

# **FINANCIAL REPORT**

**JINDAL DENIM (INDIA) PRIVATE LIMITED**

**FINANCIAL YEAR 2019-2020**

UDIN:- 20038236AAAACL8946

**B.A.BEDAWALA & CO.**  
**CHARTERED ACCOUNTANTS**

**7, Siddhkshetra Society,  
Jawahar Chowk,  
Sabarmati,  
Ahmedabad – 380 019**

**Independent Auditor's Report**  
**UDIN 20038236AAAACL8346**

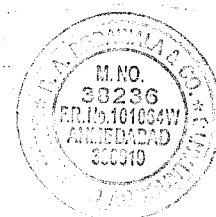
To,  
The Members  
JINDAL DENIM (INDIA) PVT. LIMITED  
Ahmedabad

**Report on the Audit of Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **Jindal Denim (India) Pvt Ltd. CIN U18109GJ2014PTC079207** ("the Company"), which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and the profit, changes in equity and its cash flows for the year ended on that date.

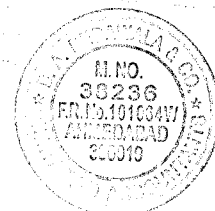


## **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant for audit of Financial Statement under the provisions of the Act and the Rules made there under and we have fulfilled our ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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.

## **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

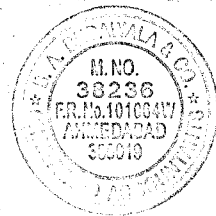
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow dealt with by this Report are in agreement with the books of account.

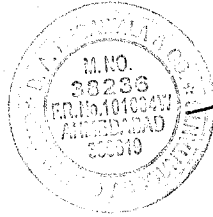


- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any impact of pending litigations on its financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



2. 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 Companies Act, 2013, we give in the Annexure "B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**For, B.A. BEDAWALA & CO.**  
Firm Registration No. 101064W  
Chartered Accountants



**B.A. SHARMA**

Partner

Mem. No. 038236

Place : Ahmedabad

Date : 11-06-2020

## **Annexure -A to the Independent Auditors' Report**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

### **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")**

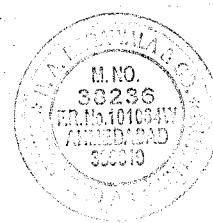
We have audited the internal financial controls over financial reporting of **Jindal Denim India Pvt. Ltd.** ("the Company") as of 31<sup>st</sup> March, 2020 in conjunction with our audit of financial statements of the Company for the year ended on that date.

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

The Board of Directors of the Company 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

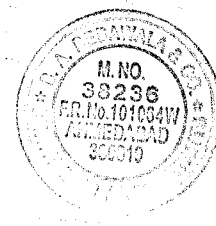
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and





- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

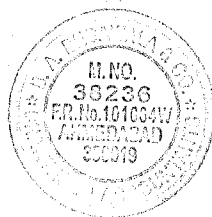
### **Limitations of Internal Financial Controls over Financial Reporting**

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 and to the best of our information and according to the explanations given 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 31<sup>st</sup> March, 2020, 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, B.A. BEDAWALA & CO.**  
Firm Registration No. 101064W  
Chartered Accountants



Place : Ahmedabad  
Date : 11-06-2020

**B.A. SHARMA**

Partner

Mem. No. 038236

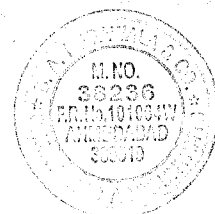
## **ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

- (i) In respect of Fixed Assets which have been derecognized pursuant to and recognized as financial asset and intangible asset:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and its situation.
  - b) The Company do not have any fixed assets during the respective financial year.
  - c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds/ registered sale deed provided to us, we report that the title deeds of the immovable property are held in the name of the Company.
- (ii) As explained to us, the the Company do not have any inventory during the respective financial year.
- (iii) According to information and explanation given to us, the Company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 therefore the provision of Clause 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to information and explanations given to us, the Company has not made any loan, investment, guarantees or security and therefore the provision of Clause 3(iv) of the Order is not applicable to the Company.
- (v) According to information and explanation given to us, the Company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules 2014. Accordingly, the provision of Clause 3(v) of the Order is not applicable to the Company.

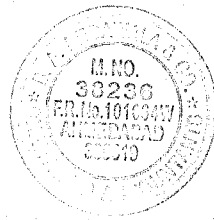


- (vi) The Central Government has not prescribed maintenance of cost records under sub-section(1) of Section 148 of the Companies Act, 2013, for the business activities carried out by the Company and therefore, reporting under Clause 3(vi) of the Order is not applicable to the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- (viii) In our opinion and according to information and explanations given to us, the Company has not defaulted in the repayment of loans and borrowings to financial institutions, banks, government or dues to debenture holders during the year.
- (ix) In our opinion and according to information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, 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 our audit.
- (xi) In our opinion and according to the information and explanations give to us and based on our examination of the records of the Company, the Company has not provided any managerial remuneration. Accordingly reporting under clause 3(xi) of the Order is not applicable to the company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly reporting under clause 3(xii) of the Order is not applicable.



- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with sections 177 and 188 of the Act where applicable for all transactions with related parties and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and therefore, the reporting under clause(xiv) of the Order is not applicable to the company
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company as legally advised, is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the reporting under clause (xvi) of the Order is not applicable to the company.

**For, B.A. BEDAWALA & CO.**  
Firm Registration No. 101064W  
Chartered Accountants



A handwritten signature in black ink, appearing to read "B.A. Sharma", written over a horizontal line.

**B.A. SHARMA**  
Partner  
Mem. No. 038236

Place : Ahmedabad  
Date : 11-06-2020

**Jindal Denim (India) Private Limited**  
**Balance Sheet as at 31st March, 2020**  
**CIN: U18109GJ2014PTC079207**

(Amount in Rs)

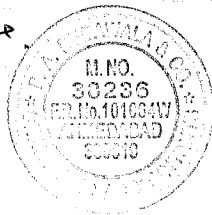
| Particulars                          | Notes | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--------------------------------------|-------|------------------------|------------------------|
| <b>Assets</b>                        |       |                        |                        |
| <b>Non-current assets</b>            |       |                        |                        |
| Financial assets                     |       |                        |                        |
| - Investments                        | 5     | 5,000                  | 5,000                  |
| <b>Total non-current assets</b>      |       | <b>5,000</b>           | <b>5,000</b>           |
| <b>Current assets</b>                |       |                        |                        |
| Inventories                          | 6     | -                      | -                      |
| Financial assets                     |       |                        |                        |
| - Trade receivables                  | 7     | 341,887                | 10,886,018             |
| - Cash and cash equivalents          | 8     | 383,282                | 497,783                |
| - Loans                              | 9     | 618,259                | 47,758,765             |
| - Other financial assets             | 10    | 20,000                 | 20,000                 |
| Other current assets                 | 11    | 6,245,621              | 10,323,736             |
| <b>Total current assets</b>          |       | <b>7,609,049</b>       | <b>69,486,302</b>      |
| <b>Total assets</b>                  |       | <b>7,614,049</b>       | <b>69,491,302</b>      |
| <b>Equity and liabilities</b>        |       |                        |                        |
| <b>Equity</b>                        |       |                        |                        |
| Equity share capital                 | 12    | 100,000                | 100,000                |
| Other equity                         | 13    | 7,143,049              | 5,385,246              |
| <b>Total equity</b>                  |       | <b>7,243,049</b>       | <b>5,485,246</b>       |
| <b>Liabilities</b>                   |       |                        |                        |
| <b>Non-current liabilities</b>       |       |                        |                        |
| Financial liabilities                |       |                        |                        |
| - Borrowings                         | 14    | -                      | 60,961,491             |
| <b>Total non-current liabilities</b> |       | <b>-</b>               | <b>60,961,491</b>      |
| <b>Current liabilities</b>           |       |                        |                        |
| Financial liabilities                |       |                        |                        |
| - Trade Payables                     | 15    | -                      | 207,385                |
| Other current liabilities            | 16    | 15,000                 | 1,437,178              |
| Current-tax liabilities              | 17    | 356,000                | 1,400,000              |
| <b>Total current liabilities</b>     |       | <b>371,000</b>         | <b>3,044,563</b>       |
| <b>Total liabilities</b>             |       | <b>371,000</b>         | <b>64,006,054</b>      |
| <b>Total equity and liabilities</b>  |       | <b>7,614,049</b>       | <b>69,491,302</b>      |

The accompanying notes form an integral part of these financial statements  
As per our report of even date

**FOR, B.A.BEDAWALA & CO.**  
Firm Registration No.: 101064W  
Chartered Accountants

(B.A. SHARMA)  
PARTNER

Place : AHMEDABAD  
Date : 11-06-2020



For and on behalf of Board of Directors of  
**Jindal Denim (India) Private Limited**

(Kailash T Agrawal)  
Director  
DIN: 00195287

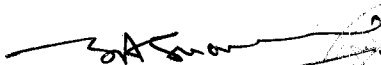
(Raghav K Agrawal)  
Director  
DIN: 02264149

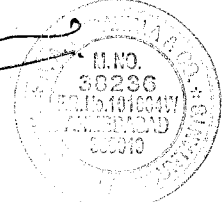
**Jindal Denim (India) Private Limited**  
**Statement of Profit and Loss for the year ended 31st March 2020**

|  |       | (Amount in Rs)                      |                                     |
|--|-------|-------------------------------------|-------------------------------------|
| Particulars  | Notes | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
| <b>Income</b>  |       |                                     |                                     |
| Revenue from operations  | 18    | 12,361,860                          | 965,307,848                         |
| Other income   | 19    | 1,668,883                           | 53,177,263                          |
| <b>Total income</b>  |       | <b>14,030,743</b>                   | <b>1,018,485,111</b>                |
| <b>Expenses</b>  |       |                                     |                                     |
| Cost of Materials Consumed   | 20    | 10,297,601                          | 944,868,921                         |
| Finance costs  | 21    | 193,470                             | 2,465,789                           |
| Other expenses   | 22    | 1,209,359                           | 65,942,520                          |
| <b>Total expenses</b>  |       | <b>11,700,430</b>                   | <b>1,013,277,230</b>                |
| <b>Profit/(loss) before exceptional items and tax</b>                  |       | <b>2,330,313</b>                    | <b>5,207,881</b>                    |
| Exceptional items  |       |                                     |                                     |
| <b>Profit before tax</b>   |       | <b>2,330,313</b>                    | <b>5,207,881</b>                    |
| <b>Tax expense:</b>  | 23    |                                     |                                     |
| Current tax  |       | 606,000                             | 1,400,000                           |
| Tax of earlier periods   |       | -                                   |                                     |
| Less: MAT credit entitlement   |       |                                     |                                     |
| <b>Income tax expense</b>  |       | <b>606,000</b>                      | <b>1,400,000</b>                    |
| <b>Profit for the year</b>   |       | <b>1,724,313</b>                    | <b>3,807,881</b>                    |
| <b>Other comprehensive income</b>                                      |       |                                     |                                     |
| <b>Items not to be reclassified to profit or loss in subsequent</b>    |       |                                     |                                     |
| Re-measurement gains/ (losses) on defined benefit plans                |       |                                     | -                                   |
| Foreign exchange (loss)  |       |                                     | -                                   |
| Income tax related to item that will not be reclassified to profit and | 25    |                                     | -                                   |
| <b>Net other comprehensive (expense) not to be reclassified to</b>     |       |                                     |                                     |
| <b>profit or loss in subsequent periods</b>                            |       |                                     | -                                   |
| <b>Total comprehensive income for the year</b>                         |       | <b>1,724,313</b>                    | <b>3,807,881</b>                    |
| <b>Earnings per equity share</b>                                       |       |                                     |                                     |
| Basic and diluted earnings per equity shares                           | 26    | 172.43                              | 380.79                              |

The accompanying notes form an integral part of these financials statements  
As per our report of even date

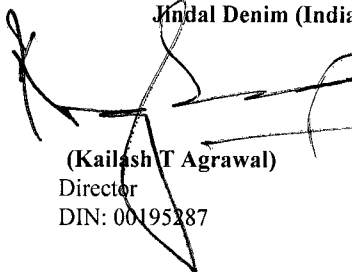
**FOR, B.A.BEDAWALA & CO.**  
Firm Registration No.: 101064W  
Chartered Accountants


  
**(B.A. SHARMA)**  
**PARTNER**



Place : AHMEDABAD  
Date : 11-06-2020

For and on behalf of Board of Directors of  
**Jindal Denim (India) Private Limited**

  
**(Kailash T Agrawal)**  
Director  
DIN: 00195187

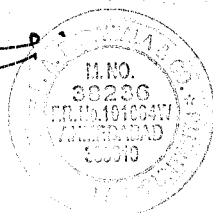
  
**(Raghav K Agrawal)**  
Director  
DIN: 02264149

Jindal Denim (India) Private Limited  
CIN: U18109GJ2014PTC079207  
**Cash Flow Statement for the Year Ended 31st March, 2020**

| Particulars  |                | Amount<br>(Rs.)<br>31.03.2020 |                | Amount<br>(Rs.)<br>31.03.2019 |
|--|----------------|-------------------------------|----------------|-------------------------------|
| <b>A. Cash Flow from Operating Activities:</b>                     |                |                               |                |                               |
| Closing Balance of Profit & Loss A/c                               | 2,330,313      |                               | 5,207,881      |                               |
| Adjustments for:   |                |                               |                |                               |
| Capital Subsidy Reserve  | -              |                               | -              |                               |
| Preliminary & Pre operative Expenses                               | -              |                               | -              |                               |
| Depreciation   | -              |                               | -              |                               |
| Finance Cost   | 193,470        |                               | 2,465,789      |                               |
| Interest Income  | -              |                               | -              |                               |
| Profit/Loss on Sale of assets                                      | -              | <b>2,523,783</b>              | -              | <b>7,673,670</b>              |
| Changes in working capital:  |                |                               |                |                               |
| Adjustments for increase/decrease in operating assets:             |                |                               |                |                               |
| Inventories  | -              |                               | 11,140,062     |                               |
| Trade Receivables  | 10,544,129     |                               | 59,083,038     |                               |
| Short Term Loans and advances                                      | 47,140,507     |                               | -              |                               |
| Long-term loans and advances                                       | -              |                               | -              |                               |
| Other Current Assets   | 4,078,115      |                               | 377,378        |                               |
| Adjustments for increase/decrease in operating liabilities:        |                |                               |                |                               |
| Trade Payables   | -207,385       |                               | -480,306       |                               |
| Income Tax   | 33,490         |                               | -              |                               |
| Income Tax paid  | -1,650,000     |                               | -371,379       |                               |
| Short-term borrowings  | -              |                               | -              |                               |
| Short Term Provisions  | -              |                               | -              |                               |
| Other Current liabilities  | -1,422,178     | <b>58,516,678</b>             | -17,529,490    | <b>52,219,303</b>             |
| <b>Net Cash Flow from Operating Activities: (A)</b>                |                | <b>61,040,461</b>             |                | <b>59,892,973</b>             |
| <b>B. Cash Flow from Investing Activities:</b>                     |                |                               |                |                               |
| Purchase of Fixed assets   | -              |                               | -              |                               |
| None Current Investment  | -              |                               | 13,000         |                               |
| Interest Income  | -              |                               | -              |                               |
| <b>Net Cash Flow from Investing Activities: (B)</b>                |                | <b>-</b>                      |                | <b>13,000</b>                 |
| <b>C. Cash Flow from Financing Activities:</b>                     |                |                               |                |                               |
| Increase in Capital  | -              |                               | -              |                               |
| Proceeds from long term borrowings                                 | -60,961,491    |                               | -58,779,082    |                               |
| Finance cost   | -193,470       |                               | -2,465,789     |                               |
| Net increase/decrease in Working capital borrowings                | -              |                               | -              |                               |
| <b>Net Cash Flow from Financing Activities: (C)</b>                |                | <b>-61,154,961</b>            |                | <b>-61,244,871</b>            |
| <b>Net Cash Flow(A+B+C)</b>  |                | <b>-114,501</b>               |                | <b>-1,338,898</b>             |
| Closing Cash and Bank Balance                                      | 383,282        |                               | 497,783        |                               |
| Less: Opening Cash and Bank Balance                                | 497,783        | <b>-114,501</b>               | 1,836,681      | <b>-1,338,898</b>             |
| <b>Cash and cash equivalents at the end of the year Comprises:</b> |                |                               |                |                               |
| (a) Cash on hand   | -              |                               | -              |                               |
| (c) Balances with banks  |                |                               |                |                               |
| (i) In current accounts  | 383,282        |                               | 497,783        |                               |
| (iii) In deposit accounts  | -              |                               | -              |                               |
|  | <b>383,282</b> |                               | <b>497,783</b> |                               |

In terms of our report attached.  
**For B.A.BEDAWALA & CO.**  
Chartered Accountants

(B.A.Sharma)  
PARTNER  
M. No.- 038236  
FR. NO.: 101064W



For, Jindal Denim (India) Private Limited

(Kailash T Agrawal)  
Director  
DIN: 00195287

(Raghav K Agrawal)  
Director  
DIN: 02264149

Place : AHMEDABAD  
Date : 11-06-2020

**Jindal Denim (India) Private Limited**  
**Statement of Changes in Equity for the year ended 31 March 2020**

**A. Equity share capital**

| (Amount in Rs)   |                  |         |
|--|------------------|---------|
| Equity shares of <input type="checkbox"/> 10/- each issued, subscribed and | Number of shares | Amount  |
| As at 31 March 2019  | 10,000           | 100,000 |
| Issue/reduction, if any during the year                                    | -                | -       |
| As at 31 March 2020  | 10,000           | 100,000 |

**B. Other equity**

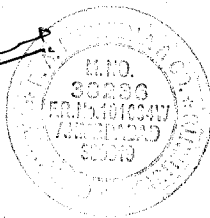
| (Amount in Rs)        |                   |                    |           |
|-----------------------|-------------------|--------------------|-----------|
| Particulars           | Retained earnings | Securities Premium | Total     |
| As on 31 March, 2019  | 5,385,246         | -                  | 5,385,246 |
| Profit for the year   | 1,724,313         | -                  | 1,724,313 |
| Movement for the year | 33,490            | -                  | 33,490    |
| As on 31 March, 2020  | 7,143,049         | -                  | 7,143,049 |

The accompanying notes form an integral part of these financial statements  
As per our report of even date

**FOR, B.A.BEDAWALA**  
Firm Registration No.: 101064W  
Chartered Accountants

(B.A. SHARMA)  
PARTNER

Place : AHMEDABAD  
Date : 11-06-2020



For and on behalf of Board of Directors of  
**Jindal Denim (India) Private Limited**

(Kailash T Agrawal)  
Director  
DIN: 00195287

(Raghav K Agrawal)  
Director  
DIN: 02264149



**Jindal Denim (India) Private Limited**  
**Notes to standalone financial statements for the year ended 31 March 2020**

**1 Corporate information**

Jindal Denim India Private Limited ('the Company') is a public Company, domiciled in India under the provision of the Companies Act, 1956. The Company is engaged in Local and Export trading of textiles.

**2 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The financial statements are presented in Indian rupees (INR) and all values are presented in full, except otherwise indicated.

**3 Summary of significant accounting policies**

**3.1 Current vs Non Current Classification**

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

**An asset is current when it is:**

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

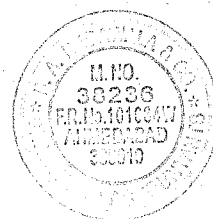
All other assets are classified as non-current

**A liability is current when it is:**

- i) Expected to be settled in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are treated as non-current

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



**Jindal Denim (India) Private Limited**  
**Notes to standalone financials statements for the year ended 31 March 2020**

**3.2 Revenue recognition**

"IND AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IND AS 18 Revenue, IND AS 11 Construction Contracts and related interpretations. Under IND AS 115, revenue is recognised when a customer obtains control of the goods or services. Revenue is recognised to the extent that it is probable that the Company will collect the consideration to which it is entitled. Determining the timing of the transfer of control – at a point in time or over time – requires judgement. The Company has adopted IND AS 115 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. April 01, 2018). Accordingly, the information presented for March 31, 2020 has not been restated. The Company's current practices for recognising revenue have shown to comply in all material aspects with the concepts and principles encompassed by the new standard including its Appendix. Therefore, IND AS 115 did not have a significant impact on the Company's accounting for revenue recognition."

**Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue is measured at fair value of the consideration received or receivable, inclusive of excise duty and net off sales tax/ value added tax, trade discounts, returns and allowances, price difference adjustments, volume discounts, liquidated damages and special discounts passed on to customers. No revenue is recognised if there are significant uncertainties regarding recovery of the amount due, associated costs or the possible return of goods.

**Interest income**

Interest income is recognised using effective interest method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross amount of the financial asset or to the amortised cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but doesn't consider the expected credit losses. Interest income is included in the other income in the Statement of Profit and Loss.

**Dividend income**

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

**Rental income**

Rental income from investment properties and subletting of properties is recognised on a straight line basis over the term of the relevant leases.

**3.3 Inventories**

(i) **Raw materials, components and stores and spares:** At lower of cost or net realisable value. Cost represents purchase price and other direct costs and is determined on a moving weighted average cost basis. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

(ii) **Work-in-progress:** At lower of cost or net realisable value. Cost for this purpose includes material, labour and appropriate allocation of overheads (based on normal operating capacity). Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a moving weighted average cost basis.

(iii) **Finished goods:**

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(iv) **Goods in Transit**

Goods-in-transit are valued at actual cost incurred up to the date of balance sheet.

**3.4 Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**3.5 Property, plant and equipment (PPE) and Investment property**

**Depreciation and Amortisation**

Depreciation on property, plant and equipment is not applicable being of no fixed assets with the company.



**Jindal Denim (India) Private Limited**  
**Notes to standalone financial statements for the year ended 31 March 2020**

**3.6 Intangible assets**

Intangible assets are recognised 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 assets can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation 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 amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Intangible assets with finite life are amortized on a written down value basis over the estimated useful economic life of 3 years.

**3.7 Employees benefits**

**- Short term employee benefits**

Short term benefits comprise of employee costs such as salaries, bonuses, and accumulated absents are accrued in the year in which the associated services are rendered by employees of the Company and are measured at the amounts expected to be paid when the liabilities are settled.

The liabilities are presented as current employee benefit obligations in the balance sheet.

**- Other long term employee benefits**

The liabilities which are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are classified as long term employee benefits. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields of Indian Government at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

**- Post-employment obligations**

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity, pension, post-employment medical plans; and
- (b) defined contribution plans such as provident fund.

© No Gratuity Liability are as on 31-03-2020



**Jindal Denim (India) Private Limited**  
**Notes to standalone financial statements for the year ended 31 March 2020**

**- Defined contribution plan**

A defined contribution plan is a plan under which the Company pays fixed contributions into an independent fund administered by the government. The entity has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution.

Contributions to Provident Fund, Labour Welfare Fund and Employee State Insurance are deposited with the appropriate authorities and charged to the Statement of Profit and Loss on accrual basis. The Company has no further obligations under these plans beyond its monthly contributions.

**3.8 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**3.9 Leases**

Ind AS 116 supersedes Ind AS 17 Leases and Appendix C to Ind AS 17 determining whether an Arrangement contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is

**The Company as a lessee**

In the Comparative period, a lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date 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 reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

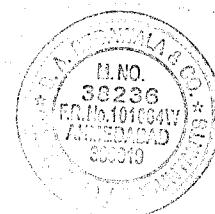
A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term after considering effects of escalation unless the payments are structured to increase in line with general inflation to compensate for lessors expected inflationary cost increase.

**The Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments are structured to increase in line with general inflation to compensate expected inflationary cost increase. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership are transferred from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.



**Jindal Denim (India) Private Limited**  
**Notes to standalone financials statements for the year ended 31 March 2020**

**3.10 Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period.

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

**3.11 Segment reporting**

- a. Identification of Segments The Company's operating business predominantly relates to trading of textiles.
- b. Allocation of common costs Common allocable costs are allocated to the textiles business of the Company.
- c. Unallocated items Corporate assets and liabilities, income and expenses which relate to the Company as a whole and are not allocable to segments, are included under other reconciling items.

**3.12 Government Grants**

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts

**i) Export Incentives**

Export incentives under various schemes notified by government are accounted for in the year of exports as grant related to income and is recognized as other operating income in the statement of profit and loss if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled

**ii) Industrial Promotion Subsidy**

Government grants received with reference to Industrial Promotion Subsidy is treated as grant related income and is showing as netting off from excise duty expenses under other expenses in the statement of profit and loss on accrual basis.

**iii) Export Promotion Capital Goods**

Government grants received with reference to export promotion capital goods scheme are initially recognised as deferred revenue and grant in promotion of export obligation achieved during the year is reduced from deferred revenue and recognized as other operating income in the statement of profit and loss.

**3.13 Taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**Current income tax**

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing and applicable for the relevant assessment year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**Deferred tax**

Deferred income taxes are recognised for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their tax bases in the financial statements. The effect on deferred tax assets and liabilities of a change in the tax rates is recognised using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.



**Jindal Denim (India) Private Limited**  
**Notes to standalone financial statements for the year ended 31 March 2020**

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Minimum alternate tax ('MAT') credit is recognized as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**3.14 Impairment of non-financial assets**

At each balance sheet date, the Company reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately

**3.15 Provisions, contingent liabilities, contingent assets and commitments**

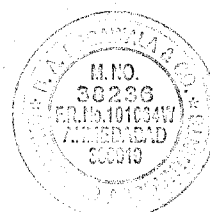
A provision is recognised when there is a present legal or constructive obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, and in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. A disclosure for a contingent liability is made where there is a possible obligation arising out of past event, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising out of past event where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**3.16 Foreign currency transactions**

The standalone financial statements are presented in currency INR, which is also the functional currency of the Company. Functional currency is the currency of the primary economic environment in which the entity operates.

In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.



**Jindal Denim (India) Private Limited**  
**Notes to standalone financial statements for the year ended 31 March 2020**

**3.17 Fair value disclosures for financial assets and financial liabilities**

The management believes that the fair values of non-current financial assets (e.g. Investments at FVPL, loans and others), current financial assets (e.g. , cash equivalents, trade and other receivables, loans), non-current financial liabilities and current financial liabilities (e.g Trade payables and other payables and others) approximate their carrying amounts.

The Company has not performed a fair valuation of its investment in unquoted equity shares other than subsidiary, which are classified as FVOCI (refer Note 4), as the Company believes that impact of change on account of fair value is insignificant.

Fair value of quoted investment in mutual fund is determined by reference to available net asset value (NAV) available from respective Assets Management Companies ("AMC")

**3.18 Fair value measurement**

The Company measures financial instruments, such as, investments and derivatives, at fair value at each balance sheet date.

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 into 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

- > 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
- > 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 financial statements 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.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted/quoted financial assets measured at fair value.

External valuers are involved for valuation of unquoted financial assets and financial liabilities. Involvement of external valuers is decided upon annually by the Management. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with The Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on a yearly basis.

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.



**Jindal Denim (India) Private Limited**  
**Notes to standalone financial statements for the year ended 31 March 2020**

**3.19 Financial instruments**

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

**Financial assets**

**Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in following categories:

**A) Debt instruments**

**i) Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to loans, security deposits given, trade and other receivables.

**ii) Debt instrument at FVTOCI**

A debt instrument is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has not classified any financial asset into this category.

**iii) Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

**B) Equity instruments**

All equity instruments are subsequently measured at fair value in the balance sheet, with value changes recognised in statement of profit and loss, except for those equity instruments for which the Company has elected to present value changes in "other comprehensive income". If an equity instrument is not held for trading, the Company may make an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income. The Company makes such election on an instrument by instrument basis.

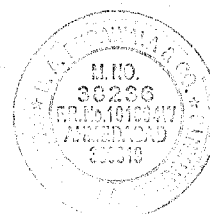
If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, The Company may transfer the cumulative gain or loss within equity.

The Company has elected to present all equity instruments, other than those in subsidiary, through FVTPL and all subsequent changes are recognized in Statement of Profit and Loss.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- > The rights to receive cash flows from the asset have expired, or
- > The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.





**Jindal Denim (India) Private Limited**  
**Notes to standalone financial statements for the year ended 31 March 2020**

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Impairment of financial assets**

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure;

a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances

b) Financial assets that are debt instruments and are measured as at other comprehensive income (FVTOCI)

c) Lease receivables under Ind AS 17

d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

> Trade receivables or contract revenue receivables; and

> All lease receivables resulting from transactions within the scope of Ind AS 17

Under the simplified approach the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk said initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period the credit risk reduces since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed. The Company has presumed that default doesn't occur later than when a financial asset is 90 days past due.

ECL is the difference between all contracted cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / (expense) in the statement of profit and loss (P&L). This amount is reflected under the head "Other Expense" in the P&L. The impairment loss is presented as an allowance in the Balance Sheet as a reduction from the net carrying amount of the trade receivable, loan, deposits and lease receivable respectively.

**Financial liabilities**

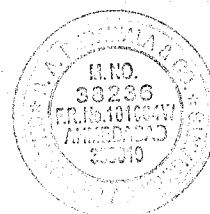
**Initial recognition and measurement**

All financial liabilities are initially recognised at fair value. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdraft and derivative financial instruments.

**Subsequent measurement**

Subsequent measurement of financial liabilities depends on their classification as fair value through Profit and loss or at amortized cost.

All changes in fair value of financial liabilities classified as FVTPL is recognized in the Statement of Profit and Loss. Amortised cost category is applicable to loans and borrowings, trade and other payables. After initial recognition the financial liabilities are measured at amortised cost using the EIR method. Gains and losses are recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are integral part of the EIR. The EIR amortization is included as finance cost in the Statement of Profit and Loss.



**Jindal Denim (India) Private Limited**  
**Notes to standalone financials statements for the year ended 31 March 2020**

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Derivative financial instruments**

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value through profit or loss (FVTPL) on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivative financial instrument are recognised in the statement of profit and loss.

**Reclassification of financial instruments**

After initial recognition, no reclassification is made for financial assets which are equity instruments. For financial assets, which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. If the Company reclassifies the financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in the business model.

**Offsetting financial assets and financial liabilities**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



**Jindal Denim (India) Private Limited**  
**Notes to standalone financial statements for the year ended 31 March 2020**

**4.0 Significant accounting estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, 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.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

**Depreciation**

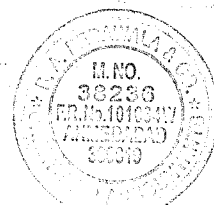
Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

**Taxes**

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

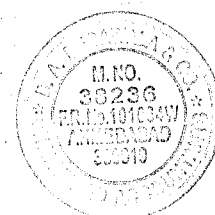
**Fair value measurement of financial instruments**

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 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. Judgements 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.



**Jindal Denim (India) Private Limited**  
**Notes to standalone financial statements for the year ended 31 March 2020**

|   |  | (Amount in Rs)   |                   |
|---|--|------------------|-------------------|
|   |  | As at            | As at             |
|   |  | 31 March 2020    | 31 March 2019     |
| <b>5 Investments</b>                            |  |                  |                   |
| Non current investments                         |  |                  |                   |
| Unquoted equity instruments - at cost           |  |                  |                   |
| Investment in equity shares                     |  |                  |                   |
| Investment in other companies                   |  |                  |                   |
| 500 shares of Amitara Green Hightech            |  |                  |                   |
| Textiles Park Pvt. Ltd.of Rs.10/- each          |  | 5,000            | 5,000             |
|   |  | <b>5,000</b>     | <b>5,000</b>      |
| <b>6 Inventories</b>                            |  |                  |                   |
| (a) Yarn  |  | -                | -                 |
| (b) Colour Chemical                             |  | -                | -                 |
|   |  | <b>-</b>         | <b>-</b>          |
| <b>7 Trade Receivables</b>                      |  |                  |                   |
| Unsecured, considered good                      |  | 341,887          | 10,886,018        |
|   |  | <b>341,887</b>   | <b>10,886,018</b> |
| <b>8 Cash and cash equivalents</b>              |  |                  |                   |
| Balance in current account                      |  | 383,282          | 497,783           |
|   |  | <b>383,282</b>   | <b>497,783</b>    |
| <b>9 Loans- Current</b>                         |  |                  |                   |
| (A) Inter-corporate advances                    |  |                  |                   |
| Unsecured and considered good                   |  | 618,259          | 47,758,765        |
|   |  | <b>618,259</b>   | <b>47,758,765</b> |
| <b>10 Other current financial assets</b>        |  |                  |                   |
| Security Deposit                                |  | 20,000           | 20,000            |
|   |  | <b>20,000</b>    | <b>20,000</b>     |
| <b>11 Other current assets</b>                  |  |                  |                   |
| Advance to creditors                            |  | -                | 3,250             |
| Duty drawback receivable                        |  | 1,449,133        | 2,008,052         |
| Advance Tax                                     |  | -                | 1,500,000         |
| Balances with statutory/ Government authorities |  | 4,796,488        | 6,812,434         |
|   |  | <b>6,245,621</b> | <b>10,323,736</b> |



**Jindal Denim (India) Private Limited**  
**Notes to standalone financials statements for the year ended 31 March 2020**

**12 Share capital**

**A). Authorized, issued, subscribed and paid up share capital**

**Authorised**

Equity Shares of Rs.10 each

|  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
|  | 100,000                | 100,000                |
|  | <b>100,000</b>         | <b>100,000</b>         |
| <b>Issued, subscribed and fully paid up shares</b> |                        |                        |
| Equity Shares of Rs.10 each with voting rights     | 100,000                | 100,000                |
|  | <b>100,000</b>         | <b>100,000</b>         |

**Notes:**

**(a) Reconciliation of the number of the shares outstanding as the beginning and end of the year:**

| Particulars                  | As at 31 March 2020 |                |
|------------------------------|---------------------|----------------|
|                              | No. of shares       | Amount         |
| At the beginning of the year | 10,000              | 100,000        |
| Movement during the year     |                     | -              |
| At the end of the year       | <b>10,000</b>       | <b>100,000</b> |

**(b) Terms/rights attached to equity shares:**

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Details of shareholder holding more than 5% shares in the Company**

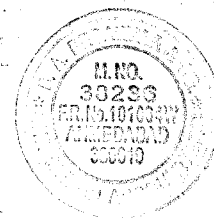
| Equity shares of Rs 10 each fully paid |                  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------|------------------------|------------------------|
| Jindal Worldwide Ltd                   | Number of Shares | 10,000                 | 10,000                 |
|  | % Holding        | 100%                   | 100%                   |
|  |                  | <b>100%</b>            | <b>100%</b>            |

**(d) Shares reserved for issue under option**

The Company has not reserved any shares for issuance under options

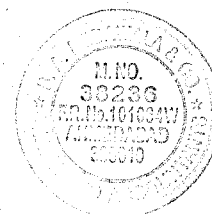
**(e) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date**

The Company has neither issued any bonus shares, shares for consideration other than cash nor has there been any buyback of shares in the current year and preceding five years from 31 March 2018.



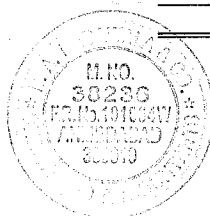
**Jindal Denim (India) Private Limited**  
**Notes to standalone financial statements for the year ended 31 March 2020**

| <b>13 Other equity</b>  | <b>As at</b>         | <b>As at</b>         |
|---|----------------------|----------------------|
|   | <b>31 March 2020</b> | <b>31 March 2019</b> |
| <b>(i) Retained earnings</b>  |                      |                      |
| Opening balance   | 5,385,246            | 1,613,947            |
| Add: Profits for the year   | 1,724,313            | 3,807,881            |
| Tax expense relating to earlier years   | (33,490)             | 36,581               |
| Proposed Dividend on equity shares  | -                    | -                    |
| Tax on proposed dividend  | -                    | -                    |
| <b>Closing balance</b>  | <b>7,143,049</b>     | <b>5,385,246</b>     |
| <b>Total</b>  | <b>7,143,049</b>     | <b>5,385,246</b>     |
| <b>14 Borrowings</b>  |                      |                      |
| <b>Non-current borrowings</b>   |                      |                      |
| From body corporates  | -                    | 60,961,491           |
|   | -                    | <b>60,961,491</b>    |
| <b>Details of security and repayment thereof</b>  |                      |                      |
| <b>14.1</b> There are no secured loan of any nature and here no security of any kind has been given to any body |                      |                      |
| <b>15 Trade payables</b>  | <b>As at</b>         | <b>As at</b>         |
|   | <b>31 March 2020</b> | <b>31 March 2019</b> |
| Total outstanding due to micro enterprises and small enterprises  |                      | -                    |
| Total outstanding due of creditors other than micro enterprises and small enterprises                           | -                    | 207,385              |
|   | -                    | <b>207,385</b>       |
| <b>16 Other current liabilities</b>   |                      |                      |
| Statutory remittances   |                      |                      |
| Advances from customers   | -                    | 1,422,178            |
| Audit Fee Payable   | 15,000               | 15,000               |
| Commision Payable   |                      |                      |
|   | <b>15,000</b>        | <b>1,437,178</b>     |
| <b>17 Income-tax liabilities</b>  |                      |                      |
| Income tax provision (net of advance taxes)   | 356,000              | 1,400,000            |
|   | <b>356,000</b>       | <b>1,400,000</b>     |



**Jindal Denim (India) Private Limited**  
**Notes to standalone financial statements for the year ended 31 March 2020**

|   | For the year<br>ended<br>31 March 2020 | For the year<br>ended<br>31 March 2019 |
|---|--|--|
| <b>18 Revenue from operations</b>                     |  |  |
| Sale of products and services (including excise duty) |  |  |
| Sale of finished and traded goods                     | 12,361,860                             | 965,307,848                            |
|   | <b>12,361,860</b>                      | <b>965,307,848</b>                     |
| <b>19 Other income</b>                                |  |  |
| Profit on sale of shares                              | -                                      | 247,000                                |
| Export Incentive                                      | -                                      | 8,595,756                              |
| Duty drawback and Export benefits                     | 234,959                                | 16,110,281                             |
| Balance Written off                                   | 1,389,674                              | 1,341                                  |
| Insurance   | 44,250                                 |  |
| Foreign exchange fluctuation (net)                    | -                                      | 28,222,885                             |
|   | <b>1,668,883</b>                       | <b>53,177,263</b>                      |
|   |  |  |
|   | For the year<br>ended<br>31 March 2020 | For the year<br>ended<br>31 March 2019 |
| <b>20 Cost of material and services</b>               |  |  |
| Opening stock of raw material and components          | -                                      | 11,140,062                             |
| Add : Purchases during the year                       | 10,297,601                             | 933,728,859                            |
| Inventory at the end of the year                      | -                                      | -                                      |
| <b>Cost of material consumed</b>                      | <b>10,297,601</b>                      | <b>944,868,921</b>                     |
| <b>21 Finance costs</b>                               |  |  |
| Interest to others                                    | -                                      | 116                                    |
| Bank charges  | 24,150                                 | 187,006                                |
| Forex Charge  | 1,182                                  | 374,427                                |
| LC Discounting Charge                                 | 708                                    | 1,082,761                              |
| Documents Charge                                      | 3,304                                  | 99,699                                 |
| Exchange Rate Diff                                    | 58,734                                 |  |
| Buyer Bank Charge                                     | 105,392                                | 721,780                                |
|   | <b>193,470</b>                         | <b>2,465,789</b>                       |
| <b>22 Other expenses</b>                              |  |  |
| Job Charges   | -                                      | 30,587,885                             |
| Freight, Clearing & Forwarding Exp                    | 476,901                                | 34,640,484                             |
| Courier Exp   | -                                      | 5,066                                  |
| Filling Fees  | 50,560                                 | 18,480                                 |
| Legal and Professional Fees                           | 3,000                                  | 12,094                                 |
| License Fee   | -                                      | 8,240                                  |
| Other Repairs   | 60,000                                 | 60,000                                 |
| Auditor Remuneration                                  | 15,000                                 | 15,000                                 |
| Insurance Expense                                     | -                                      | 383,501                                |
| Lease Rent  | -                                      | 210,000                                |
| Salary Exp  | 77,128                                 | -                                      |
| Sales Promotion Exp                                   | 525,000                                | -                                      |
| Membership Fee  | 1,770                                  | 1,770                                  |
|   | <b>1,209,359</b>                       | <b>65,942,520</b>                      |
| <b>* Payment to auditor (excluding service tax)</b>   |  |  |
| <b>As auditor:</b>                                    |  |  |
| Audit fee   | 15,000                                 | 15,000                                 |
| Tax audit fees  | -                                      | -                                      |
|   | <b>15,000</b>                          | <b>15,000</b>                          |



**Jindal Denim (India) Private Limited**  
**Notes to standalone financials statements for the year ended 31 March 2020**

| For the year<br>ended 31 March<br>2020 | For the year<br>ended 31 March<br>2019 |
|--|--|
|--|--|

**23 Income tax profit and loss section**

**(a) Income tax recognised in statement of profit and loss:**

|   |         |           |
|---|---------|-----------|
| Current income tax                      | 606,000 | 1,400,000 |
| Adjustment in respect of previous years |         |           |
| MAT credit entitlement                  |         |           |

**Deferred tax:**

Relating to origination and reversal of temporary differences

**Income tax expenses reported in statement of profit and loss**

|                |                  |
|----------------|------------------|
| <b>606,000</b> | <b>1,400,000</b> |
|----------------|------------------|

**24 The income tax expense can be reconciled to the accounting profit as follows:**

|                                     |                  |                  |
|-------------------------------------|------------------|------------------|
| <b>Accounting profit before tax</b> | <b>2,330,313</b> | <b>5,207,881</b> |
|-------------------------------------|------------------|------------------|

Income tax rate as per Income Tax Act 1961,  
31 March 2020, 26 % (31 March 2019, 26%)

|         |           |
|---------|-----------|
| 606,000 | 1,400,000 |
|---------|-----------|

Adjustment in respect of:

Current income tax of previous year

MAT credit entitlement

Non-deductible expenses for tax purpose

Non-taxable income

Benefits under chapter VI-A

Other adjustment

Reversal of DTA on temporary differences

**Income tax reported in statement of profit and loss**

|                |                  |
|----------------|------------------|
| <b>606,000</b> | <b>1,400,000</b> |
|----------------|------------------|

**25 Unused tax credits**

The Company had unused MAT credit amounting to Rs Nil as at 31 March 2020

Such tax credits have been recognised on the basis that recovery is probable in the foreseeable future.

**Unused tax credits carried over to subsequent financial years**

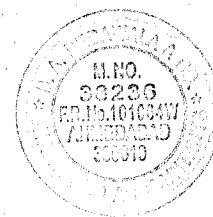
|   |   |
|---|---|
| - | - |
|---|---|

**26 Earnings per share**

Basic EPS amounts are calculated by dividing the profit for the year attributable on equity holders of the company by the weighted average number of equity shares outstanding during the year.

**Basic and diluted earning per share**

|   |               |               |
|---|---------------|---------------|
| Profit attributable to equity shareholders of the Company for basic & diluted earning | 1,724,313     | 3,807,881     |
| Weighted average number of equity shares for basic & diluted EPS                      | 10,000        | 10,000        |
| <b>Basic and diluted earning per share (in Rs)</b>                                    | <b>172.43</b> | <b>380.79</b> |





**Jindal Denim (India) Private Limited**  
**Notes to standalone financials statements for the year ended 31 March 2020**

**27 Capital management**

(a)

The Company's capital management objective are to ensure Company's ability to continue as a going concern as well to create value for shareholders by facilitating the meeting of long term and short term goals of the Company. The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through cash generated from operations, long term and short term bank borrowings. The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company. Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current earmarked balances) and current investments. The table below summarises the capital, net debt and net debt to equity ratio of the company.

**Particulars**

|  | As at 31 March<br>2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| Equity share capital                       | 100,000                | 100,000                |
| Other equity                               | 7,143,049              | 5,385,246              |
| <b>Total equity</b>                        | <b>7,243,049</b>       | <b>5,485,246</b>       |
| Non-current borrowings                     | -                      | 60,961,491             |
| Short term borrowings                      | -                      | -                      |
| Current maturities of long term borrowings | -                      | -                      |
| <b>Gross Debt</b>                          | <b>-</b>               | <b>60,961,491</b>      |
| Gross debt as above                        | -                      | 60,961,491             |
| Less: Cash and cash equivalents            | 383,282                | 497,783                |
| <b>Net Debt</b>                            | <b>(383,282)</b>       | <b>60,463,708</b>      |
| <b>Net debt to equity</b>                  | <b>(0.053)</b>         | <b>11.023</b>          |

(b) **Dividends**

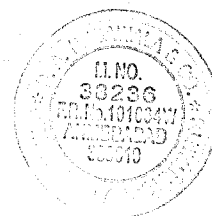
The Company has not proposed any dividend for current year

**28 Fair value measurement**

(a) **The carrying value and fair value of financial instruments by categories as of 31 March 2020 is as follows :**

**Particulars**

|                              | As at 31 March<br>2020 | As at<br>31 March 2019 |
|------------------------------|------------------------|------------------------|
| <b>Financial assets</b>      |                        |                        |
| Investments                  | 5,000                  | 5,000                  |
| Trade receivables            | 341,887                | 10,886,018             |
| Cash and cash equivalents    | 383,282                | 497,783                |
| Other bank balances          | -                      | -                      |
| Loans                        | 618,259                | 47,758,765             |
| Others financial assets      | 20,000                 | 20,000                 |
|                              | <b>1,368,428</b>       | <b>59,167,566</b>      |
| <b>Financial liabilities</b> |                        |                        |
| Borrowings                   | -                      | 60,961,491             |
| Trade payables               | -                      | 207,385                |
| Other financial liabilities  | 15,000                 | 1,437,178              |
|                              | <b>15,000</b>          | <b>62,606,054</b>      |



**Jindal Denim (India) Private Limited**  
**Notes to standalone financials statements for the year ended 31 March 2020**

- 29** The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk. Company's principal financial liabilities comprises, loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liability is to finance company's operation. Company's principal financial asset include loan to subsidiaries, investments, trade and other receivables, security deposits and cash and cash equivalent, that directly derive from its business.

**(a) Credit Risk**

Credit Risk in case of the Company arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

**Credit Risk Management**

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits etc. the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 March 2020, as summarised below:

|                           | As at 31 March<br>2020 | As at 31<br>March 2019 |
|---------------------------|------------------------|------------------------|
| Loans                     |                        | -                      |
| Investments               | 5,000                  | 5,000                  |
| Other financial assets    | 20,000                 | 20,000                 |
| Cash and cash equivalents | 383,282                | 497,783                |
| Trade receivables         |                        | -                      |
|                           | <b>408,282</b>         | <b>522,783</b>         |

The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties only.

**(b) Liquidity Risk**

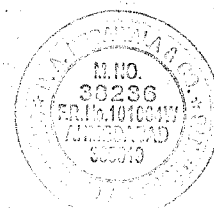
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

**(c) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, deposits, Investments, trade and other receivables, trade and other. The sensitivity analysis in the following sections relate to the position as at 31 March 2020, and 31 March 2019

**(d) Interest rate risk**

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. The Company does not have any long term borrowings with floating interest rate and carrying short term borrowings with floating interest rate. The company's investment in fixed deposit deposit carries fixed



(i) Below is the overall exposure of the Company to interest rate risk:

| Particulars   | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| Variable rate borrowing   | -             | -             |
| Fixed rate borrowing  | -             | -             |
| <b>Total borrowings</b>   | -             | -             |
| <b>Amount disclosed under other current financial liabilities</b> | -             | -             |
| <b>Amount disclosed under borrowings</b>                          | -             | 60,961,491    |

ii **Assets**

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

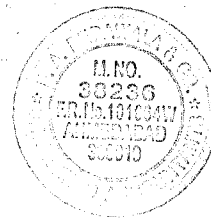
30 **Capital and other commitments**

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| Commitments relating to contracts remaining to be executed on capital account<br>(net of advances) |                        |                        |

31 **Contingent liabilities not provided for are Nil**

32 Details as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). This information has been determined to the extent such parties have been identified on the basis of information available with the Company

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| <b>Principal amount and interest due thereon remaining unpaid to any supplier.</b>   |                        |                        |
| Principal  |                        |                        |
| Interest   |                        |                        |
| The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year                                      |                        |                        |
| The amount of interest accrued and remaining unpaid at the end of each accounting year; and  |                        |                        |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006. |                        |                        |



### 33 Recent accounting pronouncements

#### Standards issued but not yet effective

The amendments to standards that are issued and new standards issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs("MCA") has issued certain amendments to Ind AS through (Indian Accounting Standards) Amendment Rules, 2019. These amendments maintain convergence with IFRS by incorporating amendments issued by International Accounting Standards Board(IASB) into Ind AS and has amended/issued the following standards:

1. Ind AS 116-Leases
2. Ind AS 12-Income Taxes
3. Ind AS 19-Employee Benefits

These amendments are effective for annual periods beginning on or after April 01, 2019.

The Company is assessing the potential effect of the amendments on its financial statements. The Company will adopt these amendments, if applicable, from their applicability date."

- 34 The amendments to standards that are issued and new standards issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs("MCA") has issued certain amendments to Ind AS through (Indian Accounting Standards) Amendment Rules, 2019. These amendments maintain convergence with IFRS by incorporating amendments issued by International Accounting Standards Board(IASB) into Ind AS and has amended/issued the following standards:

### 35 Other Disclosures

#### (i) Events occurring after the Balance sheet Date

The company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 15th April,2020, there are no subsequent events to be recognized or reported that are not already disclosed.

(ii) Due to outbreak of Covid-19 globally and in India, the company's management has made initial assessment of likely adverse impact on business and financial risks on account of Covid-19 and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the company's ability to continue as as going concern and meeting its liabilities as and when the fall due, and compliance with the debt covenants as applicable.

(iii) Previous year figures are regrouped/ reclassified wherever necessary to correspond with the current years classification/ disclosure.



**Jindal Denim (India) Private Limited**  
Notes to standalone financials statements for the year ended 31 March 2020

36 In accordance with the requirements of Accounting Standard (AS-18), related party disclosures are as follows:

a) **List of related parties**

**Relationship**

**Name of related party**

Entities where significant influence is exercised by  
KMP having transactions with the Company

Amitara Green Hitech Textile Park Pvt Ltd.  
Jindal Denim Inc (Div of Jindal Worldwide Ltd)  
Jindal Creation Inc (Div of Jindal Worldwide Ltd)

b) **Summary of related party transactions**

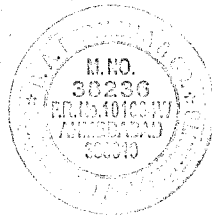
| S.No | Particulars                  | Wholly owned subsidiaries/ subsidiary |      | Key management personnel |      | (Amount in Rs)   |            |
|------|------------------------------|---------------------------------------|------|--------------------------|------|--|------------|
|      |                              | 2020                                  | 2019 | 2020                     | 2019 | Entities where significant influence is exercised by KMP |            |
|      | Transactions during the year |                                       |      |                          |      |  |            |
| i    | Rental paid                  | -                                     | -    | -                        | -    | -  | 247,800    |
| ii   | Fabric Job Purchase          | -                                     | -    | -                        | -    | -  | 27,185,427 |
| iii  | Grey Purchase                | -                                     | -    | -                        | -    | -  | 36,097,276 |

The accompanying notes form an integral part of financials statements  
As per our report of even date

**FOR, B.A.BEDAWALA & CO.**  
Firm Registration No.: 101064W  
Chartered Accountants

(B.A. SHARMA)  
PARTNER  
MEM NO 038236

Place : AHMEDABAD  
Date: 11-06-2020



For and on behalf of Board of Directors of  
Jindal Denim India Private Limited

(Kailash T Agrawal)  
Director  
DIN: 00195287

(Raghav K Agrawal)  
Director  
DIN: 02264149