ended 31 March 2018
Net Profit after tax attributable to owners of the Parent (₹ in Crore)	381.35	578.04
Weighted average no. of equity shares for diluted EPS (No's)	235,934,685	235,934,685
Basic/Diluted EPS Per Share (in ₹)	16.16	24.50
Face Value Per Share (in ₹)	2.00	2.00

48 Revenue from Contracts with Customers

Effective 01 April 2018, the company has adopted Indian Accounting Standard (IND AS) 115 'Revenue from contracts with customers' using the cumulative catch-up transition method and accordingly comparative amount have not been retrospectively adjusted. There is no material impact of adoption of IND AS 115.

Notes to the consolidated financial statements for the year ended 31 March 2019

A. Disaggregation of revenue

The Group has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

(₹ in Crore)

Revenue from operations	Goods	Services	Other operating revenue*	Total
Revenue by geography				
Domestic *	8,715.10	114.46	59.56	8,889.12
Export	1,399.74	-	-	1,399.74
Total	10,114.84	114.46	59.56	10,288.86
Revenue by time				
Revenue recognised at point in time				10,174.40
Revenue recognised over time				114.46
Total				10,288.86

* Export benefit has been included in domestic revenue

B. Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

(₹ in Crore)

Description	For the year ended 31 March 2019
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	45.59
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-

C. Assets and liabilities related to contracts with customers

(₹ in Crore)

Description	As at 31 March 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
Contract liabilities related to sale of goods				
Advance from customers	-	32.85	-	45.59

D. Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price

(₹ in Crore)

Description	For the year ended 31 March 2019
Contract price	10,134.11
Less: Discount, rebates, credits etc.	154.75
Revenue from operations as per Statement of Profit and Loss	10,288.86

Notes to the consolidated financial statements for the year ended 31 March 2019

49 Interest in subsidiaries and associates

49.1 Material non-controlling interest in subsidiary

Summarised financial information of JSL Lifestyle Limited, which has material non-controlling interest

The principal place of business : India

(₹ in Crore)

	As at 31 March 2019	As at 31 March 2018
Assets		
Non current assets	65.60	58.93
Current assets	156.01	169.55
Sub total	221.61	228.49
Liabilities		
Non-current liabilities	27.46	21.10
Current liabilities	93.88	155.08
Sub total	121.34	176.19
Equity attributable to owner's of the company (% of holding: 77.738%)	77.95	40.66
Equity attributable to non controlling interest (% of non controlling interest :22.262%)	22.32	11.64

(₹ in Crore)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue	453.61	356.39
Net profit for the year	48.03	21.84
Other comprehensive income	(0.06)	(0.10)
Total comprehensive income	47.97	21.74
Total comprehensive income attributable to non controlling Interests	10.68	4.84

(₹ in Crore)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Net cash inflow/(outflow) from operating activities	10.91	15.16
Net cash inflow/(outflow) from investing activities	(20.08)	(10.14)
Net cash inflow/(outflow) from financing activities	9.08	(4.98)
Net cash inflow/(outflow)	(0.09)	0.04

49.2 Material Non-Controlling Interest in Subsidiary

Summarised financial information of Jindal Stainless Steelway Limited, which has material non-controlling interest

The principal place of business : India

(₹ in Crore)

	As at 31 March 2019	As at 31 March 2018
Assets		
Non current assets	79.81	77.33
Current assets	245.33	265.74
Sub total	325.14	343.06
Liabilities		
Non-current liabilities	20.91	29.20
Current liabilities	160.32	190.21
Sub total	181.23	219.40
Equity attributable to owner's of the company (% of holding: 81.911%)	117.88	101.29
Equity attributable to non controlling interest (% of non controlling interest :18.089%)	26.03	22.37

Notes to the consolidated financial statements for the year ended 31 March 2019

(₹ in Crore)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue	1,567.63	1,439.05
Net profit for the year	20.22	29.85
Other comprehensive income	0.03	0.07
Total comprehensive income	20.25	29.92
Total comprehensive income attributable to non controlling interests	3.66	5.41

(₹ in Crore)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Net cash inflow/(outflow) from operating activities	(22.16)	(15.14)
Net cash inflow/(outflow) from investing activities	(7.62)	1.66
Net cash inflow/(outflow) from financing activities	28.79	14.15
Net cash inflow/(outflow)	(0.99)	0.67

49.3 Material interest in associate : Jindal Stainless Limited (Group)

Country of incorporation & operation : India

Principal activities : Manufacturer /producer of stainless steel flat products in austenitic, ferritic, martensitic and duplex grades

	As at 31 March 2019	As at 31 March 2018
% of Ownership Interest	35.12%	35.12%

The above associate was accounted for using equity method in the consolidated financial statement.

(₹ in Crore)

	As at 31 March 2019	As at 31 March 2018
Non current assets	6,934.02	7,060.72
Current assets	3,780.60	3,773.35
Non-current liabilities	3,662.22	4,022.24
Current liabilities	4,449.86	4,337.64

(₹ in Crore)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue	13,589.94	11,861.94
Net profit for the year attributable to owners of the Parent	142.38	342.97
Other comprehensive income attributable to owners of the Parent	(2.44)	15.58
Total comprehensive income attributable to owners of the Parent	139.94	358.55

Notes to the consolidated financial statements for the year ended 31 March 2019

Reconciliation of Summarised financial Information to the carrying amount of the interest in the associates recognised in the consolidated financial statements:

(₹ in Crore)

Particulars	As at 31 March 2019	As at 31 March 2018
Net assets of the associate	2,590.82	2,465.20
% of share in associate	35.12%	35.12%
Share in net assets of associate (net of ₹ 296.02 Crores being fair value adjustment at the time of acquisition)	613.88	569.76
Other adjustments	5.02	-
Carrying amount of interest in associates	618.90	569.76

The associate had the following contingent liabilities (to the extent of share in associate)

(₹ in Crore)

	As at 31 March 2019	As at 31 March 2018
A. Contingent liabilities not provided for in respect of		
i) a) Sale tax/entry tax demands against which company preferred appeals.	40.58	49.79
b) Excise duty/custom/service tax show cause notices/ demands against which company has preferred appeals.	13.75	13.72
c) Income tax demands against which company has preferred appeals.	20.59	17.03
ii) Demand made by Dy. Director of Mines, Jaipur Road Circle, Orissa against which company has preferred appeal / disputed by the Company.	29.24	32.42
B. Corporate Guarantee given to banks against credit facilities / financial assistance availed by Jindal Stainless (Hisar) Limited, amount for facilities outstanding as on 31 March 2019 ₹ 2,178.26 Crores (₹ 2,798.36 Crores).	765.00	982.78

49.4 Immaterial Interest in Associates:

Country of incorporation & operation : India

		% of Ownership interest	
		As at 31 March 2019	As at 31 March 2018
1	Jindal Stainless Corporate Management Services Private Limited	50%	50%
2	J.S.S. Steelitalia Limited	33%	33%

Immaterial interest in associate : Jindal Stainless Corporate Management Services Private Limited

(₹ in Crore)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Carrying amount	2.79	1.22
Net Profit for the year	1.66	0.90
Other comprehensive income	(0.09)	(0.20)
Total comprehensive income	1.57	0.70

Notes to the consolidated financial statements for the year ended 31 March 2019

50 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary / associate.

	Net assets (total assets minus total liabilities)		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit/ (loss)	Amount (₹ in Crore)	As % of consolidated OCI	Amount (₹ in Crore)	As % of consolidated total comprehensive income	Amount (₹ in Crore)
Parent Company								
Jindal Stainless (Hisar)Limited	81.86	1,516.69	68.61	261.65	49.28	(0.95)	68.70	260.70
Subsidiaries: Indian								
Jindal Stainless Steelway Limited	7.77	143.91	5.30	20.22	(1.53)	0.03	5.34	20.25
JSL Lifestyle Limited	5.41	100.27	12.60	48.03	3.25	(0.06)	12.64	47.97
Green Delhi BQS Limited	(4.93)	(91.43)	2.98	11.37	-	-	3.00	11.37
JSL Media Limited	(1.81)	(33.47)	(0.03)	(0.10)	0.00	(0.00)	(0.03)	(0.10)
JSL Logistics Limited	0.03	0.54	(0.00)	(0.01)	-	-	(0.00)	(0.01)
Minority Interest in all subsidiaries	(2.56)	(47.49)	(3.89)	(14.85)	(0.45)	0.01	(3.91)	(14.84)
Associates (Investment as per equity method)								
J.S.S.Steelitalia Limited	-	-	-	-	-	-	-	-
Jindal Stainless Corporate Management Services Private Limited	0.15	2.78	0.43	1.66	4.77	(0.09)	0.41	1.57
Jindal Stainless Limited	33.40	618.90	13.11	50.00	44.70	(0.86)	12.95	49.14
Consolidation Adjustments/ Elimination	(19.32)	(357.92)	0.89	3.38	(0.02)	0.00	0.90	3.38
Total	100.00	1,852.78	100.00	381.35	100.00	(1.92)	100.00	379.43

51 Capital work-in-progress (CWIP) includes technical know-how and supervision fees, taxes, machinery under installation/in transit, pre-operative expenses and other assets under erection. Details is as under:-

(₹ in Crore)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening balance	66.21	42.05
Add: Additions during the year	171.33	131.20
Less: Capitalisation during the year	145.21	107.04
Closing balance	92.33	66.21

Notes to the consolidated financial statements for the year ended 31 March 2019

- 52 Amount required to be spent towards Corporate Social Responsibility as per the provisions of section 135 of Companies Act, 2013 by the Company during the year is ₹7.00 Crore (₹ 2.87 Crore) and details of amount spent towards Corporate Social Responsibility is as under :

(₹ in Crore)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Promoting education & enhancing vocational skills	3.78	0.67
Promoting gender equality & empowering women	0.61	0.45
Ensuring environment sustainability & ecological balance	0.80	0.18
Eradicating Hunger, Poverty and Malnutrition	0.27	-
Promoting preventive health care	0.69	0.60
Rural development programme	0.71	1.11
Administration expenditure	0.41	0.09
Total	7.27	3.10

- 53 No adjusting or significant non adjusting events have occurred between the reporting date and date of authorization of financial statements.
- 54 Previous years' figures have been re-arranged and regrouped wherever considered necessary. Figures less than ₹ 50000 have been shown as absolute number. Figures in bracket indicate previous year figures.
- 55 Note 1 to 55 are annexed to and form integral part of the balance sheet and statement of profit & loss.

In terms of our report of even date annexed hereto.

For and on behalf of the Board of Directors :

For **LODHA & CO.**
Chartered Accountants

For **S.S. KOTHARI MEHTA & CO.**
Chartered Accountants

ABHYUDAY JINDAL
Managing Director

JAGMOHAN SOOD
Whole Time Director

(N.K. LODHA)
Partner
Membership No. 85155
FRN 301051E

(SUNIL WAHAL)
Partner
Membership No. 87294
FRN 000756N

RAMNIK GUPTA
Chief Financial Officer

BHARTENDU HARIT
Company Secretary

PLACE : New Delhi

DATED : 24 May 2019

FORM AOC-1 (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES

Name of the subsidiary (read with note no.1 (i))	Reporting period	Reporting currency and exchange rate	Share capital	Reserve & surplus	Total assets	Total liabilities	Investment	Turnover	Profit/(loss) before taxation	Provision for taxation	Profit after taxation	Proposed dividend	% of share holding
Jindal Stainless Steelway Limited	31-Mar-19	INR	17.17	126.74	325.14	181.23	9.71	1,560.19	30.39	10.17	20.22	-	81.911%
JSL Lifestyle Limited	31-Mar-19	INR	28.50	71.77	221.61	121.34	0.02	453.15	69.36	21.33	48.03	-	77.738%
Green Delhi BOS Limited	31-Mar-19	INR	0.10	(91.53)	3.21	94.64	-	-	11.37	-	11.37	-	94.864%
JSL Media Limited	31-Mar-19	INR	0.05	(33.52)	4.71	38.18	-	-	(0.10)	-	(0.10)	-	99.940%
JSL Logistics Limited	31-Mar-19	INR	0.05	0.49	0.87	0.33	-	1.87	(0.01)	0.00	(0.01)	-	100.000%

Name of associate	Latest audited balance sheet date	Shares of associate held by the company on the year end			Share in total comprehensive income			Description of how there is significant influence	Reason why the associate is not consolidated
		No.	Amount of investment in associate	Extend of holding%	Net worth attributable to shareholding as per latest audited balance sheet	Considered in consolidation	Not considered in consolidation		
J.S.S.Steelitalia Limited	31-Mar-19	7713190	7.71	33.00%	-	-	(2.44)	% Holding	NA
Jindal Stainless Corporate Management Services Private Limited	31-Mar-19	5000	0.01	50.00%	2.78	1.57	1.57	% Holding	NA
Jindal Stainless Limited	31-Mar-19	168284309	366.19	35.12%	909.90	49.14	90.80	% Holding	NA

ABHYUDAY JINDAL
Managing Director

JAGMOHAN SOOD
Whole Time Director

RAMNIK GUPTA
Chief Financial Officer

BHARTENDU HARI
Company Secretary

PLACE : New Delhi
DATED : 24 May 2019

JINDAL STAINLESS (HISAR) LIMITED

(CIN: L27205HR2013PLC049963)

Regd. Office: O.P. Jindal Marg, Hisar — 125 005 (Haryana), India

Phone No. (01662) 222471-83, Fax No. (01662) 220499

Email Id. for Investors: investorcare.jshl@jindalstainless.com

Website: www.jshlstainless.com

Corporate Office: Jindal Centre, 12, Bhikaiji Cama Place, New Delhi — 110 066.

E-COMMUNICATION REGISTRATION FORM

To,

Link Intime India Private Limited
[Unit: Jindal Stainless (Hisar) Limited]
Noble Heights, 1st Floor, Plot NH2,
C-1 Block LSC, Near Savitri Market, Janakpuri,
New Delhi – 110 058
Phone No. (011) 41410592/93/94
Fax No. (011) 41410591
Email : delhi@linkintime.co.in

Green initiative on Corporate Governance

I/we hereby exercise my/our option to receive all communications from the Company such as Notice of General Meeting, Explanatory Statement, Audited Financial Statements, Balance Sheet, Profit & Loss Account, Directors' Report, Auditor's Report etc. in electronic mode pursuant to the "Green Initiative in Corporate Governance" taken by the Ministry of Corporate Affairs vide circular no. 17/2011 dated 21st April, 2011. Please register my e-mail ID as given below, in your records, for sending the communications:

Folio No./ DP ID & Client ID No.:

Name of 1st Registered Holder:

Name of Joint Holder(s), if any :

Registered Address of the Sole/1st Registered Holder:

No. of Shares held:

E-mail ID (to be registered):

Date:

Signature :

Notes:

- 1) On registration, all communications will be sent to the e-mail ID registered.
- 2) Shareholders are requested to keep the Company's Registrar - Link Intime India Pvt. Ltd. informed as and when there is any change in the e-mail address.

Form No. MGT-11
Proxy Form
[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3)
of the Companies (Management and Administration) Rules, 2014]

Name of the Company: Jindal Stainless (Hisar) Limited
(CIN: L27205HR2013PLC049963)
Registered office: O.P. Jindal Marg, Hisar – 125005, Haryana

Name of the member(s):	
Registered address:	
Email Id.:	
Folio No. / Client Id:	
DP Id.:	

I / We, being the member(s) of shares of the above name company, hereby appoint

1. Name:, Address:
Email Id.: Signature:, or failing him
2. Name:, Address:
Email Id.: Signature:, or failing him
3. Name:, Address:
Email Id.: Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 6th Annual General Meeting of the Company, to be held on Wednesday, the 11th day of September, 2019 at 12:00 Noon at Registered Office of the Company at O.P. Jindal Marg, Hisar – 125 005, Haryana and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	For	Against
1	To receive, consider and adopt Standalone and Consolidated Financial Statements of the Company including Report of Board of Directors and Auditors.		
2	To appoint Director in place of Mr. Abhyuday Jindal (DIN: 07290474), who retires by rotation and being eligible, offers himself for re-appointment.		
3	Reappointment of Mr. Girish Sharma as an independent director.		
4	Reappointment of Mr. Nirmal Chandra Mathur as an independent director.		
5	Ratification of remuneration payable to M/s Ramanath Iyer & Co., Cost Accountants, as Cost Auditors of the Company, for the financial year 2019-20.		

Sr. No.	Resolution	For	Against
6	Authority to enter into related party contracts/ arrangements / transactions.		

Signed this day of, 2019

.....

Signature of shareholder

.....

Signature of Proxy holder(s)



Notes:

1. This form should be signed across the stamp as per specimen signature registered with the Company.
2. This form of Proxy, to be effective should be duly completed deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.
3. A proxy need not be a member of the Company.
4. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. Please put a (✓) in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate. This is only optional.

JINDAL STAINLESS (HISAR) LIMITED
(CIN: L27205HR2013PLC049963)
Regd. Office: O.P. Jindal Marg, Hisar — 125 005 (Haryana), India
Phone No. (01662) 222471-83, Fax No. (01662) 220499
Email Id. for Investors: investorcare.jshl@jindalstainless.com
Website: www.jshlstainless.com
Corporate Office: Jindal Centre, 12, Bhikaiji Cama Place, New Delhi — 110 066.

ATTENDANCE SLIP

Sr. No.

Name and Address of
the Shareholder(s) :

Registered Folio /
DP ID & Client ID :

Number of Shares held :

I/We hereby record my/our presence at the 6th Annual General Meeting of the Company at its Registered Office at O.P. Jindal Marg, Hisar -125005 (Haryana) on Wednesday, the 11th day of September, 2019 at 12:00 Noon.

Signature of Shareholder / Proxy Present:

Note:

1. You are requested to sign and hand this over at the entrance.
2. If you are attending the meeting in person or by proxy please bring annual report for reference at the meeting.
3. Each equity share of the Company carries one vote.
4. Please read carefully the instructions before exercising the vote.

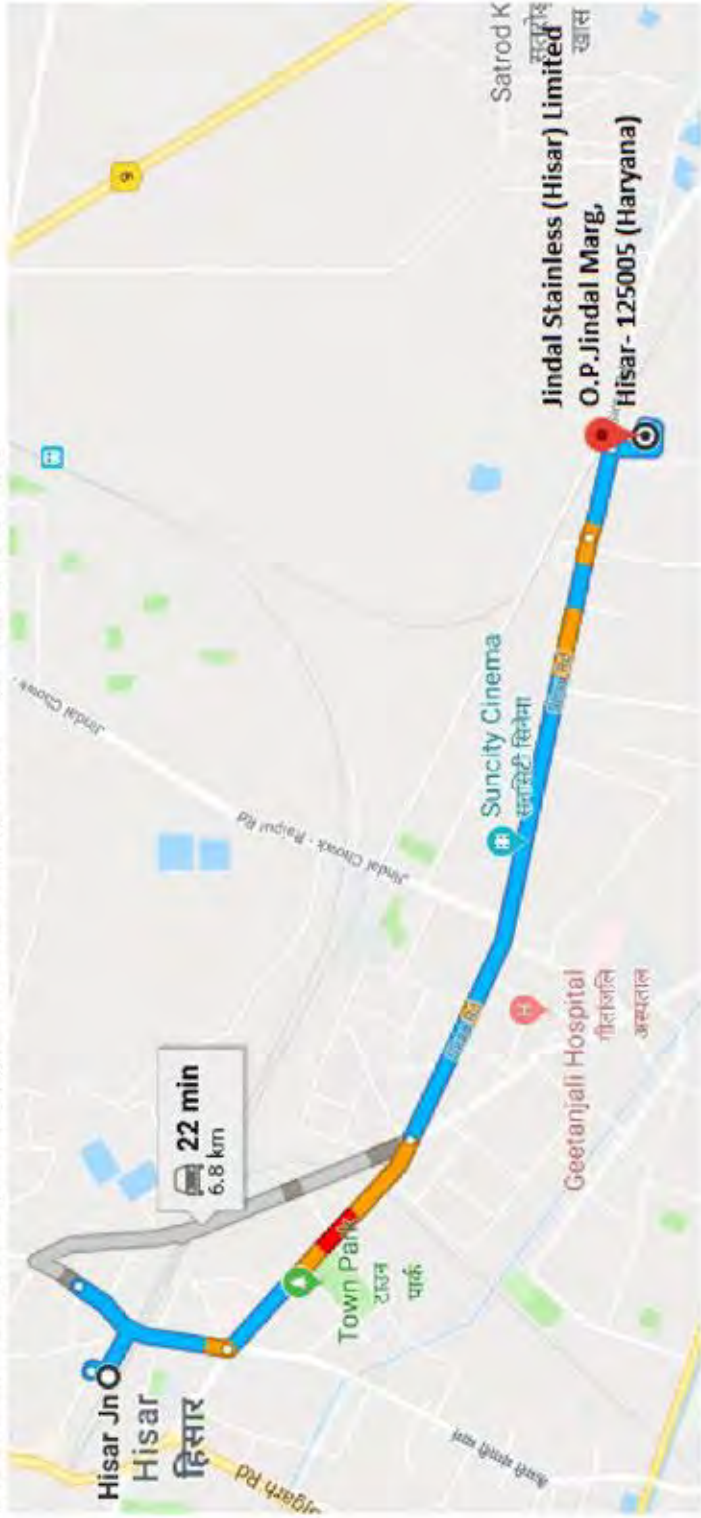
PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL

Electronic Voting Particulars

(EVSN) E Voting Sequence Number	USER ID	* Sequence Number

* Applicable to those members who have not updated their PAN with the Company / Depository Participant

Venue of the Annual General Meeting
Jindal Stainless (Hisar) Limited, O.P.Jindal Marg, Hisar -125005 (Haryana)



CORPORATE OFFICE

Jindal Centre
12, Bhikaiji Cama Place,
New Delhi - 110066, India
Phone : +91 - 011 - 26188345 - 60
Fax : +91 - 011 - 26170691, 26161271
Email : info@jindalstainless.com
Websites : www.jindalstainless.com, www.jshlstainless.com



REGISTERED OFFICE

O.P. Jindal Marg
Hisar - 125 005 (Haryana), India
Phone : 01662 - 222471-83
Fax : 01662 - 220499
Email : info.jshl@jindalstainless.com
Email for Investors : investorcare.jshl@jindalstainless.com



MANUFACTURING FACILITIES

HISAR

O.P. Jindal Marg
Hisar - 125 005 (Haryana), India
Phone : 01662 - 222471-83
Fax : 01662 - 220499
Email : info.jshl@jindalstainless.com



KOTHAVALASA

Jindal Nagar, Kothavalasa - 535 183
Dist. Vizianagaram (A.P.), India
Phone : 08966 - 273327, 273254, 273335
Fax : 08966 - 273326
Email : info.visakhapatnam@jindalstainless.com

JSL
JINDAL STAINLESS

Shaping a Stainless World