**JINDAL UNITED STEEL LIMITED**
**CIN - U28113HR2014PLC053875**
**Registered Office**: O.P. Jindal Marg, Hisar- 125005, Haryana
**Phone No.:** +91-01662-222471-83 **Fax No.** +91-01662-220499
**Email Id.:** jindalunited@gmail.com **Website:** www.jindalunitedsteel.com
**Corporate Office:** Jindal Centre, 12, Bhikaiji Cama Place, New Delhi-110066
**Phone No.:** +91-011-26188345 **Fax No.** +91-011-41659169

# NOTICE OF HON'BLE NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING OF THE UNSECURED CREDITORS OF JINDAL UNITED STEEL LIMITED

***(Being convened pursuant to order dated 10th May 2022 passed by Hon'ble National Company Law Tribunal, Chandigarh Bench, , in the Company Application no. CA (CAA) No. 8/Chd/Hry/2022)***

**MEETING:**

| | | |
|---|---|---|
| **Day** | : | Saturday |
| **Date** | : | 09th July 2022 |
| **Time** | : | 11:30 a.m. (Indian Standard Time) |
| **Venue** | : | The deemed venue for the aforesaid Meeting shall be the Registered Office of Jindal United Steel Limited ("the Company"), i.e., O.P. Jindal Marg, Hisar-125005, Haryana |
| **Mode** | : | As per the directions of the Hon'ble National Company Law Tribunal, Chandigarh Bench, the Meeting shall be conducted through video conferencing / other audio visual means with facility of remote e-voting. |

**REMOTE E-VOTING:**

| | | |
|---|---|---|
| **Start Date and Time** | : | 09th June 2022 at 9:00 a.m. (Indian Standard Time) |
| **End Date and Time** | : | 8th July 2022 at 5:00 p.m. (Indian Standard Time) |

**INDEX OF DOCUMENTS ENCLOSED**

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, CHANDIGARH BENCH**

**COMPANY APPLICATION NO. CA(CAA) No. 8/Chd/Hry/2022**

**In the matter of Sections 230-232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016**

**And**

**In the matter of the Composite Scheme of Arrangement**
**Amongst**

**JINDAL UNITED STEEL LIMITED**
A public limited company incorporated under the provisions of Companies Act, 2013 having its registered office at O.P. Jindal Marg, Hisar- 125005, Haryana through its authorized representative, Mr. Akhand Kirty, mobile no.: 8051168592, e-mail address: akhand.kirty@jindalstainless.com
**…. Amalgamated Company**

**AND**

**JINDAL COKE LIMITED**
A public limited company incorporated under the provisions of Companies Act, 2013 having its registered office at O.P. Jindal Marg, Hisar - 125005, Haryana, Haryana through its authorized representative, Mr. Pradeep Tahiliani, mobile no.: 9818730222, e-mail address: pradeep.tahiliani@jindalstainless.com
**…. Amalgamating Company**

**AND**

**their respective Shareholders and Creditors**

**FORM NO. CAA 2**

*[Pursuant to Section 230 and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]*

**NOTICE OF TRIBUNAL CONVENED MEETING OF THE UNSECURED CREDITORS OF JINDAL UNITED STEEL LIMITED**

**To,**
**The Unsecured Creditors of**
**Jindal United Steel Limited**
*(Amalgamated Company/ Company or JUSL)*

Notice is hereby given that by an Order dated 10th May, 2022 in the Company Application no. CA(CAA) No. 8/Chd/Hry/2022 ("**Order**"), the Chandigarh Bench of the Hon'ble National Company Law Tribunal ("**Tribunal" or "Hon'ble NCLT**") has directed a Meeting to be convened for the Unsecured Creditors ("**Creditors**") of the Company for the purpose of considering, and if thought fit, approving with or without modification(s), the Composite Scheme of Arrangement amongst Jindal United Steel Limited (the "**Amalgamated Company**"), Jindal Coke Limited (the "**Amalgamating Company**") and their respective shareholders and creditors ("**Scheme**") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act").

In pursuance of the said order and as directed therein, further notice is hereby given that a Meeting of the Unsecured Creditors of the Company will be held on Saturday, 9th July 2022 at 11:30 A.M. ("Meeting") The Meeting will be held through Video Conferencing or Other Audio Visual Means ("VC/OAVM") with the facility of remote e-voting / e-voting for the Meeting, in accordance with the Order of the Hon'ble NCLT and pursuant to the General Circular No. 14/2020 dated 08th April, 2020, General Circular No. 17/2020 dated 13th April, 2020, General Circular No.22/2020 dated 15th June, 2020, General Circular No. 33/2020 dated 28th September, 2020, General Circular No. 39/2020 dated 31st December, 2020, General Circular No. 10/2021 dated 23rd June, 2021, General Circular No. 20/2021 dated 08th December, 2021 and General Circular No. 3/2022 dated May 5, 2022 issued by the Ministry of Corporate Affairs ("MCA") (hereinafter collectively referred to as "**MCA Circulars**"). The NCLT Order and MCA Circulars permit to take all decisions requiring the approval of the Unsecured Creditors, through VC/OVAM, in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder, without holding a general meeting, which requires the physical presence of Unsecured Creditors at a common venue. The deemed venue for the aforesaid Meeting shall be the Registered Office of the Company, i.e. O.P. Jindal Marg, Hisar- 125005, Haryana.

Unsecured Creditors entitled to attend, and vote may vote through remote e-voting / e-voting facility made available for the Meeting and attend through VC/OAVM. The facility of appointment of proxies by Unsecured Creditors will not be available for such Meeting. A body corporate which is a Unsecured Creditor is entitled to appoint a representative for the purposes of participating and / or vote through remote e-voting or e-voting during the Meeting.

Copy of the Notice in relation to the Meeting, together with the documents accompanying the same, including the Explanatory Statement, under Sections 102, 230(3), 232(1), 232(2), of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("**Explanatory Statement**") along with the Scheme can be obtained free of charge at the registered office of the Company at O.P. Jindal Marg, Hisar- 125005, Haryana between 10.00 A.M. and 12.00 Noon on all days (except Saturdays, Sundays and public holidays) prior to the date of the Meeting. The Company will furnish a copy of Scheme within one day of any requisition of the Scheme made by any Unsecured Creditor to Company by e-mail at jindalunited@gmail.com.

The Hon'ble NCLT has appointed Mr. Justice Surinder Gupta (Retd.), as the Chairperson, Mr. Yash Pal Gupta, Advocate, as Alternate Chairperson and Ms. Neelanchi Garg, Chartered Accountant as the Scrutinizer for the Meeting including any adjournment or adjournments thereof. The Scheme, if approved in the aforesaid Meeting, will be subject to the subsequent approval of the Hon'ble NCLT.

**TAKE NOTICE** that the following resolution is proposed under Section 230(3) of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and such other provisions as may be applicable, the provisions of the Memorandum of Association and Articles of Association of the Company, for the purpose of considering, and if thought fit, approving with the requisite majority, the Scheme amongst Jindal United Steel Limited, Jindal Coke Limited and their respective shareholders and creditors:

*"**RESOLVED THAT** pursuant to the provisions of Sections 230-232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the Hon'ble National Company Law Tribunal, Chandigarh Bench ("Tribunal" or "NCLT") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by Hon'ble NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), approval of the Unsecured Creditors of the Company be and is hereby accorded to the Composite Scheme of Arrangement amongst Jindal United Steel Limited, Jindal Coke Limited and their respective shareholders and creditors ("Scheme");*

***RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, (including withdrawal of the Scheme), which may be required and/or imposed by the Hon'ble NCLT while approving the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."*

**Akhand Kirty**<br>
**Company Secretary**<br>
**ACS53378**<br>
**Jindal United Steel Limited**<br>
**Jindal Centre 12, Bhikaiji Cama Place,**<br>
**New Delhi-110066**

**Date: 03rd June, 2022**
**Place: New Delhi**

**Registered Office:**
**JINDAL UNITED STEEL LIMITED,**
**O.P. Jindal Marg, Hisar- 125005, Haryana**
**CIN - U28113HR2014PLC053875**

**Notes:**

(1) Please note that pursuant to provisions of Section 230; Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; Rule 20 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof); and General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020, General Circular No. 22/2020 dated 15th June, 2020, General Circular No. 33/2020 dated 28th September, 2020, General Circular No. 39/2020 dated 31st December 2020, General Circular No. 10/2021 dated 23rd June, 2021, General Circular No. 20/2021 dated 08th December, 2021 and General Circular No. 3/2022 dated May 5, 2022 issued by the Ministry of Corporate Affairs ("MCA Circulars") and other relevant laws and regulations, as may be applicable, and in accordance with the Order of the Hon'ble NCLT, Company has provided voting facility of voting to the Unsecured Creditors on the proposed resolution through remote e-voting / e-voting facility made available for the Meeting. The Company has appointed Link Intime (India) Private Limited ("LIIPL") for the purposes of providing for the VC/OAVM facility and for purpose of providing remote e-voting / e-voting for the Meeting. The detailed procedure for participating in the Meeting though VC/OAVM is mentioned hereunder in this notice. The deemed venue for the aforesaid Meeting shall be the Registered Office of the Company.

(2) A copy of the Explanatory Statement, under Sections 102, 230(3), 232(1), 232(2) the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the Scheme and other enclosures as indicated in the Index are enclosed.

(3) Pursuant to the provisions of the Act, an Unsecured Creditor entitled to attend and vote at a Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this Meeting is being held pursuant to the MCA circulars and directions of NCLT through VC / OVAM facility, physical attendance of Unsecured Creditors has been dispensed with. Accordingly, the facility for appointment of proxies by the Unsecured Creditors will not be available for this meeting and therefore the proxy form, route map and attendance slip are not annexed to this notice.

(4) Institution / Body Corporate etc. which is an Unsecured Creditor of the Company and intending to appoint an authorised representative for the purpose of participating and / or to cast their vote through remote e-voting or e-voting for the Meeting held through VC/OAVM are requested to send a duly certified copy of the resolution of the Board of Directors or other governing body of such Institution / Body Corporate along with the valid and legible identity proof issued by a statutory authority (i.e., PAN card/ Aadhaar card/ Passport/ Driving License/ Voter Id Card) to the scrutinizer at neelanchi09@gmail.com from their registered email address with a copy marked to delhi@linkintime.co.in, authorising such representative to participate and vote on their behalf not less than 48 hours before the time fixed for the Meeting.

(5) As per the directions of the NCLT, the quorum of the Meeting of the Unsecured Creditors shall be 186 in number or 40% in value of the Unsecured Creditors.

If the quorum for the Meeting is not present at the commencement of the meeting, the Meeting shall be adjourned by 30 minutes and thereafter the Unsecured Creditors attending the Meeting through VC/ OVAM facility shall be deemed to constitute the quorum.

(6) The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Unsecured Creditors at the registered office of the Company between 10.00 A.M. and 12.00 Noon on all days (except Saturdays, Sundays and public holidays) up to the date of the Meeting. However, the same shall be open for inspection during the aforesaid Meeting.

(7) The Notice in relation to the Meeting, together with the documents accompanying the same, is being sent to all the Unsecured Creditors of the Company, having an outstanding debt of equal to or more than Rs. 1,00,000/- (Rupees One Lakh only), as on 10th May 2022 through electronic mode (e-mail) whose e-mail IDs are registered with the Company for communication purposes. The notice may also be accessed on the website of the Company viz. www.jindalunitedsteel.com and also on the website of Link Intime India Private Limited, at https://instavote.linkintime.co.in/.

Unsecured Creditors who have not registered their email addresses with the Company, and who wish to receive the Notice of the Meeting of the Company and all other communication sent by the Company, from time to time, can now register for the same by submitting a duly filled-in request form mentioning their complete address, email address to be registered along with scanned self- attested copy of the PAN Card and any document (such as Driving License, Passport, Bank Statement, Aadhaar Card) supporting the registered address of the Unsecured Creditor, by email to the Company.

(8) In terms of directions contained in the Order, the notice convening the Meeting will be published through advertisement in (i) Financial Express, Delhi NCR Edition, in the English language and (ii) in Jansatta, Delhi NCR Edition, in Hindi language.

(9) The NCLT has appointed Ms. Neelanchi Garg, Chartered Accountant as the Scrutinizer for conducting the remote e-voting and e-voting for the Meeting. The Scrutinizer shall submit her Report within three days from the conclusion of the Meeting to the Chairman of the Meeting or a person authorized by him in writing. The Scrutinizer’s decision on the validity of the votes cast shall be final.

(10) The results, together with the scrutinizer’s reports, will be displayed at the registered office of the Company situated at O.P. Jindal Marg, Hisar- 125005, Haryana, on the website of the Company, https://www.jindalunitedsteel.com , and also on the website of Link Intime India Private Limited, at https://instavote.linkintime.co.in .

(11) In accordance with the provisions of Sections 230-232 of the Act, the Scheme shall be acted upon only if the resolution mentioned above in the notice has been approved by the majority in persons representing three fourth in value, of the fully paid-up of the Unsecured Creditors, voting through remote e-voting / e-voting facility made available for the Meeting.

(12) The Unsecured Creditors desiring to attend this Meeting through VC/OAVM and exercising their vote through remote e-voting / e-voting made available during the Meeting, are requested to carefully follow the instructions set out in the notes below under the heading “Online Meeting Process” or “Voting through Remote E-voting”, as the case may be.

(13) The voting rights of Unsecured Creditors shall be in proportion to the principal amount due to them by the Company as on the Cut-off Date i.e. 10th May, 2022.

(14) It is clarified that cast of votes by remote e-voting (prior to the Meeting) does not disentitle a Unsecured Creditor from attending the Meeting. However, an Unsecured Creditor who has voted through remote e-voting prior to the Meeting cannot vote through e-voting during the Meeting. The Unsecured Creditors of Company attending the Meeting through VC/ OAVM who have not cast their vote through remote e-voting prior to the Meeting shall be entitled to exercise their vote using the e-voting facility made available during the Meeting through VC/ OAVM.

**Voting through Remote E-voting**

The instructions for Unsecured Creditors voting electronically are as under:

The remote e-voting period will commence on 09th June, 2022 at 9.00 A.M. (IST) and ends on 8th July, 2022 at 5.00 P.M. (IST). During this period Unsecured Creditors' of the Company as on the Cut-off Date 10th May, 2022, may cast their vote electronically. The remote e-voting module shall be disabled by LIIPL for voting thereafter.

Once the vote on the resolution is cast by an Unsecured Creditor, whether partially or otherwise, it shall not be allowed to change subsequently. In case you do not desire to cast your vote, it will be treated as "ABSTAINED".

Unsecured Creditors who have already voted prior to the Meeting date would not be entitled to vote during the Meeting.

**Remote e-Voting Instructions for Creditors:**

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in

**Those who are first time users of LIIPL e-voting platform must mandatorily generate their own Password, as under:**

► Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: -

**A. User ID:** Enter your User ID.
Your User ID is Event No + Reference Number communicated to you separately.

**B. PAN:**
Enter your 10-digit Permanent Account Number (PAN) (Creditors who have not updated their PAN with the Company shall use the sequence number provided to you, if applicable.

**C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with the Company - in DD/MM/YYYY format)

**D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with the Company.

• Creditors who have not recorded 'C' and 'D', shall provide their Reference Number in 'D' above

► Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).

► Click "confirm" (Your password is now generated).

2. Click on 'Login' under **'SHARE HOLDER'** tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'.**
4**.** After successful login, you will be able to see the notification for e-voting. Select **'View'** icon**.**
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).
7. After selecting the desired option i.e. Favour / Against, click on **'Submit'.** A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes',** else to change your vote, click on 'No' and accordingly modify your vote.

**If you have forgotten the password:**

- Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
- Enter **User ID,** select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **'Submit'.**

• In case Creditors is having valid email address, Password will be sent to his / her registered e-mail address.
• Creditors can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
• The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.
• It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

During the voting period, Creditors can login any number of time till they have voted on the resolution(s) for a particular "Event".

In case Creditors have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at https://instavote.linkintime.co.in, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.

**InstaVote Support Desk**
**Link Intime India Private Limited**

**Process and manner for attending the Meeting through InstaMeet:**

1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in

► Select the **“Company”** and **‘Event Date’** and register with your following details: -

**Demat Account No. or Folio No:** Enter your Folio No. (Reference Number) provided to you on your registered email address.
**PAN:** Enter your 10-digit Permanent Account Number (PAN) (Creditors who have not updated their PAN with the Company shall use the sequence number provided to you, if applicable.
**Mobile No.:** Enter your mobile number.
**Email ID:** Enter your email id, as recorded with the Company.

► Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the Meeting).

Please read the instructions carefully and participate in the Meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMeet website.

**Instructions for Creditor to Speak during the Meeting through InstaMeet:**

1. Creditor who would like to speak during the Meeting must register their request 3 days in advance with the company on the e-mail id provided in the Notice.
2. Creditor will get confirmation on first cum first basis depending upon the provision made by the client.
3. Creditor will receive "speaking serial number" once they mark attendance for the Meeting.
4. Creditor may also ask questions to the panellist, via active chat-board during the Meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Creditor are requested to speak only when moderator of the Meeting/ management will announce the name and serial number for speaking.

**Instructions for Creditor to Vote during the Meeting through InstaMeet:**

During the voting session Creditor may click the voting button which is appearing on the right-hand side of your VC Meeting screen. Once the electronic voting is activated by the scrutinizer during the Meeting, Creditor can cast the vote as under:

1. On the VC page, click on the link for e-Voting "Cast your vote"
2. Enter your Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Creditor, who will be present in the Meeting through InstaMeet facility and have not casted their vote on the Resolution through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the Meeting. Creditor who have voted through Remote e-Voting prior to the Meeting will be eligible to attend/ participate in the Meeting through InstaMeet. However, they will not be eligible to vote again during the Meeting.

Creditor are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Creditor are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the Meeting.

Please note that Creditor connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches

In case Creditor have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

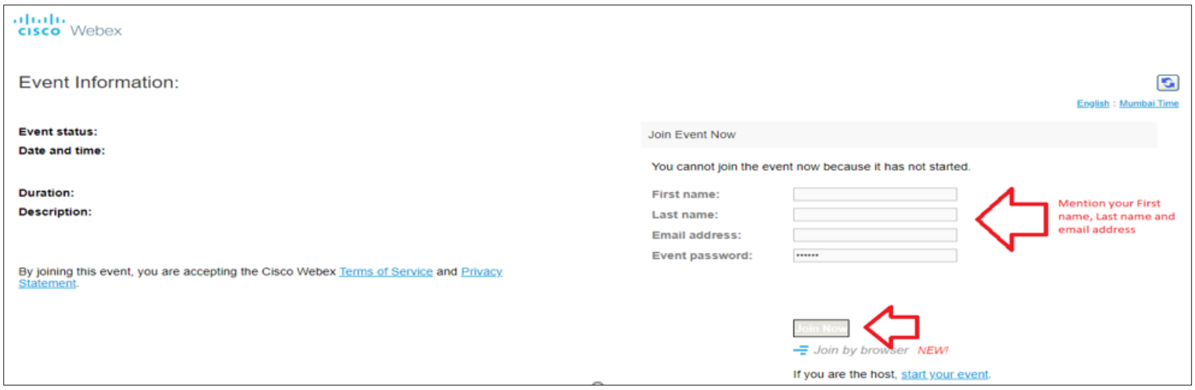
**InstaMeet Support Desk**
**Link Intime India Private Limited**

**Annexure**

**<u>Guidelines to attend the NCLT Convened Meeting proceedings of Link Intime India Pvt. Ltd.: InstaMeet</u>**

For a smooth experience of viewing the Meeting proceedings of Link Intime India Pvt. Ltd. InstaMeet, Creditor who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

a) Please download and install the Webex application by clicking on the link https://www.webex.com/downloads.html/




Ms. Neelanchi Garg, Chartered Accountant shall unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Meeting / the Company Secretary of the Company.

The Results declared along with the Scrutinizer's Report shall be disseminated on the Company's website https://www.jindalunitedsteel.com and on the website of LIIPL within three days / prescribed timeline from the conclusion of the Meeting.

**Encl.: As above**

**COMPANY APPLICATION NO. CA (CAA) No. 8/Chd/Hry/2022**

**In the matter of Sections 230-232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016**

**And**

**In the matter of the Composite Scheme of Arrangement**
**Amongst**

**JINDAL UNITED STEEL LIMITED**
A public limited company incorporated under the provisions of Companies Act, 2013 having its registered office at O.P. Jindal Marg, Hisar- 125005, Haryana through its authorized representative, Mr. Akhand Kirty, mobile no.: 8051168592, e-mail address: akhand.kirty@jindalstainless.com
**…. Amalgamated Company**

**AND**

**JINDAL COKE LIMITED**
A public limited company incorporated under the provisions of Companies Act, 2013 having its registered office at O.P. Jindal Marg, Hisar - 125005, Haryana, Haryana through its authorized representative, Mr. Pradeep Tahiliani, mobile no.: 9818730222, e-mail address: pradeep.tahiliani@jindalstainless.com
**…. Amalgamating Company**

**AND**

**their respective Shareholders and Creditors**

**EXPLANATORY STATEMENT UNDER SECTIONS 102, 230(3), 232(1), 232(2) OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

1. Pursuant to the order dated 10th May 2022 passed by the Hon'ble National Company Law Tribunal, Chandigarh Bench ("**Hon'ble NCLT**"), in the Company Application Number No. CA(CAA) No. 8/Chd/Hry/2022 ("**Order**"), a Meeting of the Unsecured Creditors ("Creditors") of Jindal United Steel Limited (hereinafter referred to as the **"Amalgamated Company" or "JUSL" or "Company"** as the context may admit) ("**Meeting**") is being convened and held through video conferencing or other audio visual means ("VC / OAVM") on Saturday, 09th July 2022 at 11:30 A.M., for the purpose of considering, and if thought fit, approving, with or without modification(s), the resolution seeking approval for the Composite Scheme of Arrangement amongst Jindal United Steel Limited (the "Amalgamated Company"), Jindal Coke Limited (the "Amalgamating Company") and their respective shareholders and creditors under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder (the "**Scheme**").

2. Hon'ble NCLT, by its order, has, *inter alia*, held that since the Company is directed to convene a Meeting of its Unsecured Creditors and the voting in respect of the Unsecured Creditors is through remote e-voting / e-voting for the Meeting, the same is sufficient compliance of the Order.

3. Ms. Neelanchi Garg, Chartered Accountant, the Scrutinizer for conducting the remote e-voting and e-voting for the Meeting. The Scrutinizer shall submit her Report within three days from the conclusion of the Meeting to the Chairman of the Meeting or a person authorized by him in writing. The Scrutinizer's decision on the validity of the votes cast shall be final.

4. The copy of the Composite Scheme of Arrangement is enclosed herewith as **Annexure 1** to this Notice for convening the Meeting.

5. In terms of the said Order, Hon'ble NCLT, has appointed Mr. Justice Surinder Gupta (Retd.) as the Chairperson, Mr. Yash Pal Gupta, Advocate, as Alternate Chairperson and Ms. Neelanchi Garg, Chartered Accountant as the Scrutinizer for the Meeting of Unsecured Creditors of JUSL including for any adjournment or adjournments thereof.

6. In accordance with the provisions of Sections 230-232 of the Act, the Scheme shall be considered approved by the Unsecured Creditors and acted upon only if resolution mentioned above in the notice has been approved by a majority in person representing three fourths in value of the Unsecured Creditors of the Company, voting through remote e-voting and e-voting for the Meeting.

**PARTICULARS OF JINDAL UNITED STEEL LIMITED:**

7. Jindal United Steel Limited ("Amalgamated Company" or "JUSL") is a public limited company, incorporated on 1st December, 2014 under the Companies Act, 2013, having its registered office at O.P. Jindal Marg, Hisar- 125005, Haryana.

   There has been no change in the name, registered office and objects of JUSL in the immediately preceding 5 (five) years. Its Corporate Identity Number ('CIN') is U28113HR2014PLC053875 and Permanent Account Number ('PAN') is AADCJ4180C and the email id of the Company is jindalunited@gmail.com.

8. The main objects of JUSL are set out in its Memorandum of Association and are set out hereunder:

   *"1. To carry on the business of manufactures, processors, refiners, smelters, makers, converts, finishers, Importers, exporters, agents, merchants, buyers, sellers and dealers in all kinds and forms of steels Including tools and alloy steels, stainless and all other special steels, iron and other metals and alloys, all kinds of goods, products, articles or merchandise whatsoever manufactured wholly or partly from steels and other metals and alloys; and also the business and iron masters, steel and metal converters, colliery proprietors, coke manufacturers, ferroalloy manufactures miners, smelters and engineers in all their respective branches and to search for, get, work, raise, make, merchantable, manufacture, process, buy sell and otherwise deal in iron, Pig Iron, Granulated slag, Iron Ore Fines, steel and other metal, coal, coke, brick-carth, fire-clay, bricks, ores, minerals and mineral substances, gases, alloy. Metal, metal scrap, chemicals and chemical substances of all kinds and to set up Steel and non-ferrous melting furnaces, converters, AP Lines and casting facilities to produce stainless steel, ferrous and non-ferrous metals, alloy steels, steel and non-ferrous ingots, continuous cast slabs, blooms, rounds, billets of various cross-sections, alloys and special steel,*

   *2. To set up Hot and Cold Rolling facilities to shape the cast metal into flats, angles, rounds, squares, rails, joist channels, slabs, strips, sheets, plates, coils both Hot & Cold roiled, deformed bars, plain and cold twisted bars and shafting and blank-coins and to carry on all or any of the business of manufacturing, developing, assemblers, engineers, consultants, erectors, founders, smelters, refiners, makers, drawers, sinkers, miners, workers, repairers, hire purchase dealers,* *import and export agents, representatives. Contractors and dealers of and in forging, Casting of Steel, Stainless and Special Steels, Carbon Steel and Mild Steel ,alloys and ferrous and non-ferrous metals, auto parts, tools and implements, dies, jigs, steel pipes and tubes and pipe fittings. Iron and Steel products, cast iron and Steel and tubular structural.*

*3. To search, win, work, get, raise, quarry, smelt, refine, dress, manufacture, manipulate, convert, make merchantable, sell, buy, Import, export or otherwise deal in iron ore, all kinds of metal, metalligerous ore, manganese ore, chrome ore, nickel ore, coal, lignite, limestone, quartz, zinc ore, cooper based ore and all other minerals and substances, whatsoever and to manufacture, sell, buy, import and otherwise deal in any such articles and commodities and to manufacture, deal, import and export stainless steel, pig Iran, sponge Iron, ferro silicon, ferro chrome, ferro manganese and other ferrous substances and metals of every description and grades and to manufacture, deal, import, and export all kinds and varieties of non-ferrous raw metals such as aluminum, copper, tin, lead etc. and the byproducts obtained in processing and manufacturing these raw metals and to deal in to make and deal in ferrous/non-ferrous and special alloys & steels including non-metallic for the purpose of use in Defence, Aero & Space, nuclear and for other applications.*

*4. To carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborator, or otherwise to deal in electric power in all its branches at such place or places as may be permitted by appropriate authorities by establishments of diesel power plants, thermal power plants, hydraulic power plants, atomic power plants, wind power plants, solar power plants and other power plants based on any source of energy as may be developed or invented in future.*

*5. To carry on the business of manufacturing, producing, compressing and liquefying Oxygen, Argon, Nitrogen, hydrogen, Acetylene, Carbolic Acid, Chlorine, Neon, Helium and any other gases of kindred substances or any compounds thereof by any process and of dealing in such gases, substances and compounds and to manufacturer, buy. sell, let on hire and otherwise deals in cylinders, compressors, plants, machineries. apparatus, tools, equipment, spare parts and other articles and things or manufacturing, compressing, liquefying, solidifying, storing and transporting all kinds of gases and to do all such things as are incidental to the said business."*

9. The Company is engaged is engaged in the business of hot rolling and cold rolling of stainless steel for multiple application.

10. The Authorized, Issued, Subscribed and Paid-up share capital of Applicant Company 1 as on January 15, 2022 is as follows:

| **Particulars** | **Amount (in INR)** |
|---|---|
| **Authorized**: | |
| 55,50,00,000 Equity Shares of ₹ 10 each | 5,55,00,00,000 |
| 26,50,00,000 Preference Shares of ₹ 10 each | 2,65,00,00,000 |
| **Total** | **8,20,00,00,000** |
| **Issued, Subscribed and Paid-up**: | |
| 46,16,08,315 Equity Shares of ₹ 10 each fully paid up | 4,61,60,83,150 |
| 5,50,31,563 Non-Cumulative Compulsorily Convertible Preference Shares ₹ 10 each fully paid up | 55,03,15,630 |

| | |
|---|---|
| 8,76,73,311 Non- Cumulative Non-Convertible Redeemable Preference Shares of ₹ 10 each fully paid up | 87,67,33,110 |
| **Total** | **6,04,31,31,890** |

Subsequent to January 15, 2022, there has been no change in the authorized, issued, subscribed and paid-up share capital of the Applicant Company 1.

11. The details of the directors and Promoter / Promoter Group of JUSL as on January 15, 2022, along with their addresses are as follows:

Directors of JUSL -

| Sr. No. | Name | Address |
|---|---|---|
| 1. | Mr. Ratan Jindal | 6, Prithvi Raj Road, Delhi-110001 |
| 1. | Mr. Anand Kumar Garg | H. No. 363, Jain Nagar Near Hotel Sapphire, Jagadhri Yamuna Nagar 135001, Haryana |
| 3. | Mr. Kapil Mantri | K-12, First Floor, Rajouri Garden New Delhi 110027 |
| 4. | Mr. Rahul Himatsingka* | H-2-13, Nand Niketan, Essar Township, Hazira 394270 Gujarat |
| 4. | Vaishali Deshmukh | C-1/1134 Vasant Kunj New Delhi-110070 |
| 5. | Mr. Om Parkash Verma | Bhagwan Dass Verma, H. NO. 265, Ward NO. 15, Dhani Charkhan, Near Patram Gate Bhiwani 127021, Haryana |

* Mr. Rahul Himatsingka ceased to be the Wholetime Director of the Company w.e.f. May 06, 2022.

Details of Promoter(s) of JUSL -

| Sr. No. | Name | Address |
|---|---|---|
| 1. | Jindal Stainless Limited | O.P. Jindal Marg, Hisar-125005, Haryana |
| 2. | OPJ Steel Trading Private Limited | 28 Najafgarh Road, New Delhi, West Delhi-110015 |

**Particulars of JINDAL COKE LIMITED:**

12. Jindal Coke Limited (the “Amalgamating Company” or “JCL”) is a public limited company, incorporated on 2nd December, 2014 under the Companies Act, 2013, having its registered office at O.P. Jindal Marg, Hisar- 125005, Haryana.

There has been no change in the name, registered office and objects of the JCL in the immediately preceding 5 (five) years. Its Corporate Identity Number (‘CIN’) is U23101HR2014PLC053884 and Permanent Account Number (‘PAN’) is AADCJ4179K and the email id of the Company is jindalcoke@gmail.com.

13. The main objects of JCL are set out in its Memorandum of Association and are set out hereunder:

*"1. To carry on the business of purchase, sale, manufacture, process, import, export, buyers, sellers, traders, merchants, distribution, deal in, to act as indent or agent, commission agent, distributors, whole sellers, retailers, broker, contractor, or otherwise deal with raw and process materials, semi products and end products of Low ash Metallurgical Coke, carbon, Chemicals, Coal, Coke, Petroleum Coke products, Calcined Petroleum Coke, Ferro Alloys, Electrodes, Petro Products and Petro Products of kinds & specification and other allied items and industrial raw materials.*

*2. To manufacture, purchase, sell, deal in soft coke, Special Smokeless Fuel(SSF) with coal tar recovered by CMPDIL Technology, industrial coke, coke as substitute to Charcoal, processing and distillation of coal tar coal tar chemicals, any other type of coke and organic chemicals based on carbon and tar derivatives, charcoal, bone charcoal, activated charcoal, activated carbon, black or any other carbon products, dyes, dye intermediaries, coal mining, use of waste heat for processing or production of any article etc.*

*3. To carry on in all its branches the business of manufacturers and dealers in carbon black of all types, gas black, ebony black, jet black, hydrocarbon black, satin black and silicate of carbon either from natural and/or artificial gas or from any other source.*

*4. To carry on the business of manufactures, processors, refiners, smelters, makers, converts, finishers, importers, exporters, agents, merchants, buyers, sellers and dealers in all kinds and forms of steels including tools and alloy steels, stainless and all other special steels, iron and other metals and alloys, all kinds of goods, products, articles or merchandise whatsoever manufactured wholly or partly from steels and other metals and alloys; and also the business and iron masters, steel and metal converters, colliary proprietors, coke manufacturers, ferroalloy manufactures, miners, smelters and engineers in all their respective branches and to search for, get, work, raise, make, merchantable, manufacture, process, buy, sell and otherwise deal in iron, Pig Iron, Granulated slag, Iron Ore Fines, steel and other metal, coal, coke, brick-carth, fire clay, bricks, ores, minerals and mineral substances, gases, alloy. Metal, metal scrap, chemicals and chemical substances of all kinds.*

*5. To carry on all or any of the business of manufacturing, developing, assemblers, fitters, engineers, consultants, erectors, founders, smelters, refiners, makers, drawers, sinkers, miners, workers, repairers, hire purchase dealers, import and export agents, representatives, Contractors and dealers of and in forging, Casting of Steel, Stainless and Special Steels, Carbon Steel and Mild Steel, alloys and ferrous and non-ferrous metals, auto parts, tools and implements, dies, jigs, steel pipes and tubes and pipe fittings, iron and Steel products, cast iron and Steel and tubular structural.*

*6. To set up Steel and non-ferrous melting furnaces, converters, AP Lines and casting facilities to produce stainless steel, ferrous and non-ferrous metals, alloy steels, steel and non-ferrous ingots, continuous cast slabs, blooms, rounds, billets of various cross sections, alloys and special steel, to make and deal in ferrous/non-ferrous and special alloys & steels including non-metallic for the purpose of use in Defence, Aero & Space, nuclear and for other applications."*

14. JCL is engaged in the business of manufacturing, processing, finishing and dealing in all kinds and forms of Coke and Coke products.

15. The Authorized, Issued, Subscribed and Paid-up share capital of Applicant Company 2 as on January 15, 2022 is as follows:

| Particulars | Amount (in INR) |
|---|---|
| **Authorized**: | |
| 3,50,50,000 Equity Shares of ₹ 10 each | 35,05,00,000 |
| 11,77,00,000 Preference Shares of ₹ 10 each | 1,17,70,00,000 |
| **Total** | **1,52,75,00,000** |
| **Issued, Subscribed and Paid-up**: | |
| 3,24,32,432 Equity Shares of ₹ 10 each fully paid up | 32,43,24,320 |
| 10,92,64,641 Non-Cumulative Non-Convertible Redeemable Preference Shares of ₹ 10 each fully paid up | 1,09,26,46,410 |
| **Total** | **1,41,69,70,730** |

Subsequent to January 15, 2022, there has been no change in the authorized, issued, subscribed and paid-up share capital of the Applicant Company 2.

16. The details of the directors and Promoter / Promoter Group of JCL as on January 15, 2022, along with their addresses are as follows:

Directors of JCL –

| Sr. No. | Name | Address |
|---|---|---|
| 1. | Mr. Ratan Jindal | 6, Prithvi Raj Road, Delhi,110001 |
| 2. | Mr. Udai Vashisht | House Name-Ram Niketan, Near Midway Resorts, Railwala Dehradun 249205 |
| 3. | Mr. Gautam Kanjilal | 1698, I-Block, C R Park, Kalkaji, Aali, Ali Delhi 110019 |
| 4. | Vaishali Deshmukh | C-1/1134 Vasant Kunj, New Delhi 110070 |
| 5. | Mr. Shashibhushan Shobhnath Upadhyay | H-132, Cosmopolis, Dumduma Bhubaneswar 751019, Odisha |

Promoter(s) of JCL -

| Sr. No. | Name | Address |
|---|---|---|
| 1. | Jindal Stainless Limited | O.P. Jindal Marg, Hisar-125005, Haryana |
| 2. | Four Seasons Investments Limited | JTC Fiduciary Services (Mauritius) Limited, Suite 2004, Level 2, Alexander House, 35 Cybercity, Ebene, Mauritius |

17. Details of outstanding debts / loans as well as details of other liabilities, trade payables and current liabilities which are payable by the Amalgamating Companies (as on Appointed Date i.e. 1st April, 2021) and which are proposed to be transferred to Amalgamated Company, i.e. Jindal United Steel Limited as part of the Scheme –

**(Amount in Rupees)**

| Type of Loan / Debt | Jindal Coke Limited |
|---|---|
| Current Borrowings | 2,28,15,504.52 |
| Non-Current Borrowings | 4,97,06,91,902 |
| Other Non-Current Financial Liabilities | - |
| Other Non-Current Lease Liabilities | - |
| Other Non-Current Provisions | 1,44,52,111 |
| Current Financial Liabilities (Trade Payables) | 10,80,82,891 |
| Other Current Financial Liabilities | 12,77,39,003 |
| Other Current Lease Liabilities | - |
| Other Current Provisions | 4,51,877 |
| Other Current Liabilities | 19,46,49,279 |

18. **Board Meeting approving the Composite Scheme of Arrangement.**

The Composite Scheme of Arrangement was unanimously approved by the Board of Directors of Amalgamated Company and Amalgamating Company vide resolutions passed at their respective Board Meetings held on 28th January 2022 after taking on record the Valuation report dated 28th January 2022, issued by registered valuer, Mr. Niranjan Kumar (IBBI Registration No.- IBBI/RV/06/2018/10137).

Names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolutions:

**A. JINDAL UNITED STEEL LIMITED (JUSL):**

| Name of the Directors of JUSL present in the Meeting | Voted in Favour/ Against/ Abstain from voting |
|---|---|
| Mr. Ratan Jindal | In favour |
| Mr. Anand Kumar Garg | In favour |
| Mr. Kapil Mantri | In favour |
| Mr. Rahul Himatsingka | In favour |
| Ms. Vaishali Deshmukh | In favour |
| Mr. Om Parkash Verma | In favour |

**B. JINDAL COKE LIMITED (JCL):**

| Name of the Directors of JCL present in the Meeting | Voted in Favour/ Against/ Abstain from voting |
|---|---|
| Mr. Ratan Jindal | In favour |
| Mr. Udai Vashisht | In favour |
| Mr. Gautam Kanjilal | In favour |
| Ms. Vaishali Deshmukh | In favour |
| Mr. Shashibhushan Shobhnath Upadhyay | In favour |

19. **Brief details of the Scheme**

| S. No. | Particulars | Particulars |
|---|---|---|
| i. | Parties involved in the Scheme | • Jindal United Steel Limited (“JUSL”)<br>• Jindal Coke Limited (“JCL”) |
| ii. | Relationship between the Companies | The companies involved in the Scheme have following relationship with each other-<br>• Jindal Stainless Limited (JSL) holds 26% of the shares in both JUSL as well as JCL and JSL is one of the promoter in both the Companies. |
| iii. | Scheme of Arrangement | The Scheme *inter alia* provides for:<br><br>a. Amalgamation of Amalgamating Company into and with the Amalgamated Company, in the manner set out in the Scheme; and<br><br>b. Various other matters consequential or otherwise integrally connected herewith. |
| iv. | Appointed Date | The opening of business hours on April 1, 2021 or such other date as may be approved by the Hon’ble NCLT, with effect from which the Scheme will be deemed to be effective in the manner described in the Scheme. |
| v. | Effective Date | The date on which the order of Hon’ble NCLT sanctioning the Scheme or any particular parts of the Scheme, is filed with the Registrar of Companies. |
| vi. | Summary of Valuation Report and Share Exchange Ratio | The valuation report dated 28th January 2022 issued by Mr. Niranjan Kumar, Registered Valuer, in relation to the Scheme, has recommended following Share Exchange Ratio -<br><br>a) **Merger of Amalgamating Company into and with the Amalgamated Company:**<br><br>Following share exchange ratio has been determined for the allotment of the equity shares of the Amalgamated Company having face value of Rs. 10 each to the shareholders of the Amalgamating Company as on the Record Date (as per the Scheme), in consideration for the amalgamation of the Amalgamating Company with and into the Amalgamated Company.<br><br>*“10,765 (Ten Thousand Seven Hundred and Sixty-Five) equity shares of Amalgamated Company having a face value of INR 10 each fully paid up shall be issued for every 1,000 (One Thousand) equity shares held in Amalgamating Company having face value of INR 10 each fully paid up.”*<br><br>*“1 (One) 10% Non-Cumulative Non-Convertible Redeemable Preference Shares of the Amalgamated Company having a face value of Rs. 10 each fully paid-up* |

| | | |
|---|---|---|
| | | *(with same terms and conditions in all respect as that of existing 10% Non-Cumulative Non-Convertible Redeemable Preference Shares issued by Amalgamating Company) shall be issued for every 1 (One) fully paid up Non- Cumulative Non-Convertible Redeemable Preference shares held in Amalgamating Company having face value INR 10 each fully paid-up."*<br><br>The Valuation Report is available for inspection at the registered office of JUSL. |
| vii. | Basis of Valuation | In the present case, the equity shares of JCL and JUSL are unlisted. Thus, a mix of Net Asset Value Method and Discounted Cash Flow Method has been used to arrive at the per share value of JCL and JUSL by assigning appropriate weights to the values arrived at under each of the afore mentioned methodology. |
| viii. | Rationale of the Scheme or the benefits of the Scheme as perceived by the Board of Directors of the Company to the Company, Shareholders, Creditors and Others | The Amalgamated Company proposes to enter into this Scheme with Amalgamating Company to consolidate their respective manufacturing/service capabilities thereby increasing efficiencies in operations and use of resources and better catering to stainless steel and steel industry, to consolidate their diversified product and services portfolio for improving overall customer satisfaction, to pool their human resource talent for optimal utilization of their expertise, to integrate the marketing and distribution channels for better efficiency, and to ensure optimization of working capital utilization.<br><br>The management of the respective Companies are of the view that the amalgamation proposed in this Scheme is, in particular, expected to have the following benefits:<br>a) Reduction in management overlaps and elimination of legal and regulatory compliances and associated costs due to operation of multiple entities.<br>b) Optimization of the allocated capital and availability of funds which can be deployed more efficiently to pursue the operational growth opportunities.<br>c) Consolidation of businesses under the Amalgamation, which would result in pooling of financial, managerial, technical and human resources, thereby creating stronger base for future growth and value accretion for the stakeholders<br>d) Consolidation of production capabilities to create larger scale of business and operations to cater to demand of stainless steel and steel industry.<br>e) Consolidation of the complementing strengths will enable the Amalgamated Company to have increased capability for offering diversified products and services on a single platform.<br>f) The combined financial strength is expected to further accelerate the scaling up of the operations of the Amalgamated Company.<br>g) The consolidation of funds and resources will lead to optimization of working capital utilization and stronger financial leverage given the simplified capital structure, |

| | | |
|---|---|---|
| | | improved balance sheet, optimized management structure and consolidation of cross location talent pool.<br><br>The management of the respective Companies is of the view that this Scheme is in the interest of the customers, employees, lenders, shareholders, and all other stakeholders of the respective Companies. Further, the Scheme will enable the synergies that already exist between the Amalgamating Company and the Amalgamated Company in terms of services and resources to be used optimally for the benefit of their stakeholders. |

20. **Salient features of the Scheme**

*Clause 5.3 of the Part A of the Scheme defines the **Amalgamating Company** as*

*"Jindal Coke Limited as mentioned in the Para 2(b) of the scheme and shall, subject to the relevant provisions of the Scheme, include the whole of the business and undertakings of such Amalgamating Company, including for such Amalgamating Company:*

*a) all of its movable assets, , whether present or future, whether tangible or intangible and all rights, title, interests, covenants, undertakings and continuing rights in relation thereto;*
*b) all of its immovable properties and all its rights, title, interests, covenants, undertakings and continuing rights in relation thereto including all its land (together with all the buildings and structures standing thereon), whether freehold or leasehold;*
*c) all of its present and future liabilities, including contingent liabilities, charges and debts appertaining thereto;*
*d) all of its investments including shares and other securities, loans and advances, including interest and dividend accrued thereon;*
*e) all of its permits, rights, entitlements and licences (including the industrial or other licences) granted by any governmental, statutory or regulatory bodies, environmental clearances, permissions, approvals, consents, exemptions, subsidies, registrations, no-objection certificates, quotas, privileges, powers, offices, facilities whether granted/available/renewed/applied for;*
*f) all of its intellectual property rights, websites, emails, trade names, trademarks, service marks, copyrights, domain names, brand names, logos and applications therefor;*
*g) all of its indirect and direct tax credits, including but not limited to, service tax credit, CENVAT credit, GST credit, VAT credit, income-tax refunds, carry forward losses, unabsorbed depreciation, TDS, TCS, MAT credit entitlement, CSR credit available for set-off in the succeeding financial years, etc.;*
*h) all of its privileges and benefits under all contracts, agreements, memoranda of understanding and all other rights powers and facilities of every kind and description whatsoever;*
*i) all of its debts, borrowings, obligations and liabilities, present or future or contingent, whether secured or unsecured;*
*j) all of its workmen and employees including those employed at its offices, factories and branches, and all other personnel employed by it;*
*k) all of the advance monies, earnest monies as may be lying with it and any and all of its security deposits, bank and contractual guarantees and other entitlements; and*
*l) all of its other properties, assets, liabilities, rights, obligations and employees, etc. of any nature whatsoever not covered under (a) to (k) above."*

*Clause 5.5 of the Part A of the Scheme defines **Appointed Date** as "means the opening of business hours on April 1, 2021 or such other date as may be approved by the NCLT, with effect from which the Scheme will be deemed to be effective in the manner described in the Scheme."*

*Clause 5.9 of the Part A of the Scheme defines "**Effective Date**" as "means the date on which the order of the Court sanctioning the Scheme or any particular parts of the Scheme, is filed with the RoC."*

*Clause 8.1 of the Scheme provides that 8.1 - Upon Part B of this Scheme becoming effective on the Effective Date and with effect from the Appointed Date, the Amalgamating Company along with all its assets, liabilities, rights and obligations and its entire business and undertakings, including all its properties, rights, benefits and interests therein, shall by virtue of this Part B of the Scheme stand amalgamated with, transferred to and vested in the Amalgamated Company, and shall become the assets, liabilities, rights, obligations, business and undertakings of the Amalgamated Company, subject to the existing encumbrances thereon in favour of banks and financial institutions, if any (unless otherwise agreed to be released by such encumbrance holders in writing), without any further act, instrument or deed being required from the Amalgamating Company and/or the Amalgamated Company and without any approval or acknowledgement of any third party, in accordance with Sections 230 to 232 of the Act read with Section 2(1B) of the IT Act and all other applicable provisions of law if any, in accordance with the provisions contained herein.*

*Clause 16 of the Scheme provides that - Upon Part B of this Scheme becoming effective on the Effective Date, Amalgamating Company shall stand automatically dissolved as an integral part of this Scheme, without being liquidated or wound-up and without requiring any further act, instrument or deed from the Amalgamating Company and/or the Amalgamated Company.*

*Clause 18.1 of the Scheme provides that - 18.1 - The effectiveness this Scheme is conditional upon and subject to the following:*

*(a) This Scheme being approved by the requisite majorities of such classes of shareholders and creditors of the Companies as may be required under Applicable Laws or as may be directed by the Court;*
*(b) the sanction of the Scheme by the Court;*
*(c) the receipt of such other approvals including approvals of any Governmental Authority as may be necessary under Applicable Laws or under any material contract to make this Scheme or the relevant Part of this Scheme effective; and*
*(d) the certified copies of the order of the Court sanctioning this Scheme (wholly or partially) being filed with the Registrar of Companies by each of the relevant Companies.*

**YOU ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME TO GET FULLY ACQUAINTED WITH THE PROVISIONS THEREOF. THE AFORESAID ARE ONLY SOME OF THE SALIENT EXTRACTS THEREOF.**

21. **Details of the Directors and Key Managerial Personnel (KMP) and their respective equity and preference shareholding as on 18 May 2022 are as follows:**

**Equity Share Capital:**

**A. JINDAL UNITED STEEL LIMITED (JUSL):**

| S. No. | Name of the Directors / KMP of JUSL | Shares (%) held in | |
|---|---|---|---|
| | | JCL | JUSL |
| 1. | Mr. Ratan Jindal | 0.00% | 0.00% |
| 2 | Mr. Anand Kumar Garg | 0.00% | 0.00% |
| 3 | Mr. Kapil Mantri | 0.00% | 0.00% |
| 4. | Ms. Vaishali Deshmukh | 0.00% | 0.00% |
| 5. | Mr. Om Parkash Verma | 0.00% | 0.00% |
| 6. | Mr. Akhand Kirty | 0.00% | 0.00% |
| 7. | Mr. Narinder Dhankar | 0.00% | 0.00% |

**B. JINDAL COKE LIMITED (JCL):**

| S. No. | Name of the Directors / KMP of JCL | Shares (%) held in | |
|---|---|---|---|
| | | JUSL | JCL |
| 1. | Mr. Ratan Jindal | 0.00% | 0.00% |
| 2 | Mr. Udai Vashisht | 0.00% | 0.00% |
| 3 | Mr. Gautam Kanjilal | 0.00% | 0.00% |
| 4. | Ms. Vaishali Deshmukh | 0.00% | 0.00% |
| 5. | Mr. Shashibhushan Shobhnath Upadhyay | 0.00% | 0.00% |
| 6. | Mr. Pradeep Tahiliani | 0.00%<br>(holds 19 shares) | 0.00% |
| 7. | Mr. Nitin Kumar Agarwal | 0.00% | 0.00% |

**Preference Share Capital:**

**A. JINDAL UNITED STEEL LIMITED (JUSL):**

| S. No. | Name of the Directors / KMP of JUSL | Preference Shares (%) held in | |
|---|---|---|---|
| | | JCL | JUSL |
| 1. | Mr. Ratan Jindal | 0.00% | 0.00% |
| 2 | Mr. Anand Kumar Garg | 0.00% | 0.00% |
| 3 | Mr. Kapil Mantri | 0.00% | 0.00% |
| 4. | Ms. Vaishali Deshmukh | 0.00% | 0.00% |
| 5. | Mr. Om Parkash Verma | 0.00% | 0.00% |
| 6. | Mr. Akhand Kirty | 0.00% | 0.00% |
| 7. | Mr. Narinder Dhankar | 0.00% | 0.00% |

**B. JINDAL COKE LIMITED (JCL):**

| S. No. | Name of the Directors / KMP of JCL | Preference Shares (%) held in | |
|---|---|---|---|
| | | JUSL | JCL |
| 1. | Mr. Ratan Jindal | 0.00% | 0.00% |
| 2 | Mr. Udai Vashisht | 0.00% | 0.00% |
| 3 | Mr. Gautam Kanjilal | 0.00% | 0.00% |
| 4. | Ms. Vaishali Deshmukh | 0.00% | 0.00% |
| 5. | Mr. Shashibhushan Shobhnath Upadhyay | 0.00% | 0.00% |
| 6. | Mr. Pradeep Tahiliani | 0.00% | 0.00% |
| 7. | Mr. Nitin Kumar Agarwal | 0.00% | 0.00% |

22. Statement disclosing details of Arrangement as per sub-section 3 of Section 230 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016:

| S. No. | Particulars | Details |
|---|---|---|
| i. | Details of capital or debt restructuring if any | There is no debt restructuring envisaged in the Scheme. |
| ii. | Benefits of the Arrangement as perceived by the Board of directors to the company, Members, creditors and others (as applicable) | Refer Para 19(viii) of the Explanatory Statement. |
| iii. | Amounts due to Unsecured Creditors as on 10.05.2022 | **JUSL** INR 31.22 Crores<br>**JCL** INR 101.52 Crores |
| iv. | Amounts due to secured creditor as on 10.05.2022 | **JUSL** INR 2,030.61 Crores<br>**JCL** INR 347 Crores |
| v. | If the scheme of Arrangement relates to more than one company, the fact and details of any relationship subsisting between such companies who are parties to such scheme of compromise or Arrangement, including holding, subsidiary or associate companies | Refer Para 19(ii) of the Explanatory Statement. |
| vi. | Disclosure about effect of the compromise or Arrangement on: | |
| a. | Key Managerial Personnel | The effect of the Scheme on the Key Managerial Personnel, Director, Promoter and Non-Promoter shareholders of the Amalgamated Company and Amalgamating Company is given in the reports adopted by the Board of Directors of the respective companies, which is enclosed as Annexure to this Notice. |
| b. | Director | |
| c. | Promoters | |
| d. | Non-Promoters Members | |
| e. | Creditors | Pursuant to the Scheme, all the liabilities and dues payable pertaining to Amalgamating Company shall become the liabilities and dues payable of the Amalgamated Company.<br>None of the companies have any depositors, debenture holders, deposit trustee and debenture trustees. |
| f. | Depositors | |
| g. | Debenture Holders | |
| h. | Deposit trustee and debenture trustee | |
| i. | Employees of the Company | There will be no impact on the employees and workmen of the Amalgamated Company.<br>Pursuant to the Scheme, all the staff, workmen and other employees pertaining to the Amalgamating Company immediately before the effectiveness of the Scheme shall become the staff, workmen and employees of the Amalgamated Company as per the details mentioned in the Scheme. |

| | | |
|---|---|---|
| vii. | Disclosure about effect of compromise or Arrangement on material interest of Directors, Key Managerial Personnel, their Relatives and Debenture Trustee | |
| a. | Directors | None of the Directors, KMPs (as defined under the Companies Act 2013 and rules framed thereunder) of the Company and their respective relatives (as defined under the Act and rules framed thereunder) has any interest in the Scheme except to the extent of their Directorship and / or shareholding in the companies involved in the Scheme, if any. |
| b. | Key Managerial Personnel | |
| c. | Debenture Trustee | None of the companies involved in the Scheme has issued Debentures and appointed Debenture trustee. |
| viii. | Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed scheme of compromise or Arrangement | The Scheme is subject to approval from jurisdictional NCLT. Further, notice under Section 230(5) of Companies Act, 2013 is being submitted with the Central Government through the regional director (Northern Region), Ministry of Corporate Affairs, Registrar of Companies, Official Liquidator and Income Tax Authorities in respect of all companies. |
| ix. | A statement to the effect that the persons to whom the notice is sent may vote in the Meeting either in person or by proxies, or where applicable, by voting through electronic means. | Unsecured Creditors to whom the Notice is sent may vote through remote e-voting / e-voting through VC/OAVM.<br><br>Pursuant to the provisions of the Companies Act, 2013 a Unsecured Creditor entitled to attend and vote at a Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Unsecured Creditor of the Company. Since this Meeting is being held pursuant to the MCA circulars and directions of NCLT through VC / OVAM facility, physical attendance of Unsecured Creditor has been dispensed with. Accordingly, the facility for appointment of proxies by the Unsecured Creditor will not be available for this Meeting and therefore the proxy form, route map and attendance slip are not annexed to this notice. |

**General:**

23. The copy of draft scheme has been filed with the Registrar of Companies.

24. Pursuant to the Hon'ble NCLT Order dated 10th May, 2022, Amalgamated Company and Amalgamating Company are required to seek approvals / sanctions / no objections from certain regulatory and governmental authorities for the Scheme such as the Registrar of Companies, Regional Director and Income-tax authorities and Official Liquidator and other regulators, stating that the representations if any to be made by them shall be sent to NCLT within a period of 30 days from the date of receipt of such notices (with a copy / copies of such representation(s) to be sent simultaneously to the respective Company(ies) at their registered address(es), failing which it shall be presumed that they have no objection to the proposed Scheme.

25. The Hon'ble NCLT by its Order dated 10th May 2022 has dispensed with the requirement of convening the Meeting(s) of the Equity Shareholders of Amalgamated Company and Amalgamating Company.

26. The Hon'ble NCLT by its Order dated 10th May 2022 has dispensed with the requirement of convening the Meeting(s) of the Preference Shareholders of Amalgamated Company and Amalgamating Company.

27. The Hon'ble NCLT by its Order dated 10th May 2022 has directed for convening of the Meeting(s) of the Secured Creditors, by Video-Conferencing or Other Audio Visual Means and publication of notice of Meeting in newspaper for Amalgamated Company and Amalgamating Company.

28. The Hon'ble NCLT by its Order dated 10th May 2022 has directed for convening of the Meeting(s) of the Unsecured Creditors, by Video-Conferencing or Other Audio Visual Means and publication of notice of Meeting in newspaper for Amalgamated Company and Amalgamating Company.

29. No investigation or proceedings are pending under applicable provisions of Companies Act, 2013 or erstwhile provisions of Companies Act, 1956 against any Company involved in the Scheme.

30. No winding up petition has been admitted against any Company involved in the Scheme.

31. The following documents will be open for obtaining extracts from or for making or obtaining copies or inspection by the Unsecured Creditors of JUSL at O.P. Jindal Marg, Hisar- 125005, Haryana between 10:00 AM to 12:00 Noon on all working days, except Saturdays, Sundays and Public Holidays and the same is also disseminated on the website of the Company at https://www.jindalunitedsteel.com/:

    a) Copy of the Order dated 10th May 2022 of the Hon'ble NCLT passed in Company Application No. (CAA) No. 8/Chd/Hry/2022 directing the convening of the Meeting of the Unsecured Creditors of JUSL;

    b) Copy of the Company Application No. (CAA) No. 8/Chd/Hry/2022 and other ancillary Applications/ Affidavits filed with the Hon'ble NCLT;

    c) Copy of Composite Scheme of Arrangement;

    d) Memorandum and Articles of Association including certificate of incorporation of both the Companies involved in the Scheme;

    e) Audited Financial Statements of both the Companies involved in the Scheme for the financial year ended 31st March 2022;

    f) Certificates issued by Statutory Auditors of both the Companies in relation to the accounting treatment prescribed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of Companies Act, 2013;

    g) The report of the Board of Directors of both the Companies involved in the Scheme

32. A copy of the Scheme and Notice along with Explanatory Statement shall be furnished to the Unsecured Creditors, free of charge, within 1 (one) day (except Saturdays, Sundays and public holidays) on a requisition being so made for the same by the Unsecured Creditors.

**Akhand Kirty**
**Company Secretary**
**ACS53378**
**Jindal United Steel Limited**
**Jindal Centre 12, Bhikaiji Cama Place,**
**New Delhi-110066**

**Date: 03rd June, 2022**
**Place: New Delhi**

**Registered Office:**
**JINDAL UNITED STEEL LIMITED,**
**O.P. Jindal Marg, Hisar- 125005, Haryana**
**CIN - U28113HR2014PLC053875**

Annexure - 1

COMPOSITE SCHEME OF ARRANGEMENT

AMONGST

JINDAL UNITED STEEL LIMITED

(AMALGAMATED COMPANY)

AND

JINDAL COKE LIMITED

(AMALGAMATING COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(UNDER SECTIONS 230 TO 232 READ WITH OTHER APPLICABLE SECTIONS AND RULES OF THE COMPANIES ACT, 2013)

**TABLE OF CONTENTS**



JINDAL UNITED STEEL LIMITED

JINDAL COKE LIMITED

Pradeep Tahlan



29

JINDAL UNITED STEEL LIMITED

JINDAL COKE LIMITED

Pradeep Tanwar

## INTRODUCTION

### 1 PREAMBLE

This Composite Scheme of Arrangement ("**Scheme**") is presented pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and the rules and regulations issued thereunder and also read with Sections 2(1B) and the other applicable provisions of the Income-tax Act, 1961, in each case, as amended from time to time and as may be applicable, for:

(i) Amalgamation of Jindal Coke Limited (the "**Amalgamating Company**") into and with Jindal United Steel Limited (the "**Amalgamated Company**"); and

(ii) Other matters consequential or otherwise integrally connected herewith.

### 2 BACKGROUND AND DESCRIPTION OF THE PARTIES TO THIS SCHEME

a) **Jindal United Steel Limited** ("**JUSL**"/"**Amalgamated Company**") is a public limited company, incorporated under the Companies Act, 2013 ("the Act") having its registered office at O.P. Jindal Marg, Hisar- 125005, Haryana.

The Amalgamated Company is engaged in the business of hot rolling and cold rolling of stainless steel for multiple application. The Corporate Identity Number ("**CIN**") of the Amalgamated Company is U28113HR2014PLC053875 and the Permanent Account Number ("**PAN**") of the Amalgamated Company is AADCJ4180C.

b) **Jindal Coke Limited** ("**JCL**" / "**Amalgamating Company**") is a public limited company, incorporated under the Act having its registered office at O.P. Jindal Marg, Hisar - 125005, Haryana.

The Amalgamating Company is engaged in the business of manufacturing, processing, finishing and dealing in all kinds and forms of Coke and Coke products. The CIN of the Amalgamating Company is U23101HR2014PLC053884 and the PAN of Amalgamating Company is AADCJ4179K.

### 3 NEED AND RATIONALE FOR THIS SCHEME

3.1 **Rationale for the Scheme**

3.1.1 The Amalgamated Company proposes to enter into this Scheme with Amalgamating Company to consolidate their respective manufacturing/service capabilities thereby increasing efficiencies in operations and use of resources and better catering to stainless steel and steel industry, to consolidate their diversified product and services portfolio for improving overall customer satisfaction, to pool their human resource talent for optimal utilization of their expertise, to integrate the marketing and distribution channels for better efficiency, and to ensure optimization of working capital utilization.

3.1.2 The management of the respective Companies are of the view that the amalgamation proposed in this Scheme is, in particular, expected to have the following benefits:

a) Reduction in management overlaps and elimination of legal and regulatory compliances and associated costs due to operation of multiple entities.

b) Optimization of the allocated capital and availability of funds which can be deployed more efficiently to pursue the operational growth opportunities.

c) Consolidation of businesses under the Amalgamation, which would result in pooling of financial, managerial, technical and human resources, thereby creating stronger base for future growth and value accretion for the stakeholders

Pradeep Tekriwal

d) Consolidation of production capabilities to create larger scale of business and operations to cater to demand of stainless steel and steel industry.

e) Consolidation of the complementing strengths will enable the Amalgamated Company to have increased capability for offering diversified products and services on a single platform.

f) The combined financial strength is expected to further accelerate the scaling up of the operations of the Amalgamated Company.

g) The consolidation of funds and resources will lead to optimization of working capital utilization and stronger financial leverage given the simplified capital structure, improved balance sheet, optimized management structure and consolidation of cross location talent pool.

3.1.3 The management of the respective Companies is of the view that this Scheme is in the interest of the customers, employees, lenders, shareholders, and all other stakeholders of the respective Companies. Further, the Scheme will enable the synergies that already exist between the Amalgamating Company and the Amalgamated Company in terms of services and resources to be used optimally for the benefit of their stakeholders.

## 4 OVERVIEW OF THIS SCHEME

4.1 This Scheme is divided into the following parts:

| | | |
|---|---|---|
| **PART A** | - | Definitions, Compliance with Tax Laws and Capital Structure |
| **PART B** | - | Amalgamation of Amalgamating Company into and with Amalgamated Company, Change in Authorized Share Capital of the Amalgamated Company, Amendment to objects of Amalgamated Company, Dissolution of Amalgamating Company, and other related matters |
| **PART C** | - | General Terms and Conditions applicable to the Scheme |

## PART A

## DEFINITIONS, COMPLIANCE WITH TAX LAWS AND CAPITAL STRUCTURE

## 5 DEFINITIONS

In this Scheme, unless repugnant to the subject or meaning or context thereof, the following expressions shall have the meaning attributed to them as below:

5.1 "**Act**" means, as the context may admit, the Companies Act, 2013 (as may be notified from time to time) and the rules made thereunder, and shall include any statutory modifications, re-enactments, or amendments thereof for the time being in force.

5.2 "**Amalgamated Company**" means Jindal United Steel Limited, as mentioned in the Para 2(a) of this Scheme.

5.3 "**Amalgamating Company**" means Jindal Coke Limited as mentioned in the Para 2(b) of the scheme and shall, subject to the relevant provisions of the Scheme, include the whole of the business and undertakings of such Amalgamating Company, including for such Amalgamating Company:

a) all of its movable assets, , whether present or future, whether tangible or intangible and all rights, title, interests, covenants, undertakings and continuing rights in relation thereto;

b) all of its immovable properties and all its rights, title, interests, covenants, undertakings and continuing rights in relation thereto including all its land (together with all the buildings and structures standing thereon), whether freehold or leasehold;

c) all of its present and future liabilities, including contingent liabilities, charges and debts appertaining thereto;

d) all of its investments including shares and other securities, loans and advances, including interest and dividend accrued thereon;

e) all of its permits, rights, entitlements and licences (including the industrial or other licences) granted by any governmental, statutory or regulatory bodies, environmental clearances, permissions, approvals, consents, exemptions, subsidies, registrations, no-objection certificates, quotas, privileges, powers, offices, facilities whether granted/available/renewed/applied for;

f) all of its intellectual property rights, websites, emails, trade names, trademarks, service marks, copyrights, domain names, brand names, logos and applications therefor;

g) all of its indirect and direct tax credits, including but not limited to, service tax credit, CENVAT credit, GST credit, VAT credit, income-tax refunds, carry forward losses, unabsorbed depreciation, TDS, TCS, MAT credit entitlement, CSR credit available for set-off in the succeeding financial years, etc.;

h) all of its privileges and benefits under all contracts, agreements, memoranda of understanding and all other rights powers and facilities of every kind and description whatsoever;

i) all of its debts, borrowings, obligations and liabilities, present or future or contingent, whether secured or unsecured;

j) all of its workmen and employees including those employed at its offices, factories and branches, and all other personnel employed by it;

k) all of the advance monies, earnest monies as may be lying with it and any and all of its security deposits, bank and contractual guarantees and other entitlements; and

l) all of its other properties, assets, liabilities, rights, obligations and employees, etc. of any nature whatsoever not covered under (a) to (k) above.

5.4 "**Applicable Law(s)**" means all statutes, notifications, bye-laws, rules, regulations, guidelines, rules or common law, policies, codes, directives, ordinances, schemes or orders enacted or issued or sanctioned by any governmental authority, including any modification or re-enactment thereof for the time being in force.

5.5 "**Appointed Date**" means the opening of business hours on April 1, 2021 or such other date as may be approved by the NCLT, with effect from which the Scheme will be deemed to be effective in the manner described in the Scheme.

5.6 "**Board of Directors**" means the respective board of directors of the Companies and shall, unless repugnant to the context or otherwise, include any duly authorized committee of directors or any person duly authorized by the Board of Directors or such committee of directors.

5.7 "**Companies**" means collectively, Amalgamated Company and the Amalgamating Company.

5.8 "**Court**" means the Chandigarh Bench of the Hon'ble National Company Law Tribunal ("**NCLT**"), or such other court, forum or authority as may be vested with any of the powers of the NCLT under the Act and/or as may be having jurisdiction for sanctioning this Scheme.

5.9 "**Effective Date**" means the date on which the order of the Court sanctioning the Scheme or any particular parts of the Scheme, is filed with the RoC.

Any references in this Scheme to "**upon this Scheme becoming effective**" or "**effectiveness of this Scheme**" shall be construed accordingly.

5.10 "**Government**" or "**Governmental Authority**" means any government authority, statutory authority, government department, agency, commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof.

5.11 "**GST**" means goods and services tax.

5.12 "**IT Act**" means the Indian Income-tax Act, 1961 and the rules, regulations, circulars, notifications and orders issued thereunder including any statutory modifications, re-enactments or amendments thereof for the time being in force.

5.13 "**MAT**" means minimum alternate tax.

5.14 "**RBI**" means the Reserve Bank of India or any successor thereof.

5.15 "**Registrar of Companies**" or "**RoC**" means the Registrar of Companies, NCT of Delhi & Haryana and/or such other Registrar of Companies having jurisdiction over any of the Companies.

5.16 "**Rs.**" means Indian Rupees being the lawful currency of the Republic of India.

5.17 "**Scheme of Arrangement**" or "**Scheme**" means this composite scheme of arrangement in its present form, or with or without any modification(s), as may be approved or imposed or directed by the Court and any other Governmental Authority.

5.18 "**TCS**" means Tax Collected at Source.

5.19 "**TDS**" means Tax Deducted at Source.

The expressions, which are used but are not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Depositories Act, 1996, the IT Act and other Applicable Laws (including the Rules and Regulations made thereunder).

## 6 COMPLIANCE WITH TAX LAWS

6.1 This Scheme, in so far as it relates to the amalgamation of Amalgamating Company into the Amalgamated Company, has been drawn up to comply with the conditions relating to "Amalgamation" as specified under the tax laws, including Section 2(1B) of the IT Act, which include the following:

a) all the properties of the Amalgamating Company immediately after the amalgamation shall become the property of the Amalgamated Company by virtue of the amalgamation;

b) all the liabilities of the Amalgamating Company immediately after the amalgamation shall become the liabilities of the Amalgamated Company by virtue of the amalgamation;

c) shareholders holding not less than three-fourths in value of the shares in the Amalgamating Company (other than shares already held therein immediately before the amalgamation by, or by a nominee for, the Amalgamated Company or its subsidiary) become shareholders of the Amalgamated Company by virtue of the amalgamation;

otherwise than as a result of the acquisition of the property of one company by another company pursuant to the purchase of such property by the other company or as a result of the distribution of such property to the other company after the winding up of the first-mentioned company; and shall also comply with the other relevant sections (including Sections 47 and 72A) of the IT Act.

6.2 If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of a new enactment or any amendment to any existing enactment or the coming into force of any provision of the IT Act or any other law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail and this Scheme (including any parts hereof) may be modified to comply with such laws or may be withdrawn at the discretion of the Board of Directors of the



Pradeep Tahiliani

affected Companies provided however that no modification to the Scheme will be made which adversely affects the rights or interest of the secured creditors without seeking their approval. Further, such modification/withdrawal will not affect other Parts of the Scheme which have not been so modified or withdrawn.

## 7 CAPITAL STRUCTURE

### 7.1 Amalgamated Company

7.1.1 The authorised, issued, subscribed and paid-up share capital of the Amalgamated Company as on January 15, 2022 is as under:

| Authorised Share Capital | Amount in Rs. |
|---|---|
| 55,50,00,000 Equity Shares of ₹ 10 each | 5,55,00,00,000 |
| 26,50,00,000 Preference Shares of ₹ 10 each | 2,65,00,00,000 |
| **Total** | **8,20,00,00,000** |
| **Issued, Subscribed and Paid-Up Share Capital** | **Amount in Rs.** |
| 46,16,08,315 Equity Shares of ₹ 10 each fully paid up | 4,61,60,83,150 |
| 5,50,31,563 Non- Cumulative Compulsorily Convertible Preference Shares ₹ 10 each fully paid up | 55,03,15,630 |
| 8,76,73,311 Non- Cumulative Non-Convertible Redeemable Preference Shares of ₹ 10 each fully paid up | 87,67,33,110 |
| **Total** | **6,04,31,31,890** |

7.1.2 Subsequent to January 15, 2022 and until the date of the Scheme being approved by the Board of Directors of the Amalgamated Company, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Amalgamated Company.

### 7.2 Amalgamating Company

7.2.1 The authorised, issued, subscribed and paid-up share capital of the Amalgamating Company, as on January 15, 2022 is as under:

| Authorised Share Capital | Amount in Rs. |
|---|---|
| 35,050,000 Equity Shares of ₹ 10/- each | 350,500,000 |
| 11,77,00,000 Preference Shares of ₹ 10/- each | 1,17,70,00,000 |
| **Total** | **1,52,75,00,000** |
| **Issued, Subscribed and Paid Up Share Capital** | **Amount in Rs.** |
| 3,24,32,432 Equity Shares of ₹ 10/- each | 32,43,24,320 |
| 10,92,64,641 Non- Cumulative Non-Convertible Redeemable | 1,09,26,46,410 |

| | |
|---|---|
| Preference Shares of ₹ 10/- each | |
| **Total** | **1,41,69,70,730** |

7.2.2 Subsequent to January 15, 2022 and until the date of the Scheme being approved by the Board of Directors of the Amalgamating Company, there has been no change in the authorised, issued, subscribed and paid-up equity share capital of the Amalgamating Company.

**PART B**

**AMALGAMATION OF AMALGAMATING COMPANY INTO AND WITH THE AMALGAMATED COMPANY**

## 8 AMALGAMATION OF AMALGAMATING COMPANY INTO AND WITH THE AMALGAMATED COMPANY

8.1 Upon Part B of this Scheme becoming effective on the Effective Date and with effect from the Appointed Date, the Amalgamating Company along with all its assets, liabilities, rights and obligations and its entire business and undertakings, including all its properties, rights, benefits and interests therein, shall by virtue of this Part B of the Scheme stand amalgamated with, transferred to and vested in the Amalgamated Company, and shall become the assets, liabilities, rights, obligations, business and undertakings of the Amalgamated Company, subject to the existing encumbrances thereon in favour of banks and financial institutions, if any (unless otherwise agreed to be released by such encumbrance holders in writing), without any further act, instrument or deed being required from the Amalgamating Company and/or the Amalgamated Company and without any approval or acknowledgement of any third party, in accordance with Sections 230 to 232 of the Act read with Section 2(1B) of the IT Act and all other applicable provisions of law if any, in accordance with the provisions contained herein.

8.2 Without prejudice to the generality of the above, in particular, the Amalgamating Company shall stand amalgamated with the Amalgamated Company in the manner described in the sub-paragraphs below, subject to the existing encumbrances in favour of banks and financial institutions, if any (unless otherwise agreed to be released by such encumbrance holders in writing):-

(i) Upon Part B of this Scheme becoming effective on the Effective Date and with effect from the Appointed Date, all the assets (including investments) of the Amalgamating Company, that are movable in nature or incorporeal or intangible in nature or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by transfer or by delivery instructions in relation to dematerialized shares or by vesting and recordal pursuant to the Scheme, including plant, machinery and equipment, shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Amalgamated Company and shall become the property and an integral part of the Amalgamated Company, without any further act, instrument or deed required by either of the Amalgamating Company or the Amalgamated Company and without any approval or acknowledgement of any third party. The transfer and vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by delivery instructions in relation to dematerialized shares or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being transferred and vested and the title to such property shall be deemed to have been transferred and vested accordingly.

(ii) Upon Part B of this Scheme becoming effective on the Effective Date and with effect from the Appointed Date, any and all other movable properties of the Amalgamating Company (except those specified elsewhere in this Clause), including cash and cash equivalents, sundry debts and receivables, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any, with any person or body including without limitation any government, semi-government, local and other authorities and bodies, customers and other persons shall, without any further act, instrument or deed required by either of the Amalgamating Company or the Amalgamated Company and without any approval or acknowledgement of any third party, become the property of the Amalgamated Company.

(iii) Upon Part B of this Scheme becoming effective on the Effective Date and with effect from the Appointed Date, all immovable properties of the Amalgamating Company, including without limitation, all land together with all buildings and structures standing thereon and all rights and interests therein as set out in **Schedule 1** hereto (*Details of Immovable Properties of Amalgamating Company*), whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall stand transferred and be vested in and/or be deemed to have been transferred and vested in the Amalgamated Company and shall become the property and an integral part of the Amalgamated Company, without any further act, instrument or deed being required from the Amalgamating Company and/or the Amalgamated Company and without any approval or acknowledgement of any third party. Upon Part B of the Scheme becoming effective on the Effective Date, the Amalgamated Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay all rent, charges and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The Amalgamated Company shall be entitled to seek mutation/substitution of title in its name in such immovable properties, for the purposes of information and record and such mutation / substitution of the title to and interest in such immovable properties shall be made and duly recorded in the name of the Amalgamated Company, by the appropriate authorities pursuant to the sanction of the Scheme by the Court and Part B of the Scheme becoming effective on the Effective Date in accordance with the terms hereof. However, it is hereby clarified that the absence of any such mutation/substitution shall not adversely affect the rights, title or interest of the Amalgamated Company in such immovable properties which shall be deemed to have been transferred to the Amalgamated Company automatically upon the Part B of the Scheme becoming effective on the Effective Date.

(iv) Upon Part B of this Scheme becoming effective on the Effective Date and with effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of accounts of the Amalgamating Company or disclosed in the balance sheets of the Amalgamating Company shall become and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Amalgamated Company without any further act, instrument or deed being required from the Amalgamating Company and/or the Amalgamated Company and without any approval or acknowledgement of any third party. The Amalgamated Company undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause. However, the Amalgamated Company shall, if required, file appropriate forms with the RoC accompanied by the sanction order of the Court or a certified copy thereof and execute necessary deeds or documents in relation to creation/satisfaction/modification of charges to the satisfaction of the lenders, pursuant to Part B of this Scheme becoming effective in accordance with the terms hereof. The Amalgamated Company shall be entitled to take the benefit of all duties and charges already paid by the Amalgamating Company for the creation/modification of any such security interest. Where any of the loans, liabilities and obligations have been discharged



Pradeep Tanwar

37

by the Amalgamating Company after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been done by the Amalgamating Company for and on behalf of the Amalgamated Company.

(v) Upon Part B of this Scheme becoming effective on the Effective Date and with effect from the Appointed Date, shares issued by the Amalgamated Company to the shareholders of the Amalgamating Company (being such shareholders whose existing shares in the Amalgamating Company are pledged with the lenders) will stand pledged to the lenders of the Amalgamating Company on the same terms and conditions basis which the existing shares have been pledged with lenders of the Amalgamating Company. However, the Amalgamated Company shall, if required, file appropriate forms and execute necessary deeds or documents for the creation of such pledges, including making the necessary filings with the depository.

(vi) Upon Part B of this Scheme becoming effective on the Effective Date and with effect from the Appointed Date, all loans, advances, trade receivables and other obligations or liabilities due from, or any guarantees or similar obligations undertaken on behalf of the Amalgamating Company to / by the Amalgamated Company or *vice versa*, if any, and all contracts between the Amalgamating Company and the Amalgamated Company shall stand automatically cancelled and terminated and shall be of no effect, without any further act, instrument or deed being required from either the Amalgamating Company and/or the Amalgamated Company and without any approval or acknowledgement of any third party. No further taxes, fees, duties or charges shall be required to be paid by the Amalgamated Company on account of such cancellation or termination.

(vii) Upon Part B of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all incorporeal or intangible property of or in relation to the Amalgamating Company shall stand transferred to and vested in the Amalgamated Company, and shall become the property and an integral part of the Amalgamated Company without any further act, instrument or deed required by either the Amalgamating Company and/or the Amalgamated Company and without any approval or acknowledgement of any third party.

(viii) Upon Part B of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all letters of intent, memoranda of understanding, memoranda of agreements, tenders, bids, letters of award, expressions of interest, experience and/or performance statements, contracts, deeds, bonds, agreements, guarantees and indemnities, schemes, arrangements, undertakings and other instruments of every nature and description including without limitation, those relating to tenancies, privileges, powers and facilities of every kind and description, to which the Amalgamating Company is a party or to the benefit of which the Amalgamating Company may be eligible or under which the Amalgamating Company is an obligor (except to the extent provided in this Clause) and which are subsisting or having effect immediately prior to Part B of the Scheme coming into effect on the Effective Date, shall be and shall remain in full force and effect against or in favour of the Amalgamated Company and may be enforced by or against it as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee or obligor thereto, without any further act, instrument or deed being required from the Amalgamating Company and/or the Amalgamated Company and without any approval or acknowledgement of any third party.

(ix) Upon Part B of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all statutory or regulatory licenses and permits including without limitation, all such licenses and permits as set out in, grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, certificates, consents, quotas, exemptions, clearances, tenancies, privileges, powers, offices, facilities, entitlements or rights (including licenses issued by the DGFT under EPCG Scheme, Advance Authorization Scheme, Focused Products Scheme, Focused Marketing Scheme,



JINDAL COKE LIMITED

38

Duty Drawback Scheme and other schemes or approvals of a like nature issued by the DGFT) granted/available/renewed/applied for, to or by the Amalgamating Company shall stand transferred to and vested in the Amalgamated Company, without any further act, instrument or deed being required by the Amalgamating Company and/or the Amalgamated Company and without any approval or acknowledgement of any third party. Upon Part B of the Scheme coming into effect on the Effective Date, the Amalgamated Company shall be entitled to all the benefits thereof and shall be liable for all the obligations thereunder. In relation to the same, any procedural requirements required to be fulfilled solely by Amalgamating Company (and not by any of their successors), shall be fulfilled by the Amalgamated Company as if it is the duly constituted attorney of the Amalgamating Company. It is hereby clarified that if the consent or approval (by whatever name called) of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall duly record provide such consent or approval and shall make the necessary substitution/endorsement in the name of the Amalgamated Company pursuant to the sanction of this Scheme by the Court, and upon Part B of this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Amalgamated Company may file appropriate applications/documents with relevant authorities concerned for information and record purposes. However, it is hereby clarified that the absence of any such substitution/endorsement shall not adversely affect the rights, benefits or interest of the Amalgamated Company which shall be deemed to have been transferred to the Amalgamated Company automatically upon the Part B of the Scheme becoming effective on the Effective Date.

(x) Upon Part B of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all workmen and employees of the Amalgamating Company, who are on its payrolls and all other personnel employed by the Amalgamating Company shall become employed by the Amalgamated Company with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they were engaged with the Amalgamating Company immediately prior to the Effective Date, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity fund, superannuation fund and any contributions required to be made in relation to employees under any statute or regulation, leave encashment and any other special scheme or benefits created or existing for the benefit of the personnel employed by the Amalgamating Company immediately prior to Part B of the Scheme coming into effect on the Effective Date and transferred to the Amalgamated Company, the Amalgamated Company shall stand substituted for the Amalgamating Company for all intents and purposes whatsoever, upon Part B of this Scheme becoming effective on the Effective Date, including with regard to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents and/or in accordance with the provisions of Applicable Laws or otherwise. All existing contributions made to such schemes and funds and all benefits accrued thereto shall also stand transferred in the name of the Amalgamated Company and all such benefits and schemes shall be continued by the Amalgamated Company for the benefit of such personnel employed by the Amalgamating Company and transferred to the Amalgamated Company, on the same terms and conditions. Further, it is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Amalgamating Company in relation to such schemes or funds shall become those of the Amalgamated Company. It is clarified that the services of all personnel employed by the Amalgamating Company who are entitled to the benefits under such schemes and funds, will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes or funds.

(xi) Upon Part B of the Scheme coming into effect on the Effective Date the Amalgamated Company undertakes to continue to abide by any agreement(s)/settlement(s) entered into with any labour unions/employees by the Amalgamating Company. The Amalgamated Company agrees that for the purpose of payment of any future retrenchment compensation,



Pradeep Lahiri

gratuity and other terminal benefits, the past services of such employees, if any, with the Amalgamating Company, as the case may be, shall also be taken into account, and agrees and undertakes to pay the same as and when payable. Further, upon Part B of the Scheme coming into effect on the Effective Date, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee by the Amalgamating Company shall be continued or shall continue to operate against the relevant employee and shall be enforced effectively by the Amalgamated Company.

(xii) Upon Part B of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all rights, entitlements, licenses, applications and registrations relating to trademarks, service marks, copyrights, domain names, brand name, logos, patents and other intellectual property rights of every kind and description, including without limitations, whether registered, unregistered or pending registration, and the goodwill arising therefrom, if any, to which the Amalgamating Company is a party or to the benefit of which the Amalgamating Company may be eligible or entitled, shall stand transferred to and vested in the Amalgamated Company, and shall become the rights, entitlement or property of the Amalgamated Company and shall be enforceable by or against the Amalgamated Company, as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee thereto or the holder or owner thereof, without any further act, instrument or deed required by either of the Amalgamating Company or the Amalgamated Company and without any approval or acknowledgement of any third party.

(xiii) Upon Part B of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Amalgamated Company shall be entitled to the benefit of all insurance policies (if any) which have been issued in respect of Amalgamating Company and/or any of its assets or employees and the name of the Amalgamated Company shall stand substituted as the "Insured" in all such policies as if the Amalgamated Company was originally a party thereto without any further act, instrument or deed required by either of the Amalgamating Company or the Amalgamated Company and without any approval or acknowledgement of any third party. Further, the Amalgamated Company shall be entitled to the benefit of all claims filed, prosecuted, proposed to be filed, pending and/or adjudicated in relation to all insurance policies issued in respect of Amalgamating Company and/or any of its assets or employees.

(xiv) Upon Part B of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all taxes and duties of whatsoever description (including but not limited all carry forward tax losses comprising of unabsorbed depreciation, advance tax payments, TDS, TCS, MAT, securities transaction tax, taxes withheld/paid in a foreign country, customs duty, entry tax, value added tax, GST, sales tax, service tax, CSR Credit available for set-off,etc.) payable by or refundable to the Amalgamating Company, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Amalgamated Company, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions etc., as would have been available to the Amalgamating Company, shall pursuant to this Scheme becoming effective, be available to the Amalgamated Company without any further act, instrument or deed required by either of the Amalgamating Company or the Amalgamated Company and without any approval or acknowledgement of any third party but in the manner more particularly set out herein below. Upon Part B of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all existing and future incentives, un-availed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including MAT), excise (including Modvat/ Cenvat), customs, value added tax, sales tax, service tax to which the Amalgamating Company is entitled shall be available to and shall stand transferred and vested in the Amalgamated Company without any further act, instrument or deed required by either the Amalgamated Company or the Amalgamating Company and without any approval or



Peedeep Jahuriam

acknowledgement of any third party. Upon Part B of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, any tax deducted at source deducted by or on behalf of the Amalgamating Company until the Effective Date shall be deemed to have been deducted on behalf of the Amalgamated Company.

(xv) Upon Part B of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Amalgamated Company shall be entitled to claim the benefit of any and all corporate approvals and limits as may have already been taken by the Amalgamating Company, including without limitation, the approvals and limits under Sections 62, 179, 180, 185, 186, 188 etc., of the Act, until the time the same are duly modified by the Amalgamated Company.

(xvi) Upon Part B of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all other estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Amalgamating Company shall be deemed to have been accrued to and/or acquired for and on behalf of the Amalgamated Company and shall, upon Part B of this Scheme coming into effect, pursuant to the provisions of the Act, without any further act, instrument or deed be and stand transferred to or vested in and/or be deemed to have been transferred to or vested in the Amalgamated Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Amalgamated Company.

(xvii) Upon Part B of the Scheme coming into effect on the Effective Date, all books, record files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, designs, catalogues, quotations, websites, cloud storage, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form in connection with or relating to the Amalgamating Company shall be deemed to have been transferred to or acquired for and on behalf of the Amalgamated Company and shall, upon Part B of this Scheme coming into effect, without any further act, instrument or deed be and stand transferred to or vested in and/or be deemed to have been transferred to or vested in the Amalgamated Company.

(xviii) Upon Part B of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Amalgamated Company shall bear the burden and the benefits of any legal, tax, quasi-judicial, administrative, regulatory or other proceedings initiated by or against the Amalgamating Company. If any suit, appeal or other proceeding of whatsoever nature by or against the Amalgamating Company shall be pending as on the Effective Date, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the merger of such Amalgamating Company and transfer and vesting of the same in the Amalgamated Company or of anything contained in Part B of this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Amalgamated Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Amalgamating Company as if Part B of this Scheme had not been made effective. Upon Part B of the Scheme becoming effective, the Amalgamated Company undertakes to have such legal or other proceedings initiated by or against the Amalgamating Company transferred in its name and to have the same continued, prosecuted and enforced by or against the Amalgamated Company to the exclusion of the Amalgamating Company. The Amalgamated Company also undertakes to handle all legal or other proceedings which may be initiated against the Amalgamating Company after the Effective Date in its own name and account and further undertakes to pay all amounts including interest, penalties, damages etc., pursuant to such legal/ other proceedings.

8.3 Upon Part B of the Scheme coming into effect on the Effective Date with effect from the Appointed Date, the Amalgamated Company shall be entitled to the benefit of the past experience,



41

accreditation and/or performance of the Amalgamating Company for all purposes without any further act, instrument or deed required by either of the Amalgamating Company or the Amalgamated Company and without any approval or acknowledgement being required from any third party. If any instrument or deed or document is required or deemed necessary or expedient to give effect to the provisions of this Clause by the Amalgamated Company, the Amalgamated Company shall, under the provisions of Part B of the Scheme, be deemed to be duly authorized to execute all such writings on behalf of the Amalgamating Company and to carry out or perform all such formalities or compliances referred to above on behalf of the Amalgamating Company.

8.4 Upon Part B of the Scheme coming into effect on the Effective Date with effect from the Appointed Date, the Amalgamated Company would be entitled to claim, under Lower Tax Regime under Section 115BAA of the Income Tax Act,1961, if the same is beneficial to the Amalgamated Company and the Amalgamated Company would be entitled to submit such documents either in online format and by Manual Application, if the effective date falls after the due date of filing a Revised Return of Income or Claim of Lower Tax Regime under Section 115BAA of the Income Tax Act,1961.

## 9 CONDUCT OF AFFAIRS UNTIL THE EFFECTIVE DATE

9.1 In the event, Part B of this Scheme becomes effective and with effect from the Appointed Date and up to and including the Effective Date:

(i) the Amalgamating Company shall be deemed to have carried on the business activities of the Amalgamating Company and stand possessed of the properties and assets of the Amalgamating Company, for, on behalf of and in trust for, the Amalgamated Company; and

(ii) all profits or income accruing to or received by the Amalgamating Company and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, tax collected at source, minimum alternate tax, fringe benefit tax, securities transaction tax, taxes withheld/paid in a foreign country, customs duty, entry tax, value added tax, goods and services tax, sales tax, service tax etc.) or losses arising in or incurred by the Amalgamating Company shall, for all purposes, be treated as and deemed to be the profits, income, taxes or losses, as the case may be, of the Amalgamated Company.

9.2 The Amalgamated Company shall also be entitled, pending the sanction of this Scheme, to apply to the central government, state government, and all other agencies, departments, statutory authorities and Governmental Authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Amalgamated Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required/granted under any Applicable Law for the time being in force for carrying on the business of the Amalgamating Company.

## 10 TREATMENT OF TAXES

10.1 Upon Part B of this Scheme becoming effective and with effect from the Appointed Date, any surplus in the provision for taxation/ duties/ levies account including but not limited to the advance tax, TDS or TCS and MAT credit, CENVAT credit or, GST Credit, as on the date immediately preceding the Appointed Date will also be transferred from the Amalgamating Company to the Amalgamated Company. Any refund under the IT Act or other Applicable Laws dealing with taxes/ duties/ levies, including GST, allocable or related to the business of Amalgamating Company or due to the Amalgamating Company, consequent to the assessment made in respect of the Amalgamating Company, for which no credit is taken in the book of accounts of the Amalgamating Company as on the date immediately preceding the Appointed Date, shall also belong to and be received by the Amalgamated Company and shall be deemed to have been on account of or paid by the Amalgamated Company and the relevant Governmental Authorities shall be bound to transfer to the account of and give credit for the same to the Amalgamated Company upon the



42

approval of this Scheme by the Court and upon relevant proof and documents being provided to the said authorities.

10.2 Without prejudice to the generality of the above, deductions, benefits, right to carry forward and set off accumulated losses and unabsorbed depreciation, and credits (including but not limited to MAT/CENVAT credits etc.). under the IT Act, Goods and Services Tax or Service Tax, any other central government / state government incentive schemes etc., to which the Amalgamating Company are/ would be entitled to in terms of the Applicable Laws of the central and state government or of any foreign jurisdictions, shall be available to and vest in the Amalgamated Company.

10.3 Upon Part B of this Scheme becoming effective and with effect from the Appointed Date, the tax payments (including without limitation income tax, GST, tax on distribution of dividends, excise duty, central sales tax, custom duty, applicable state value added tax and entry tax or any other taxes as may be applicable from time to time) whether by way of tax deducted at source or collected at source by the parties, advance tax or otherwise howsoever, by the Amalgamating Company on or after the Appointed Date, shall be deemed to be paid by the Amalgamated Company and the Amalgamated Company shall be entitled to claim credit for such taxes/duties paid against its tax/ duty liabilities, notwithstanding that the certificates/ challans or other documents for payment of such taxes/duties are in the name of Amalgamating Company.

10.4 Upon Part B of the Scheme becoming effective on the Effective Date and with effect from the Appointed Date, the Amalgamating Company and the Amalgamated Company are expressly permitted to prepare and/or revise, as the case may be, their financial statements and statutory / tax returns along with the prescribed forms, filings and annexures under the IT Act and/or in relation to central sales tax, custom duty, entry tax, applicable state value added tax, GST and other tax laws, if required, to give effect to the provisions of the Scheme.

10.5 Upon Part B of this Scheme becoming effective and with effect from the Appointed Date, all inter-party transactions between Amalgamating Company and the Amalgamated Company shall be considered as intra-party transactions for all purposes (including for tax compliances, credits, refunds, etc.).

10.6 Upon Part B of this Scheme becoming effective and with effect from the Appointed Date, obligation for deduction of tax at source on any payment made by or to be made by the Amalgamating Company or for collection of tax at source on any supplies made by or to be made by Amalgamating Company shall be made or deemed to have been made and duly complied with by the Amalgamated Company. Further, any tax deducted at source or collected at source by the Amalgamating Company and Amalgamated Company on transactions with each other, if any (from the Appointed Date until Effective Date) and deposited with Governmental Authorities shall be deemed to be advance tax paid by the Amalgamated Company and shall, in all proceedings be dealt with accordingly.

10.7 Upon Part B the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all tax compliances under any tax laws by the Amalgamating Company on or after the Appointed Date shall be deemed to be made by the Amalgamated Company.

10.8 Upon Part B of this Scheme becoming effective and with effect from the Appointed Date, all tax assessment proceedings and appeals of whatsoever nature by or against the Amalgamating Company, pending or arising as at the Effective Date, shall be continued and/enforced by or against the Amalgamated Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Amalgamating Company. Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by the reason of the amalgamation of the Amalgamating Company with the Amalgamated Company or anything contained in Part B of this Scheme.

10.9 Upon Part B of this Scheme becoming effective and with effect from the Appointed Date, all the expenses incurred by the Amalgamating Company and the Amalgamated Company in relation to the amalgamation of the Amalgamating Company with the Amalgamated Company as per this

Scheme, including stamp duty expenses and / or transfer charges, if any, shall be allowed as deduction to Amalgamated Company in accordance with Section 35DD of the IT Act over a period of 5 (five) years beginning with the previous year in which Part B of the Scheme becomes effective.

10.10 Upon Part B of this Scheme becoming effective and with effect from the Appointed Date, all the deductions otherwise admissible to the Amalgamating Company, including payment admissible on actual payment or on deduction of appropriate taxes or on payment of TDS (like Section 43B, Section 40, Section 40A etc. of the IT Act) will be eligible for deduction to the Amalgamated Company upon fulfilment of required conditions under the IT Act.

10.11 The amalgamation under this Scheme is in compliance with the IT Act, specifically Section 2(1B) and other relevant provisions. If any of the terms of this Scheme are inconsistent with the provisions of Sections 2(1B) of the IT Act, the provisions of Sections 2(1B) of the IT Act shall to the extent of such inconsistency, prevail and this the Scheme shall, stand and be deemed to be modified to that extent to comply with the said provisions.

## 11 CONDUCT OF AFFAIRS AFTER THE EFFECTIVE DATE

11.1 The Amalgamated Company, shall, at any time after Part B of this Scheme becomes effective on the Effective Date, in accordance with the provisions hereof, if so required under any law, contract or otherwise, be entitled to do and take all such actions as may be required to give full effect to the provisions of this Part B and for this purpose the Amalgamated Company shall, under the provisions hereof, be deemed to be authorised on behalf of the Amalgamating Company. Without prejudice to the generality of the above, the Amalgamated Company shall be entitled and deemed to be authorised to:-

(i) execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement (including without limitation any bank guarantee, performance guarantee, fixed deposit, letters of credit, bill of entry etc.) in relation to which the Amalgamating Company have been a party or to the benefit of which the Amalgamating Company may have been entitled, and to make any filings with the Governmental Authorities, in order to give formal effect to the provisions of Part B of the Scheme; and

(ii) do all such acts or things as may be necessary to effectually transfer/obtain in favour of the Amalgamated Company the approvals, consents, bids, awards, tenders, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates etc. which were held or enjoyed by the Amalgamating Company including without limitation, execute all necessary or desirable writings and confirmations on behalf of the Amalgamating Company and to carry out and perform all such acts, formalities and compliances as may be required in this regard.

11.2 The provisions of this Clause shall operate notwithstanding anything to the contrary contained in any deed or writing or certificate or license or the terms of sanction or issue or any security, all of which instruments and documents shall stand modified and/or superseded by the foregoing provisions.

## 12 SAVING OF CONCLUDED TRANSACTIONS

Except as expressly provided hereunder including in Clause 10.4 and Clause 10.5, the transfer of properties and liabilities to, and the continuance of proceedings by or against, the Amalgamated Company as envisaged in this Part B shall not affect any transaction or proceedings already concluded by the Amalgamating Company on or before the Appointed Date and after the Appointed Date and until the Effective Date, and to such end and intent the Amalgamated Company accepts and adopts all acts, deeds and things done and executed by the Amalgamating Company in respect thereto as done and executed on behalf of itself.

## 13 CHANGE IN AUTHORISED SHARE CAPITAL OF THE AMALGAMATED COMPANY

13.1 Upon this Scheme becoming effective on the Effective Date, the authorised share capital of Amalgamating Company as on the Effective Date shall stand transferred to and be merged/amalgamated with the authorised share capital of the Amalgamated Company, and the fee, if any, paid by the Amalgamating Company on its authorised share capital shall be set off against any fee payable by the Amalgamated Company on such increase in its authorised share capital, consequent to the amalgamation. Accordingly, Clause V of the Memorandum of Association of the Amalgamated Company shall stand modified and shall read as under:-

*"The Authorised Share Capital of the Company is INR 9,72,75,00,000 (Rupees Nine Hundred Seventy Two Crores and Seventy Five Lakhs) consisting of 59,00,50,000 (Fifty Nine Crores and fifty thousand) Equity Shares having face value of INR 10 (Rupees Ten) and 38,27,00,000 (Thirty Eight Crores and Twenty Seven Lakh) preference shares having face value of INR 10 (Rupees Ten)"*

13.2 It is hereby clarified that the consent of the shareholders of the Amalgamated Company and shareholders of the Amalgamating Companies to Part B of this Scheme shall be sufficient for the purposes of effecting the aforesaid additions in the Memorandum of Association of the Amalgamated Company and that no further resolutions, whether under the applicable provisions of the Act or under the Articles of Association, shall be required to be separately passed. All actions taken in accordance with this Clause shall be deemed to be in full compliance of Sections 61 and 64 and other applicable provisions of the Act and rules and regulations issued thereunder and no further resolutions or actions under any other provisions of the Act or the rules or regulations issued thereunder would be required to be separately passed or undertaken by the Amalgamated Company.

## 14 AMENDMENT TO OBJECTS OF THE AMALGAMATED COMPANY

14.1 Upon Part B of the Scheme becoming effective from the Effective Date, the following sub-clause shall be deemed to have been automatically added to Clause III (A) (*Main Objects*) of the Memorandum of Association of the Amalgamated Company immediately after the existing sub-clauses of Clause III (A) and the "Objects Clause" in the Memorandum of Association of the Amalgamated Company shall be deemed to have been amended to that extent by inserting below clause in the main objects of the Amalgamated Company:-

*"To carry on the business of manufactures, processors, refiners, smelters, makers, converts, finishers, importers, exporters, agents, merchants, buyers, sellers and dealers in all kinds and forms of steels including tools and alloy steels, stainless and all other special steels, iron and other metals and alloys, all kinds of goods, products, articles or merchandise whatsoever manufactured wholly or partly from steels and other metals and alloys; and also the business and iron masters, steel and metal converters, colliary proprietors, coke manufacturers, ferroalloy manufactures , miners, smelters and engineers in all their respective branches and to search for, get , work, raise, make, merchantable , manufacture , process, buy , sell and otherwise deal in iron , Pig Iron, Granulated slag, Iron Ore Fines, steel and other metal, coal , coke, brick-earth, fire-clay, bricks, ores, minerals and mineral substances, gases, alloy. Metal, metal scrap, chemicals and chemical substances of all kinds and to set up Steel and non-ferrous melting furnaces, converters, AP Lines and casting facilities to produce stainless steel, ferrous and non-ferrous metals, alloy steels, steel and non-ferrous ingots, continuous cast slabs, blooms, rounds, billets of various cross-sections, alloys and special steel, to make and deal in ferrous/non-ferrous and special alloys & steels including non-metallic for the purpose of use in Defence, Aero & Space, nuclear and for other applications.*

*To carry on the business of purchase, sale, manufacture, process, import, export, buyers, sellers, traders, merchants, distribution, deal in, to act as indent or agent, commission agent, distributors, whole sellers, retailers, broker, contractor, or otherwise deal with raw and process materials, semi*



45

*products and end products of Low ash metallurgical Coke, carbon, chemicals, coal, coke, petroleum coke products, calcined petroleum coke, ferro alloys, electrodes, petro products and petro products of all kinds & specification and other allied items and industrial raw materials.*

*To manufacture, purchase, sell, deal in soft coke, special smokeless fuel (SSF) with coal tar recovered by CMPDIL Technology, Industrial coke, coke as substitute to charcoal, processing and distillation of coal tar, coal tar chemicals, any other type of coke and organic chemicals based on carbon and tar directives, charcoal , bone charcoal, activated charcoal, activated carbon, black or any other carbon products, dyes dye intermediaries, coal mining, use of waste heat for processing and production of any other article etc.*

*To carry on in all its branches the business of manufacturers and dealers in carbon black of all types, gas black, ebony black, jet black, hydrocarbon black, Satin black and silicate of carbon either from natural and/or artificial gas or from other source.*

*To carry on all or any of the business of manufacturing, developing, assemblers, filters, engineers, consultants, erectors, founders, smelters, refiners, makers, drawers, sinkers, miners, workers, repairers, hire purchase dealers, import and export agents, representatives, contractors and dealers of and in forging, casting of steel, stainless and special steels, carbon steel and mild steel, alloys and ferrous and non-ferrous metals, auto parts, tools and implements, dies, jigs, steel pipes and tubes and pipe fittings, iron and steel products, cast iron and steell and tubular structural."*

14.2 It is hereby clarified that the consent of the shareholders of the Amalgamated Company and shareholders of the Amalgamating Companies to Part B of this Scheme shall be sufficient for the purposes of effecting the aforesaid amendments in the "Objects Clause" in the Memorandum of Association of the Amalgamated Company and that no further resolutions, under the applicable provisions of the Act, shall be required to be separately passed. All actions taken in accordance with this Clause 14 of Part B of this Scheme shall be deemed to be in full compliance of Section 13 and other applicable provisions of the Act and rules and regulations issued thereunder and no further resolutions or actions under any other provisions of the Act or the rules or regulations issued thereunder would be required to be separately passed or undertaken by the Amalgamated Company.

**15 DISCHARGE OF CONSIDERATION**

15.1 Upon Part B of the Scheme coming into effect on the Effective Date, and upon the amalgamation of the Amalgamating Company into and with the Amalgamated Company, the Amalgamated Company shall, without any further act or deed, consent or instrument, issue and allot its shares on a proportionate basis to shareholders of the Amalgamating Company, whose name is recorded in the register of shareholders of the Amalgamating Company as on the Effective Date, as under, in consideration for the amalgamation of the Amalgamating Company with and into the Amalgamated Company.

15.2 Based on (i) the valuation report issued by Niranjan Kumar, a registered valuer, dated January 28th 2022, the Board of directors have determined the following share exchange ratio:

*"10,765(Ten Thousand Seven Hundred and Sixty Five) fully paid up equity shares of face value of Rs. 10 each of the Amalgamated Company shall be issued and allotted as fully paid up equity shares to the equity shareholders of the Amalgamating Company, for every 1,000 (One Thousand) fully paid up equity shares of face value of Rs. 10 each held by them in the Amalgamating Company."*

*"1 (One) 10% Non-Cumulative Non-Convertible Redeemable Preference Shares of the Amalgamated Company having a face value of Rs. 10 each fully paid-up (with same terms and conditions in all respect as that of existing 10% Non-Cumulative Non-Convertible Redeemable Preference Shares issued by Amalgamating Company) shall be issued for every 1 (One) fully paid*



Pradeep Tantia

*up Non- Cumulative Non-Convertible Redeemable Preference shares of face value of Rs. 10 each held by them in the Amalgamating Company."*

Any fractional entitlement of shares arising out of the aforesaid share exchange process, if any, will be rounded off to the nearest higher integer.

15.3 In the event of any increase in the issued, subscribed or paid up share capital of the Amalgamating Company or the Amalgamated Company or issuance of any instruments convertible into equity shares or restructuring of its equity share capital including by way of share split/consolidation/issue of bonus shares, free distribution of shares or instruments convertible into equity shares or other similar action in relation to share capital of the Amalgamating Company or the Amalgamated Company at any time as of the Effective Date, the share exchange ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares.

15.4 The new equity shares of the Amalgamated Company issued as per this Clause shall be subject to the Memorandum and Articles of Association of Amalgamated Company and shall rank *pari passu* in all respects, including dividend and voting rights, with the existing equity shares of the Amalgamated Company.

15.5 The issue and allotment of new equity / preference shares by Amalgamated Company to the shareholders of the Amalgamating Company as provided in this Part B of the Scheme is an integral part thereof and shall be deemed to have been carried out in full compliance with all the procedures laid down under Section 62 read with Section 42 of the Act and any other applicable provisions of the Act and the rules and regulations issued thereunder.

15.6 In accordance with the regulatory requirements, all new equity / preference shares required to be issued by the Amalgamated Company to the shareholders of the Amalgamating Company shall be issued in dematerialized form and shall be credited to the depository account of the equity / preference shareholders of the Amalgamating Company to the extent the details of such depository participant accounts have been provided to/are available with the Amalgamating Company before the Effective Date.

15.7 For the purpose of allotment of equity shares of Amalgamated Company pursuant to the above sub-Clause 15.2 of Part B of the Scheme, in case any shareholder of the Amalgamating Company on the Effective Date holds equity shares in the Amalgamating Company in physical form and/or details of the depository participant account of such shareholder have not been provided to the Amalgamating Company before the Effective Date, the Amalgamated Company shall not issue its equity shares to such shareholder but shall subject to Applicable Laws, issue the corresponding number of equity shares in dematerialised form, to a demat account held by a trustee nominated by the Board of Directors of Amalgamated Company or into a suspense account opened in the name of the Amalgamated Company with a depository participant or into an escrow account opened by the Amalgamated Company with a depository, as determined by the Board of the Amalgamated Company. The equity shares of the Amalgamated Company so held in a trustee's account or suspense account or escrow account, as the case may be, shall be transferred to the respective shareholder as per his entitlement once such shareholder provides details of his / her / its depository participant account to the Amalgamated Company in accordance with Applicable Laws, along with such documents as maybe required under Applicable Laws.

15.8 Approval of this Scheme by the shareholders of the Amalgamated Company shall be deemed to mean that the shareholders have also accorded all relevant consents under the Act for the issue and allotment of the new Equity / Preference Shares by the Amalgamated Company to the shareholders of the Amalgamating Company.

15.9 The Board of Directors (including any committee thereof) of Amalgamating Company and the Amalgamated Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Amalgamated Company on account of the difficulties if any in the transition period, provided however that no modification to the Scheme will be made which adversely affects the rights or interest of the



Pradeep Tahiliani

47

secured creditors without seeking their approval.

## 16 DISSOLUTION OF AMALGAMATING COMPANY

Upon Part B of this Scheme becoming effective on the Effective Date, Amalgamating Company shall stand automatically dissolved as an integral part of this Scheme, without being liquidated or wound-up and without requiring any further act, instrument or deed from the Amalgamating Company and/or the Amalgamated Company.

## 17 ACCOUNTING TREATMENT

Upon Part B of the Scheme becoming effective, with effect from the Appointed Date, the Amalgamated Company shall account for the amalgamation in its books of accounts, as per 'Acquisition Method' in accordance with accounting principles as laid down in Ind AS-103 notified under Section 133 of the Act and under the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time, such that:

(i) In line with the recognition principles provided under Indian Accounting Standard 103 on Business Combinations, the Amalgamated Company shall recognise all assets and liabilities of the Amalgamating Company transferred to and vested in the Amalgamated Company pursuant to Part B of this Scheme at their respective fair values as on the Appointed Date. Such assets may also include acquired identifiable intangible assets, whether previously recorded in the books of accounts of the Amalgamating Company or not. Upon Part B of the Scheme coming into effect, the above recognition shall result in the Amalgamated Company recording all the assets and liabilities of the Amalgamating Company transferred to and vested in it pursuant to this Scheme.

(ii) The Amalgamated Company shall record issuance of the new equity shares at fair value and accordingly credit to its share capital account the aggregate face value of the new equity shares issued by the Amalgamated Company. The excess of the fair value of the new equity shares over the face value of new equity shares issued by the Amalgamated Company in accordance with Clause 15 shall be credited to the securities premium account.

(iii) Inter-company balances between the Amalgamated Company and the Amalgamating Company, if any, shall stand cancelled and there shall be no further obligation in that behalf.

(iv) Excess, if any, of fair value of new equity shares issued as per sub-Clause (ii) above over the fair value of net assets taken over as per sub-Clause (i) above, after giving the effect to sub-Clause (iii) above, shall be recorded as goodwill. In case of deficit, it shall be credited to capital reserve account.

**PART C**

**GENERAL TERMS AND CONDITIONS**

## 18 CONDITIONALITY OF THE SCHEME

18.1 The effectiveness this Scheme is conditional upon and subject to the following:

(a) This Scheme being approved by the requisite majorities of such classes of shareholders and creditors of the Companies as may be required under Applicable Laws or as may be directed by the Court;

(b) the sanction of the Scheme by the Court;

(c) the receipt of such other approvals including approvals of any Governmental Authority as may be necessary under Applicable Laws or under any material contract to make this Scheme or the relevant Part of this Scheme effective; and

(d) the certified copies of the order of the Court sanctioning this Scheme (wholly or partially) being filed with the Registrar of Companies by each of the relevant Companies.

**19 EFFECTIVENESS OF THE SCEHME**

19.1 Subject to Clause 18 of this Scheme, upon this Scheme becoming effective on the Effective Date, the following shall be deemed to have occurred on the Appointed Date and shall become effective and operative in the sequence and in the order mentioned hereunder:

(i) Amalgamation of Amalgamating Company into and with the Amalgamated Company in accordance with Part B of this Scheme;

**20 APPLICATIONS TO THE COURT**

20.1 The Companies shall, with all reasonable dispatch, make a joint application to the Court, under Sections 230 to 232 and other applicable provisions of the Act, seeking orders for dispensing with or convening of the meetings of the different classes of their respective shareholders and/or creditors and for sanctioning this Scheme with such modifications, as may be approved/required by the Court or any other Governmental Authority.

20.2 Upon this Scheme being approved by the requisite majority of the shareholders and creditors of the Companies (wherever required), the Companies shall, file a joint petition before the Court for sanction of this Scheme under Sections 230 to 232 and other applicable provisions of the Act, and for such other order or orders, as the Court may deem fit for bringing this Scheme into effect. Upon this Scheme becoming effective, the shareholders and the creditors of the Companies shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the specific provisions contained in this Scheme and shall be binding upon shareholders and creditors of respective companies.

**21 MODIFICATIONS/AMENDMENTS TO THE SCHEME**

21.1 The Companies, acting through their respective Boards of Directors, may assent to any modifications or amendments to this Scheme, which the Court and/or any other Governmental Authorities may deem fit to direct or impose, or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise in implementing and/or carrying out this Scheme provided however that no modification to the Scheme will be made which adversely affects the rights or interest of the secured creditors without seeking their approval. The Companies, acting through their respective Boards of Directors, be and are hereby authorised to take all such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions, whether by reason of any orders of the Court or of any directive or any other Governmental Authorities or otherwise howsoever, arising, out of, under, or by virtue of this Scheme and/or any matters related to or connected therewith, provided however that no modification to the Scheme will be made which adversely affects the rights or interest of the secured creditors without seeking their approval.

21.2 If, at any time, before or after the Effective Date, any provisions or Parts of this Scheme are found to be, or interpreted to be, invalid or illegal or inconsistent with any Applicable Laws, or rejected, or unreasonably delayed, or not sanctioned by the Court, or is or becomes unenforceable, under present or future Applicable Laws, or due to any change in any Applicable Laws, then it is the intention of the Companies that such part shall be severable from the remainder of this Scheme and other Parts / provisions of this Scheme shall not be affected thereby, unless the deletion of such Part shall cause this Scheme to become materially adverse to any of the Companies in the sole opinion of the Board of Directors of the relevant Companies. In such a case, the Companies, acting through their respective Boards of Directors, may at their discretion, either bring about such modification in this Scheme, as is likely to best preserve for the relevant Companies, the benefits and obligations of this Scheme and/or withdraw the Scheme or any Part thereof, wholly or partially.

21.3 The Companies, acting through their respective Boards of Directors, shall each be at liberty to withdraw this Scheme, wholly or partially, in case any condition or alteration imposed by the Court, or any other Governmental Authority is unacceptable to any of them or otherwise if so decided by their respective Board of Directors. In the event any Parts or provisions of this Scheme are withdrawn and the Companies decide to implement the remaining Parts or provisions of this Scheme, to the extent of such withdrawn provisions, this Scheme shall become null and void and no rights or liabilities whatsoever shall accrue to, or be incurred by, the relevant Companies, their respective shareholders and/or creditors and/or any other persons with respect to such provisions or Parts of the Scheme.

21.4 Upon coming into effect of the Scheme, the Amalgamated Company and/or the Amalgamating Company shall, with reasonable dispatch / timelines apply for transition of all licenses and statutory registrations of the Amalgamating Company including but not limited to product registrations (including applications and authorizations for product registrations), manufacturing licenses, insurance policies, product permissions, certificates, market authorizations, filings, industrial licences, municipal permissions, approvals, consent, permits, quotas, incentives, subsidies and recognitions. The period between the Effective Date and the last date on which the transfer of all such aforementioned licenses and statutory registrations have occurred is hereinafter referred to as "Transitory Period". During the Transition Period the Amalgamating Company, may procure or use or manufacture or sale, all materials and products under the respective country registrations including the packing material, art work, label goods, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, publicity materials in the name and form/format of the Amalgamated Company under any license and/or statutory registration, if any, while conducting the business with a view to avoid any disruption of business, to ensure continuity of operations and uninterrupted supply of the products.

21.5 Even after the Scheme becomes operative, the Amalgamated Company shall be entitled to operate all Bank Accounts and use all bank guarantees and letter of credit of the Amalgamating Company, and release all monies and complete and enforse all subsisting contracts and transactions in respect of the Amalgamating Company in the name of Amalgamating Company in so far as may be necessary, till the transfer of rights and obligations of the Amalgamating Company to the Amalgamated Company until this Scheme is formally accepted by all the parties concerned.

## 22 EFFECT OF NON-RECEIPT OF APPROVALS/SEVERABILITY

22.1 In the event that the scheme is not sanctioned by the NCLT or in the event any of the other requisite consents, approvals, permissions, sanctions or conditions are not obtained or complied with or for any other reason, the scheme cannot be implemented, the scheme shall not take effect and shall be withdrawn and in that event no rights or liabilities, whatsoever, shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person.

22.2 In the event any of the sanctions, consents or approvals referred to in Clause 18 above are not obtained or received and/or the Scheme, or any Part thereof, has not been sanctioned by the Court, the Board of Directors of each of the Companies, shall, by mutual agreement, determine whether:

(a) this Scheme shall stand revoked and cancelled in entirety and shall be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or under Applicable Law and in such event, each Company shall bear and pay its respective costs, charges and expenses for and in connection with the Scheme; or



50

(b) such Part shall be severable from the remainder of the Scheme and the remainder of the Scheme shall not be affected thereby, unless the deletion of such Part shall cause the Scheme to become materially adverse to any Company, in which case each of the Companies, (acting through their respective Boards of Directors) shall attempt to bring about a modification in the Scheme, as will best preserve for the Companies, the benefits and obligations of this Scheme, including but not limited to such Part. Provided, however, that no modification to the Scheme shall be made which adversely affects the rights or interests of the secured creditors, without seeking their approvals.

**23 COMPLIANCE WITH LAWS**

23.1 This Scheme is presented and drawn up to comply with the provisions/requirements of Sections 230 to 232 and other applicable provisions of the Act, for the purpose of amalgamation of the Amalgamating Company into and with the Amalgamated Company;

23.2 This Scheme has been drawn up to comply with the conditions relating to (a) "amalgamation" with respect to Part B of the Scheme as defined under Section 2(1B) of the IT Act, respectively.

23.3 The Companies undertake to comply with all Applicable Laws, including making the requisite intimations and disclosures to any statutory or regulatory authority and obtaining the requisite consent, approval or permission of the Central Government, RBI (if required) or any other statutory or regulatory authority, which by Applicable Law may be required for the implementation of this Scheme.

**24 CANCELLATION OF INTER-SE TRANSACTIONS**

24.1 Upon this Scheme becoming effective on the Effective Date and with effect from the Appointed Date, all loans, advances, trade receivables and other obligations or liabilities due, from or by or any guarantees given on behalf of the Amalgamating Company to / by the Amalgamated Company or vice versa, if any, and all contracts, arrangements and transactions, of any nature whatsoever, between any of the Amalgamating Company and the Amalgamated Company (other than this Scheme) shall stand automatically cancelled and terminated and shall be of no effect, without any further act, instrument or deed being required from any of the Companies and without any approval or acknowledgement of any third party. No further taxes, fees, duties or charges shall be required to be paid by the Amalgamated Company on account of such cancellation or termination.

**25 CAPITAL AND DIVIDENDS**

25.1 Nothing in this Scheme shall be interpreted to restrict the ability of any of the Companies to declare and/or pay dividends, whether interim and/or final or issue bonus shares, to their respective shareholders prior to the Effective Date.

25.2 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Companies to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Companies, and if applicable as per the provisions of the Act, shall also be subject to the approval of the shareholders of the relevant Company or Companies.

25.3 Nothing in this Scheme shall be interpreted to restrict the ability of any of the Companies to raise capital or funds whether by way of equity or debt, in any manner whatsoever, at any time prior to the Effective Date.

JINDAL UNITED STEEL LIMITED

**COSTS**

JINDAL COKE LIMITED

25.4 All costs, charges, taxes including stamp duty, levies and all other expenses, if any (save as expressly otherwise agreed) of the Amalgamating Company arising out of or incurred in connection with implementing Part B of this Scheme and matters incidental thereto shall be borne by the Amalgamated Company.

JINDAL UNITED STEEL

JINDAL COKE LIMITED

Annexure - 2


**Niranjan Kumar**

Registered Valuer - Securities or Financial Assets


Date: 28 January 2022

To,
The Board of Directors,
Jindal United Steel Limited,
O.P. Jindal Marg, Hisar,
Haryana - 125005

To,
The Board of Directors,
Jindal Coke Limited,
O.P. Jindal Marg, Hisar,
Haryana - 125005

**Subject: Recommendation of share exchange ratio for the proposed amalgamation of Jindal Coke Limited ('JCL') with Jindal United Steel Limited ('JUSL')**

Dear Sir/Madam,

We refer to the engagement letter dated 27 December 2021 and discussion undertaken with the Management of Jindal United Steel Limited ('JUSL' or 'Amalgamated Company') and Jindal Coke Limited ('JCL' or 'Amalgamating Company') (hereinafter both together referred to as 'the Management'), wherein the Management has requested Niranjan Kumar, Registered Valuer – Securities or Financial Assets ('NK', 'we' or 'us') to undertake a valuation exercise and recommend a share exchange ratio for the proposed amalgamation of JCL ('Amalgamating Company') with JUSL ('Amalgamated Company') ('Proposed Amalgamation').

Hereinafter the Amalgamated Company and Amalgamating Company shall together be referred to as the 'Transacting Companies'; and the Management including the Board of Directors of the Transacting Companies shall together be referred to as 'the Management'.

Please find enclosed the report (comprising 37 pages including annexures) detailing our recommendation of share exchange ratio for the proposed amalgamation, the methodologies employed and the assumptions used in our analysis.

This report sets out our scope of work, background, source of information, procedures performed by us and our recommendation of the share exchange ratio.

**BACKGROUND, SCOPE AND PURPOSE OF THIS REPORT**

**Jindal United Steel Limited ('JUSL' or 'Amalgamated company')** was incorporated on 01 December 2014 and is engaged in the business of hot rolling and cold rolling of a wide array of stainless steels including austenitic, ferritic, martensitic and other special stainless-steel grades for multiple use cases ranging from pipe and tube segment to nuclear and automotive segment in coil, plate and sheet form. The Company has manufacturing facility located at Jajpur, Odisha.

**Jindal Coke Limited ('JCL' or 'Amalgamating Company')** was incorporated on 02 December 2014 and is engaged in the business of manufacturing, processing, finishing and dealing in all kinds and forms of coke and coke products. The Company has manufacturing facility located at Jajpur, Odisha.

We understand that the Management of the Transacting Companies are contemplating a scheme of arrangement, wherein they intend to amalgamate JCL with JUSL in accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013 or any statutory modifications, re-enactment or amendments thereof for the time being in force ("the Act") read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("the Rules"), as amended from time to time and all other applicable provisions, if any, of the Act and any other applicable law for the time being in force and in a manner provided in the Draft Scheme of Arrangement (hereinafter referred to as 'the Scheme'). Further as a consideration for the proposed amalgamation, the equity shareholders and preference shareholders of Amalgamating Company will be issued equity shares and redeemable preference shares ('RPS') respectively of Amalgamated Company in the share exchange ratio as may be decided by the Board of Directors based on share exchange ratio recommended by a Registered Valuer as required under the applicable provisions of Companies Act, 2013.

In connection with the above-mentioned proposed amalgamation, the Management has appointed Niranjan Kumar, Registered Valuer - Securities or Financial Assets ('NK') to submit a report recommending a share exchange ratio for the proposed amalgamation as at the report date ('Valuation Date').

We would like to emphasize that certain terms of the proposed amalgamation are stated in our report, however the detailed terms of the proposed amalgamation shall be more fully described and explained in the Scheme document to be submitted with relevant authorities in relation to the proposed amalgamation. Accordingly, the description of the terms and certain other information contained herein is qualified in its entirety by reference to the underlying Scheme.

We understand that the appointed date for the proposed amalgamation shall be 01 April 2021 as defined in the scheme or such other date as the competent authority may direct or approve. We have determined the share exchange ratio for the proposed amalgamation as at the report date.

The scope of our services is to conduct a relative (and not absolute) valuation exercise as at the Valuation Date to determine the equity value of the Transacting Companies using internationally accepted valuation methodologies as may be applicable to the Transacting Companies and then arrive at the share exchange ratio and report on the same in accordance with generally accepted professional standards including ICAI Valuation Standards, 2018 notified by the Institute of Chartered Accountants of India (ICAI).

This report is our deliverable for the said engagement and is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality and in conjunction with the relevant documents referred to therein.

REGISTERED VALUER NK SECURITIES OR FINANCIAL ASSETS

## SOURCES OF INFORMATION

In connection with preparation of this report, we have used and relied on the following sources of information:

### A. Company specific information

Information provided by the Management which includes:

- Limited reviewed unaudited financial statements for the six months' period ended 30 September 2021 and audited financial statements for the financial year ended 31 March 2021 ('FY21') of JUSL;
- Unaudited provisional financial statements for the six months' period ended 30 September 2021 ('PE22') and audited financial statements for the financial year ended 31 March 2021 ('FY21') of JCL;
- Details of key corporate actions initiated in JUSL subsequent to 30 September 2021 until the report date including further issue of shares and conversion of NCCCPS into equity shares.
- Financial projections of the Transacting Companies from 01 April 2021 ('FY22') to 31 March 2026 ('FY26') ('Management Projections') which represent the management's best estimate of the projected future financial performance of the Transacting Companies;
- Draft scheme of arrangement between the Transacting Companies pursuant to which proposed amalgamation is to be undertaken;
- Valuation report dated 06 January 2022 with respect to fair valuation of tangible fixed assets held by the Transacting Companies, prepared and issued by RBSA Valuation Advisors LLP;
- Latest shareholding pattern of the Transacting Companies as at report date;
- Terms of 0.01% non-cumulative compulsory convertible preference shares ('NCCCPS') issued by JUSL and outstanding as at the report date including nature of instrument, dividend rate, conversion terms, tenure, etc;
- Terms of 10.0% non-cumulative non-convertible redeemable preference shares ('NCNCRPS') issued by JCL and JUSL and outstanding as at the report date including nature of instrument, dividend rate, tenure etc.; and
- Discussions and correspondence with the Management in connection with business operations, past trends, key developments, proposed future business plans and prospects, realizability of assets, etc.

### B. Industry and economy information:

- Information available in public domain and databases such as Yahoo Finance, Capitaline, NSE, BSE etc.; and
- Such other information and documents as provided by the Management for the purposes of this engagement.

REGISTE VALUE NK SECURITIES OR FIN

Besides the above listing, there may be other information provided by the Management which may not have been perused by us in detail, if not considered relevant for our defined scope.

We have also considered/ obtained such other analysis, reviews, explanations and information considered reasonably necessary for our exercise, from the Management.

*<<<<< This space has been left blank intentionally>>>>>*

**PROCEDURES ADOPTED**

Procedures used in our analysis included such substantive steps as we considered necessary under the circumstances, including, but not necessarily limited to the following:

- Discussion with the Management to:
  - Understand the business and fundamental factors that affect its earning generating capability including strength, weakness, opportunity and threat analysis and historical financial performance;
  - Enquire about current state of affairs, business plans and the future performance estimates;
- Analysis of information shared by Management;
- Reviewed the draft scheme of arrangement between the Transacting Companies pursuant to which the proposed amalgamation is to be undertaken;
- Reviewed the limited reviewed unaudited financial statements for the six months' period ended 30 September 2021 and audited financial statements for the financial year ended 31 March 2021 ('FY21') of JUSL;
- Reviewed the unaudited provisional financial statements for the six months' period ended 30 September 2021 and audited financial statements for the financial year ended 31 March 2021 ('FY21') of JCL;
- Reviewed the shareholding pattern of the Transacting Companies as at report date;
- Reviewed the terms of 0.01% NCCCPS issued by JUSL and outstanding as at report date including nature of instrument, dividend rate, conversion terms, tenure etc.;
- Reviewed the terms of 10.0% NCNCRPS issued by JCL and JUSL and outstanding as at the report date including nature of instrument, coupon rate, tenure etc.;
- Reviewed the cashflow projections provided by the Management including understanding basis of preparation and the underlying assumptions;
- Confirmed that there was no significant changes in the financial performance of Transacting Companies between 30 September 2021 and the report date except for the funds raised by JUSL by way of further issue and conversion of NCCCPS into equity shares;
- Discussion with the Management with respect to key corporate action initiated in JUSL subsequent to 30 September 2021 until the report date including further share issue and conversion of NCCCPS into equity shares;
- Discussion with the Management with respect to realizability of the assets of the Transacting Companies and adjustments if any, required to their current carrying values;
- Discussion with the Management in relation to existence of any liability including contingent liabilities in addition to the liabilities appearing in the financial statements of the Transacting Companies;
- Considered the fair value of tangible fixed assets held by Transacting Companies based on valuation report dated 06 January 2022, prepared and issued by RBSA Valuation Advisors LLP;

REGISTE VALUE NK SECURITIES OR FIN

- Discussions with the Management to obtain requisite explanation and clarification of data provided;
- Selection of appropriate internationally accepted valuation methodology/ (ies) after deliberations and consideration to the sector in which the Transacting Companies operates;
- Arrived at the valuation of the Transacting Companies using the method/(s) considered appropriate;
- Arrived at the value of equity shares of Transacting Companies after giving due weightage to the value arrived under the different methods;
- Considered the terms of NCNCRPS proposed to be issued as consideration; and
- Arrived at the final share exchange ratio for the proposed amalgamation of JCL with JUSL.

REGISTERED VALUER NK SECURITIES OR FINANCIAL ASSETS

*<<<<<This space has been left blank intentionally>>>>>*

## SHAREHOLDING PATTERN OF TRANSACTING COMPANIES

### A. Jindal United Steel Limited ('JUSL' or 'Amalgamated company')

#### I. Equity Share Capital

The equity shareholding pattern of JUSL as at the report date is set out below:

| Name | Number of shares (Face value INR 10 each) | Percentage % |
|---|---|---|
| OPJ Steel Trading Private Limited | 34,15,89,879 | 74.0% |
| Jindal Stainless Limited | 12,00,18.377 | 26.0% |
| Others | 59 | 0.0% |
| **Total** | **46,16,08,315** | **100.0%** |

#### II. Preference Share Capital

In addition to the above-mentioned equity shares, JUSL has also issued 5,50,31,563 0.01% non-cumulative compulsory convertible preference shares ('NCCCPS') and 8,76,73,311 10% non-cumulative non-convertible redeemable preference shares ('NCNCRPS') both having face value of INR 10/- each to Jindal Stainless Limited.

a) Key terms of above-mentioned NCCCPS is set out below:

| Particular | |
|---|---|
| Nature | Non Cumulative Compulsorily Convertible Preference shares |
| Dividend Rate | 0.01% |
| Face Value | INR 10 each |
| Tenure | On or before 10 years form the date of allotment i.e. 25 October 2018 |
| Conversion Ratio | 1 (One) 0.01% NCCCPS shall be compulsorily convertible into 1 (One) equity share |

| Particular | |
|---|---|
| Nature | Non Cumulative Non Convertible Redeemable Preference shares |
| Dividend Rate | 10.0% |
| Face Value | INR 10 each |
| Tenure | On or before 20 years form the date of allotment i.e. 13 October 2016 |

*<<<<<This space has been left blank intentionally>>>>>*

### B. Jindal Coke Limited ('JCL' or 'Amalgamating Company')

#### I. Equity Share Capital

The equity shareholding pattern of JCL as at the report date is set out below:

| Name | Number of shares (Face value INR 10 each) | Percentage % |
|---|---|---|
| Four Seasons Investments Limited (FSIL) | 2,40,00,000 | 74.0% |
| Jindal Stainless Limited | 84,32,372 | 26.0% |
| Others | 60 | 0.0% |
| **Total** | **3,24,32,432** | **100.0%** |

#### II. Preference Share Capital

In addition to the above-mentioned equity shares, JCL has also issued 10,92,64,641 10% non-cumulative non-convertible redeemable preference shares ('NCNCRPS') having face value of INR 10 each to Jindal Stainless Limited.

Key terms of above-mentioned NCNCRPS is set out below:

| Particular | |
|---|---|
| Number of NCNCRPS | 9,16,47,073 |
| Nature | Non Cumulative Non Convertible Redeemable Preference shares |
| Dividend Rate | 10.0% |
| Face Value | INR 10 each |
| Tenure | On or before 20 years form the date of allotment i.e. 13 October 2016 |

| Particular | |
|---|---|
| Number of NCNCRPS | 1,76,17,568 |
| Nature | Non Cumulative Non Convertible Redeemable Preference shares |
| Dividend Rate | 10.0% |
| Face Value | INR 10 each |
| Tenure | On or before 20 years form the date of allotment i.e. 25 October 2018 |

*<<<<<This space has been left blank intentionally>>>>>*

REGISTERED VALUER NK SECURITIES OR FINANCIAL ASSETS

FINANCIAL OVERVIEW

a) **Jindal United Steel Limited ('JUSL' or 'Amalgamated company')**

Snapshot of the limited reviewed unaudited financial statements for the six months' period ended 30 September 2021 ('PE22') and audited financial statements for the year ended 31 March 2021 ('FY21') of JUSL is set out below:

Balance sheet as at

INR in Crore

| Particulars | 30-Sep-21 Limited reviewed | 31-Mar-21 Audited |
|---|---|---|
| **Equity and liabilities** | | |
| **Shareholders' fund** | | |
| Share capital | 428.4 | 428.4 |
| Other equity | 66.3 | (1.2) |
| **Non current liabilities** | | |
| Long term borrowings | 2,309.8 | 2,563.3 |
| Other non current liabilities | 4.0 | 3.7 |
| **Current liabilities** | | |
| Short term borrowings | 3.9 | 7.5 |
| Trade payables | 199.3 | 78.7 |
| Other current liabilities | 30.8 | 35.0 |
| **Total equity and liabilities** | **3,042.6** | **3,115.4** |
| **Assets** | | |
| **Non current assets** | | |
| Net fixed assets | 2,698.7 | 2,751.6 |
| Other non current assets | 20.3 | 177.6 |
| **Current assets** | | |
| Inventories | 34.3 | 19.8 |
| Trade receivables | 25.5 | 15.8 |
| Cash and cash equivalents | 18.4 | 14.1 |
| Other current assets | 245.5 | 136.5 |
| **Total Assets** | **3,042.6** | **3,115.4** |

Profit and loss for the period/ year ended

INR in Crore

| Particulars | 30-Sep-21 Limited reviewed | 31-Mar-21 Audited |
|---|---|---|
| Revenue from operations | 688.0 | 904.1 |
| **Total revenue** | **688.0** | **904.1** |
| **Expenses** | | |
| Cost of goods sold | (100.0) | (91.4) |
| Employee benefit expense | (13.8) | (25.5) |
| Other expense | (296.4) | (401.1) |
| **EBITDA** | **277.9** | **386.1** |
| Depreciation | (79.5) | (152.7) |
| **EBIT** | **198.4** | **233.5** |
| Finance cost | (122.8) | (304.7) |
| Other income | 28.2 | 7.2 |
| **PBT (before exceptional item)** | **103.8** | **(64.0)** |
| Exceptional item | (0.2) | (0.0) |
| **PBT** | **103.6** | **(64.0)** |
| Tax | (36.2) | 22.7 |
| **PAT** | **67.4** | **(41.4)** |

NIRANJAN KUMAR REGISTERED VALUER SECURITIES OR FINANCIAL ASSETS NK

*<<<<<This space has been left blank intentionally>>>>>*

b) **Jindal Coke Limited ('JCL' or 'Amalgamating Company')**

Snapshot of the unaudited provisional financial statements for the six months' period ended 30 September 2021 and audited financial statements for the year ended 31 March 2021 ('FY21') of JCL is set out below:

**Balance sheet as at**

INR in Crore

| Particulars | 30-Sep-21 Unaudited | 31-Mar-21 Audited |
|---|---|---|
| **Equity and liabilities** | | |
| **Shareholders' Fund** | | |
| Share capital | 32.4 | 32.4 |
| Other equity | 319.7 | 196.2 |
| **Non current liabilities** | | |
| Long term borrowings | 455.9 | 497.1 |
| Other non current liabilities | 72.6 | 54.5 |
| **Current liabilities** | | |
| Short term borrowings | 2.7 | 2.3 |
| Trade payables | 98.2 | 10.8 |
| Other current liabilities | 68.9 | 34.1 |
| **Total equity and liabilities** | **1,050.5** | **827.3** |
| **Assets** | | |
| **Non current assets** | | |
| Net fixed assets | 484.2 | 494.2 |
| Other non current assets | 119.7 | 105.3 |
| **Current assets** | | |
| Inventories | 246.9 | 99.9 |
| Trade receivables | 140.2 | 47.8 |
| Cash and cash equivalents | 11.4 | 48.5 |
| Other current assets | 48.0 | 31.7 |
| **Total Assets** | **1,050.5** | **827.3** |

**Profit and loss for the period/ year ended**

INR in Crore

| Particulars | 30-Sep-21 Unaudited | 31-Mar-21 Audited |
|---|---|---|
| Revenue from operations | 494.1 | 763.5 |
| **Total revenue** | **494.1** | **763.5** |
| **Expenses** | | |
| Cost of goods sold | (250.9) | (532.4) |
| Employee benefit expense | (6.0) | (10.3) |
| Other expense | (49.1) | (73.2) |
| **EBITDA** | **188.2** | **147.6** |
| Depreciation | (10.6) | (20.0) |
| **EBIT** | **177.6** | **127.6** |
| Finance cost | (17.2) | (51.0) |
| Other income | 0.8 | 5.2 |
| **PBT (before exceptional item)** | **161.3** | **81.8** |
| Exceptional item | 2.0 | 1.1 |
| **PBT** | **163.3** | **82.9** |
| Tax | (39.9) | (25.1) |
| **PAT** | **123.4** | **57.8** |

NIRANJAN KUMAR REGISTERED VALUER SECURITIES OR FINANCIAL ASSETS NK

*<<<<<This space has been left blank intentionally>>>>>*

## VALUATION APPROACHES

### Basis and Premise of Valuation

For the purpose of determining the share exchange ratio for proposed amalgamation, valuation of the equity shares of the Transacting Companies as on the report date is carried out in accordance with ICAI Valuation Standards ("ICAI VS"), considering 'Fair Value' base and 'going concern value' premise. Any change in the valuation base, or the valuation premise could have a significant impact on the valuation outcome of the Company.

### Basis of Valuation

It means the indication of the type of value being used in an engagement. Fair Value as per ICAI VS is defined as under: "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 valuation date."

### Premise of Value

Premise of Value refers to the conditions and circumstances how an asset is deployed. Valuation of the Specified Business is carried out on a Going Concern Value premise which is defined under ICAI VS as under:

"Going concern value is the value of a business enterprise that is expected to continue to operate in the future. The intangible elements of going concern value result from factors such as having a trained work force, an operational plant, the necessary licenses, systems, and procedures in place, etc."

It is pertinent to note that the valuation of any business/company or its assets is inherently imprecise and is subject to various uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions considering inter-alia dependency and financial assistance from existing shareholders and general business and economic conditions, many of which are beyond the control of the company. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the business, and other factors which generally influence the valuation of the company, its business and assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although, different values may exist for different purpose, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

NIRANJAN KUMAR
REGISTERED VALUER
NK
SECURITIES OR FINANCIAL ASSETS

The following are commonly used and accepted methods for determining the value of the equity shares of a company:

1. Asset Approach – Net Asset Value method
2. Market Approach:
    a) Market Price method
    b) Comparable Companies Market Multiple method
3. Income Approach – Discounted Cash Flow method

For the proposed amalgamation, we have considered the following commonly used and accepted methods for determining the value of equity shares of the Transacting Companies for the purpose of recommending fair share exchange ratio to the extent relevant and applicable:

**1. Asset Approach - Net Asset Value Method ('NAV')**

The asset-based value analysis technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This methodology is likely to be appropriate for business which derives value mainly from the underlying value of its assets rather than its earnings. This value analysis approach may also be used in case where the firm is to be liquidated or in case where the assets base dominates earning capability. It is also used where the main strength of the business is its asset backing rather than its capacity or potential to earn profits.

*JUSL is primarily engaged in hot rolling and cold rolling of stainless steel on job work basis and has large asset base primarily in plant and machinery. We have therefore used Net Asset Value ('NAV') Method to arrive at the equity value of JUSL.*

*JCL is primarily engaged in manufacturing, processing, finishing and dealing in all kinds and forms of coke and coke products and has large asset base primarily in plant and machinery. We have therefore used Net Asset Value ('NAV') Method to arrive at the equity value of JCL.*

**2. Market Approach**

**a) Market Price Method**

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

*The equity shares of Transacting Companies are not listed on any stock exchange, we have therefore not used this method to arrive at the fair value of equity shares of Transacting Companies.*

**b) Comparable Companies' Multiple (CCM) / Comparable Transaction Method (CTM)**

Under CCM, the value of shares/ business of a company is determined based on market multiples of publicly traded comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. CCM applies multiples derived from similar or 'comparable' publicly traded companies. Although no two companies are entirely alike, the companies selected as comparable companies should be engaged in the same or a similar line of business as the subject company. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

*Based on our discussion with the Management, we understand that there are a no comparable listed companies which operate in a similar line of business and having similar financial/ operating metrics as that of the Transacting Companies, we have therefore not used CCM Method.*

Under CTM, the value of shares/ business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.

*Based on our discussion with the Management, we understand that there are no recent comparable transactions involving companies of similar nature and having a similar operating/ financial metrics as that of the Transacting Companies, we have therefore not used CTM method.*

**3. Income Approach - Discounted Cash Flows Method ('DCF')**

DCF method values a business based upon the available cash flow a prudent investor would expect the subject business to generate over a given period of time. This method is used to determine the present value of a business on a going concern assumption and recognizes the time value of money by discounting the free cash flows for the explicit forecast period and the perpetuity value at an appropriate discount factor. Free cash flows are the cash flows expected to be generated by the company that are available to equity shareholders of the company. The terminal value represents the total value of the available cash flow for all periods subsequent to the forecast period. The terminal value of the business at the end of the forecast period is estimated and discounted to its equivalent present value and added to the present value of the explicit forecast period cash flow to estimate the value of the business.

Using the DCF analysis involves determining the following:

**Estimating future cash flows:**

Free cash flows are the cash flows expected to be generated by the company that are available to all providers of capital.

**Appropriate discount rate to be applied to cash flows i.e., Weighted Average Cost of Capital ('WACC'):**

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and lenders), weighted by their relative contribution to the total capital of a company. The opportunity cost to the capital providers equals the rate of return the capital provider expects to earn on other investments of equivalent risk

To arrive at the total value attributable to the equity shareholders of the business, value arrived through DCF method for the company is adjusted for the value of loans, excess cash, inflow

REGISTE VALUE NK

on exercise of options, non-operating assets/ liabilities (e.g. fair value of investments, any contingent liabilities, etc.). The total value for equity shareholders is then divided by the total number of equity shares (on fully diluted basis) to arrive at the value per share of the company.

*Though JUSL has incurred loss in previous year, going forward, the Management expects JUSL to make profits and generate surplus cash in future, we have therefore used DCF Method to arrive at the equity value of JUSL.*

*JCL is profit making and generate surplus cash, going forward as well JCL is expected to make profits and generate surplus cash, we have therefore used DCF Method to arrive at the equity value of JCL.*

REGISTERED VALUER NK SECURITIES OR FINANCIAL ASSETS

*<<<<< This space has been left blank intentionally>>>>>*

**RECOMMENDATION OF SHARE EXCHANGE RATIO FOR THE PROPOSED AMALGAMATION**

The fair exchange ratio has been arrived at on the basis of a relative (and not absolute) equity value of the Transacting Companies for the proposed scheme of arrangement based on the various methodologies mentioned herein earlier. Suitable rounding off has been carried out wherever necessary to arrive at the recommended share exchange ratio for equity shareholders of JCL.

*Refer Annexure 1 for value per share under different methods prescribed and the share exchange ratio.*

For the preference shareholders holding 10% non-cumulative non-convertible redeemable preference shares ('NCNCRPS') issued by JCL, JUSL will issue 10% NCNCRPS, on the same terms and conditions in all respect as is existing in JCL (Amalgamating Company).

In light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above including scope, limitations and assumptions described in this report, we recommend the share exchange ratio as follows:

a) **To the equity shareholders of JCL**

**10,765 (Ten Thousand Seven Hundred and Sixty-Five)** equity shares of JUSL having a face value of INR 10 each fully paid-up shall be issued **for every 1,000 (One Thousand)** equity shares held in JCL having face value of INR 10 each fully paid-up.

b) **To the preference shareholders of JCL**

1 (One) 10% Non-Cumulative Non-Convertible Redeemable Preference Shares of JUSL having a face value of INR 10 each fully paid-up (with same terms and conditions in all respect at that of existing 10% NCNCRPS issued by JCL); shall be issued for every 1 (One) 10% Non- Cumulative Non-Convertible Redeemable Preference shares held in JCL having face value of INR 10 each fully paid-up.

Respectfully submitted,

Niranjan Kumar
Registered Valuer – Securities or Financial Assets
IBBI Registration Number: IBBI/RV/06/2018/10137
ICAIRVO/06/RV-P000021/2018-19
UDIN: 22121635AAAAAQ8734

Date: 28 January 2022
Place: Pune

## SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us.

This report, its contents and the results herein are specific and subject to:

- the purpose of valuation agreed as per the terms of this engagement;
- the date of the report;
- shareholding pattern of the Transacting Companies as at the report date;
- limited reviewed unaudited financial statement of JUSL for the six months' period ended 30 September 2021;
- unaudited provisional financial statement of JCL for the six months' period ended 30 September 2021;
- realisation of cashflow projections as provided by the Management and the assumptions underlying the financial projections;
- key corporate actions initiated in the Transacting Companies subsequent to 30 September 2021 until the report date including further share issue and conversion of NCCCPS into equity shares;
- terms of 0.01% NCCCPS issued by JUSL and outstanding as at report date including the potential equity dilution upon their conversion into equity shares in the ratio of 1:1;
- terms of 10.0% NCNCRPS issued by JCL and JUSL and outstanding as at the report date including nature of instrument, dividend rate, tenure etc.;
- realizability of the assets (except tangible fixed asset and security deposit) at the values carried in the books of accounts of the Transacting Companies;
- realizability of the tangible fixed assets at the fair value estimated by RBSA Valuation Advisors LLP vide valuation report dated 06 January 2022;
- no additional outflow towards liabilities other than those recorded in the books of accounts of the Transacting Companies; and
- data detailed in the section - Sources of Information

A value analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular. It is based on the information made available to us as of the date of this report, events occurring after that date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The ultimate analysis will have to be tempered by the exercise of judicious discretion by the valuer and judgment taking into account the relevant factors. There will always be several factors e.g. Management capability, present and prospective yield on comparable securities, market sentiment, location specific factors etc., which are not evident on the face of the financial statement but which will strongly influence the worth of equity share of the Transacting Companies.

The recommendation(s) rendered in this report only represent our recommendation(s) based upon information furnished by the Transacting Companies till the date of this report and other sources, and the said recommendation(s) shall be considered to be in the nature of non-binding advice (our recommendation should not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

The determination of fair value for arriving at share exchange ratio is not a precise science and the conclusions arrived at in many cases, will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single fair value. While we have provided our recommendation of the share exchange ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion. The final responsibility for the determination of the share exchange ratio at which the proposed amalgamation shall take place will be with the Board of Directors of the Transacting Companies, who should take into account other factors such as their own assessment of the proposed amalgamation and input of other advisors.

In the course of our analysis, we were provided with both written and verbal information, including market, technical, financial and operating data including information as detailed in the section –Sources of Information.

In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification of:

- the accuracy of information made available to us by the Management which formed a substantial basis for the report; and
- the accuracy of information that was publicly available.

We have not carried out a due diligence or audit or review of the Transacting Companies for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided.

We are not legal or regulatory advisors with respect to legal and regulatory matters for the proposed amalgamation. We do not express any form of assurance that the financial information or other information as prepared and provided by the Companies is accurate. Also, with respect to explanations and information sought from the Management/ Company's advisors, we have been given to understand by the Management that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt.

Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. Our conclusions are based on these assumptions and information given by/ on behalf of the Management. The Management has indicated to us that they have understood that any omissions, inaccuracies, or misstatements may materially affect our recommendation. Accordingly, we assume no responsibility for any errors in the information furnished by the Transacting Companies and their impact on the report. Also, we assume no responsibility for technical information (if any) furnished by the Transacting Companies. However, nothing has come to our attention to indicate that the information provided was materially misstated/ incorrect or would not afford reasonable grounds upon which to base the report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

The report assumes that the Transacting Companies comply fully with relevant laws and regulations applicable in all its areas of operations and that the Company will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this report has given no consideration on to matters of a legal nature, including issues of legal title and compliance with local laws and litigation and other contingent liabilities that are not represented to us by the Management.

REGISTE VALUE NK

This report does not look into the business/ commercial reasons behind the proposed amalgamation nor the likely benefits arising out of the same. Similarly, the report does not address the relative merits of the proposed amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. This report is restricted to recommendation of share exchange ratio for the proposed amalgamation only.

We must emphasize that the latest financials of Transacting Companies as at the report date were not provided by the Management for our value analysis, however the Management has represented that they do not expect any significant changes in financial performance between 30 September 2021 and the report date and key corporate action events post 30 September 2021 have been provided to us which has been considered while undertaking the valuation workings. We have therefore considered the financials as at 30 September 2021 of Transacting Companies for the purpose of our value analysis and adjusted the same for key corporate actions until the report date.

We would like to emphasize that for the purpose of determining fair market value of tangible fixed assets of the Transacting Companies, we have entirely relied on the valuation report dated 06 January 2022 prepared and issued by RBSA Valuation Advisor LLP.

Given that outstanding NCCCPS of JUSL are convertible into equity shares on a 1:1 basis (i.e. 1 (One) NCCCPS would be converted into 1 (One) Equity Share), we have therefore considered the said conversion ratio to arrive at the potential number of equity shares to be issued on conversion of NCCCPS and calculated the per share equity value of JUSL on a fully diluted basis for the purpose of our value analysis.

We have been informed by the Management that they have recently raised funds aggregating to INR 40.0 Crores by further issue of 2,45,39,878 equity shares having face value of INR 10 each. Accordingly, we have added the above-mentioned subscription amount i.e., INR 40.0 Crore to the equity value of JUSL arrived under both methods i.e. NAV method and DCF method.

No investigation of the Company's claim to title of assets has been made for the purpose of this report and the Company's claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts.

We would like to emphasize that as consideration for the proposed amalgamation, preference shareholders of JCL would be issued 10% NCNCRPS of JUSL on the same terms and conditions in all respect as that of existing 10% NCNCRPS in JCL. We have therefore not valued 10% NCNCRPS of Transacting Companies independently, since the right of preference shareholders of JCL would remain same with the issue of same instruments with similar rights for the balance remaining period in JUSL.

We must emphasize that realization of forecasted free cash flow or the realizability of the assets at the values considered in our analysis will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since the financial forecasts relate to the future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences could be material. To the extent that our conclusions are based on the forecasts, we express no opinion on achievability of those forecasts. The fact that we have considered the projections in this valuation exercise should not be construed or taken as our being associated with or a party to such projections.

REGISTERED VALUE NK SECURITIES OR FINA

Certain terms of the proposed amalgamation are stated in our report, however the detailed terms of the proposed amalgamation shall be more fully described and explained in the Scheme document to be submitted with relevant authorities in relation to the proposed amalgamation. Accordingly, the description of the terms and certain other information contained herein is qualified in its entirety by reference to the Scheme document.

The fee for the Engagement is not contingent upon the results reported.

We owe responsibility only to the Board of Directors of the Transacting Companies who have appointed us, and nobody else.

We do not accept any liability to any third party in relation to the issue of this report. It is understood that this analysis does not represent a fairness opinion. In no circumstance shall our liability exceed the amount as agreed in our Engagement Letter.

This valuation report is subject to the laws of India.

Neither the report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the purpose of determining the fair share exchange ratio for the proposed amalgamation and relevant filings with regulatory authorities in this regard, without our prior written consent.

REGISTERED VALUER NK SECURITIES OR FINANCIAL ASSETS

*<<<<<This space has been left blank intentionally>>>>>*

Annexure I:

Summary of equity share exchange ratio

## Amalgamation of JCL ('Amalgamating Company') with JUSL ('Amalgamated Company')

| Company | Amalgamated/ Amalgamating Company | Total value (INR in Crore) | Number of equity shares outstanding | Value per equity share (INR) | Recommended share exchange ratio (Number of equity shares of amalgamated company to be issued for every 1,000 equity shares of amalgamating company) |
|---|---|---|---|---|---|
| Jindal United Steel Limited (Annexure II) | Amalgamated company | 843.0 | 51,66,39,878 | 16.3 | |
| Jindal Coke Limited (Annexure III) | Amalgamating company | 569.7 | 3,24,32,432 | 175.6 | 10,765 |

*Note: Suitable rounding off has been carried out while arriving at the above-mentioned share exchange ratio*

REGISTERED VALUER NK SECURITIES OR FINANCIAL ASSETS

*<<<<<This space has been left blank intentionally>>>>>*

Annexure II

**Jindal United Steel Limited ('JUSL') or ('Amalgamated Company')**

**Calculation of equity value per share of JUSL**

Valuation Methodologies Adopted: Discounted Cashflow ('DCF') Method and Net Asset Value ('NAV') Method.

VALUATION SUMMARY

For the purpose of arriving at the per share equity value of JUSL, we have used mix of Net Asset Value Method ('NAV') Method and Discounted Cashflow ('DCF') Method.

Different values have been arrived under each of the above-mentioned methodologies. However, for the purpose of arriving at the fair value it is necessary to give appropriate weights to the values arrived at under each methodology. Weights have to be assigned after giving due considerations to qualitative factors relevant to the Company.

We have assigned equal weightage to the value arrived under each of the methods for the purpose of arriving at the fair equity value of JUSL.

We would like to emphasize that NCCCPS are convertible into equity shares on a 1:1 basis (i.e. 1 (One) NCCCPS would be converted into 1 (One) Equity Share), we have therefore considered the said conversion ratio to arrive at the potential number of equity shares to be issued on conversion of NCCCPS and calculated the per share equity value on a fully diluted basis for the purpose of our value analysis.

INR in Crore

| Particulars | Equity Value | Weights % | Weighted Equity Value |
|---|---|---|---|
| Net Asset Value (NAV) method | 692.7 | 50.0% | 346.3 |
| Discounted Cash Flow (DCF) method | 993.2 | 50.0% | 496.6 |
| **Equity value of JUSL as at report date** | | | **843.0** |
| No. of equity shares outstanding on fully diluted basis as at report date | | | 51,66,39,878 |
| **Equity Value per share (INR per share) of JUSL as at report date** | | | **16.3** |

### A. Net Asset Value (NAV) Method

We have relied on the limited reviewed unaudited financial statement of JUSL for the six months period ended 30 September 2021 for the purpose of our value analysis.

We must emphasize that the latest financials of JUSL as at the report date were not provided by the Management for our value analysis, however the Management has represented that they do not expect any significant changes in financial performance between 30 September 2021 and the report date and key corporate action events post 30 September 2021 have been provided to us which has been considered while undertaking the valuation workings. We have therefore considered all assets and liabilities appearing in the limited reviewed balance sheet as at 30 September 2021 for the purpose of our analysis.

Further based on the discussion with the Management, we have considered JUSL to be going concern and accordingly have assumed that all the assets (except tangible fixed asset and security deposit) would be realisable at the value at which they are carried in the balance sheet and all the known liabilities have been duly recorded, and there would be no additional cash outflow on account of any unrecorded liability. Accordingly, we have reduced the value of all liabilities from the value of asset to calculate the net asset value of JUSL.

For valuing the tangible fixed asset held by JUSL, we have entirely relied on the valuation report dated 06 January 2022 prepared and issued by RBSA Valuation Advisors LLP.

Based on discussion with the Management, we understand the Company has received refundable security deposit kept with Jindal Stainless Limited ('JSL') amounting to INR 204.6 Crore during October 2021, hence we have considered the same for the purpose of our value analysis.

We have been informed by the Management that they have recently raised funds aggregating to INR 40.0 Crores by further issue of 2,45,39,878 equity shares having face value of INR 10 each. Accordingly, we have added the above-mentioned subscription amount i.e., INR 40.0 Crore to the equity value of JUSL arrived under NAV Method.

The net asset value of JUSL based on the limited reviewed unaudited balance sheet as at 30 September 2021 is set out below:

INR in Crore

| Sr.No. | Particulars | Book Value | Fair Value |
|---|---|---|---|
| A | **Value of assets** | | |
| | **Non current assets** | | |
| | Net fixed assets | 2,698.7 | 2,789.1 |
| | Other non current assets | 20.3 | 20.3 |
| | **Current assets** | | |
| | Inventories | 34.3 | 34.3 |
| | Trade receivables | 25.5 | 25.5 |
| | Cash and cash equivalents | 18.4 | 18.4 |
| | Other current assets | 245.5 | 313.0 |
| | **Total assets (A)** | **3,042.6** | **3,200.6** |
| B | **Value of liabilities** | | |
| | **Non-Current Liabilities** | | |
| | Long term borrowings | 2,155.1 | 2,155.1 |
| | Long term provisions | 4.0 | 4.0 |
| | **Current liabilities** | | |
| | Short term borrowings | 3.9 | 3.9 |
| | Trade payables | 199.3 | 199.3 |
| | Other current liabilities | 30.8 | 30.8 |
| | **Total liabilities (B)** | **2,393.2** | **2,393.2** |
| C | **NAV attributable to shareholders of JUSL (C) = [(A)-(B)]** | **649.4** | **807.4** |
| | **Adjusted for:** | | |
| D | Cash received upon preferential issue of equity shares | | 40.0 |
| E | Redeemable preference share capital as at the report date | (154.7) | (154.7) |
| F | **Adjusted NAV attributable to equity shareholders of JUSL (F) = [(D)+(E)]** | **494.7** | **692.7** |

## B. Discounted Cash Flows ('DCF') Method

The equity value analysis of JUSL as at the report date has been carried out on a going concern basis. In our fair value analysis, we have used DCF method based on the cash flow projections provided to us by the Management ('Management Projections') and have relied on the limited reviewed unaudited financial statements for the six months' period ended 30 September 2021.

The Free Cash Flows to Firm ('FCFF') method has been used to determine the enterprise value of JUSL. The FCFF method involves an estimation of post-tax-free cash flows over the forecast period after considering the entity's requirements for reinvestment in terms of capital expenditure, incremental working capital, project specific needs etc. The free cash flows represent the cash available for distribution to both the owners of and lenders to the business.

REGISTE VALUE NK OR FINI

The free cash flows are discounted by the Weighted Average Cost of Capital (WACC) to arrive at the enterprise value. The WACC represents the returns required by the investors of debt and equity weighed to their relative funding in the entity. The returns expected would depend on the perceived level of risk associated with the business of the Company and the industry in which the entity operates.

For arriving at the enterprise value of JUSL, we have relied on the Management projections for the period from FY22 to FY26, as prepared and provided to us by the Management (as set out on subsequent pages). We did not carry out any validation procedures or due diligence with respect to the information provided/ extracted or carry out any verification of the assets or comment on the achievability of the assumptions underlying the Management Projections, save for satisfying ourselves to the extent possible that they are consistent with other information provided to us during the course of this engagement.

We must emphasize that the latest financials of JUSL as at the report date were not provided by the Management for our value analysis, however the Management has represented that they do not expect any significant changes in financial performance between 30 September 2021 and the report date and key corporate action events post 30 september 2021 have been provided to us which has been considered while undertaking the valuation workings. We have therefore considered all assets and liabilities appearing in the limited reviewed balance sheet as at 30 September 2021 for the purpose of our analysis. Further, we have adjusted the actual performance for the six months' period ended 30 September 2021 from the annual estimate of FY22 in order to arrive at the projected cash flow for the remaining six months' period from 01 October 2021 to 31 March 2022 ('PE22').

The projected free cash flows based on these financial projections are set out on below:

INR in Crore

| Particulars | PE22* | FY23 | FY24 | FY25 | FY26 | Terminal |
|---|---|---|---|---|---|---|
| **EBITDA (excluding other income)** | **227.7** | **546.1** | **576.4** | **606.6** | **667.0** | **667.0** |
| Depreciation | (79.5) | (162.4) | (178.0) | (193.7) | (197.5) | (200.0) |
| **EBIT** | **148.2** | **383.7** | **398.4** | **412.9** | **469.5** | **467.0** |
| Tax Expense | (65.1) | (67.0) | (69.6) | (72.1) | (82.0) | (117.5) |
| **EBIT (net of tax)** | **83.2** | **316.7** | **328.8** | **340.7** | **387.5** | **349.5** |
| **Adjustments for:** | | | | | | |
| Depreciation | 79.5 | 162.4 | 178.0 | 193.7 | 197.5 | 200.0 |
| Changes in working capital | (69.9) | 10.9 | 2.3 | 2.3 | 4.6 | - |
| Capital expenditure | (79.4) | (265.0) | (220.0) | (65.0) | (65.0) | (65.0) |
| **Free Cashflow to Firm (FCFF)** | **13.4** | **224.9** | **289.1** | **471.7** | **524.6** | **484.5** |

**PE22: Six months period ended 31 March 2022*

*FYXX: Financial year ended 31 March 20XX*

**Terminal cash flow (terminal value)**

The terminal value refers to the present value of the business as a going concern beyond the period of projections up to infinity. This value is estimated taking into account expected growth rates of the business in future, sustainable capital investments required for the business as well as the estimated growth rate of the industry and economy.

Based on discussions with the Management, we understand that taking into consideration the growth outlook, demand prospects etc., the Company does not expect significant growth beyond FY26. Hence, the cash flow of FY26 has been used as the base to determine the terminal value and suitable adjustments have been made to the same based on discussion with the management. The terminal value after discounting has been estimated at **INR 1,851.7 crore**.

**Discount factor**

The discount factor considered for arriving at the present value of the FCFF is the WACC, which comprises of cost of debt and equity *(Detailed working set out in subsequent pages)*

The WACC has been estimated at 15.0% after giving appropriate allowances for illiquidity of shares and company specific risk including risk associated with achieving the financial projections, etc.

Given that cashflows are estimated to accrue evenly over the year, we have used the mid-period discounting convention to discount the cash flows.

**Other Consideration**

To arrive at the equity value of JUSL, enterprise value arrived using DCF Method has been adjusted for the following :-

a) **Gross debt**

Gross debt outstanding as at 30 September 2021 comprises of term loan from bank, 10.0% NCNCRPS and inter corporate loan from related party aggregating to an amount of INR 2,313.7 crore.

b) **Surplus assets**

Surplus assets as at 30 September 2021 comprises of investments in mutual funds, investments in equity shares of Jindal Stainless Limited and cash and cash equivalents aggregating to an amount of INR 95.1 crore.

c) **Security Deposit**

Based on discussion with the Management, we understand that Company has received refundable security deposit kept with Jindal Stainless Limited ('JSL') amounting to INR 204.6 Crore during October 2021, hence we have considered the same for the purpose or our value analysis.

d) **Present value of MAT credit**

Based on discussion with the Management, we understand that Company has brought forward unabsorbed depreciation as at 31 March 2021 and therefore the Company will set off the said unabsorbed depreciation against the taxable income for the respective years till FY27 and would pay MAT at the rate of 17.5% of book profits.

Given this background, Company would have accumulated MAT credit amounting to INR 230.8 Crore till FY27 which will be utilized by the Company in the future years. Further, we also understand that upon full utilization of accumulated MAT credit, the Company will transition into the new tax regime and pay corporate tax at the rate of 25.2%.

Accordingly, for the purpose of calculating the terminal value we have considered tax rate of 25.2% and have also considered the present value of MAT credit utilization in the future years amounting to INR 77.7 Crore.

e) **Cash received upon preferential issue of equity shares.**

We have been informed by the management that they have recently raised funds aggregating to INR 40.0 Crores by further issue of 2,45,39,878 equity shares having face value of INR 10

NIRANJAN KUMAR REGISTERED VALUER SECURITIES OR FINANCIAL ASSETS NK each. Accordingly, we have added the above-mentioned subscription amount i.e., INR 40.0 Crore to the equity value of JUSL arrived under DCF method.

**Calculation of equity value of JUSL as at the report date under DCF Method is set out below:**

INR in Crore

| Particulars | PE22* | FY23 | FY24 | FY25 | FY26 | Total |
|---|---|---|---|---|---|---|
| **Free Cashflow to Firm** | 13.4 | 224.9 | 289.1 | 471.7 | 524.6 | |
| Discounting Factor | 0.97 | 0.87 | 0.76 | 0.66 | 0.57 | |
| **Discounted cash flows** | 12.9 | 195.7 | 218.7 | 310.4 | 300.2 | 1,037.9 |
| Terminal Value | | | | | | 1,851.7 |
| **Enterprise Value of JUSL as at report date** | | | | | | 2,889.5 |
| **Adjustments for:** | | | | | | |
| Gross debt outstanding as at 30 September 2021 | | | | | | (2,313.7) |
| Surplus assets as at 30 September 2021 | | | | | | 95.1 |
| Refund of security deposit from JSL | | | | | | 204.6 |
| Present value of MAT credit utilisation | | | | | | 77.7 |
| Cash received upon preferential issue of equity shares | | | | | | 40.0 |
| **Equity value of JUSL as at report date** | | | | | | **993.2** |

**PE22: Six months period ended 31 March 2022*

*FYXX: Financial year ended 31 March 20XX*

Following is the summary of financial projections provided by the Management of JUSL:

a) **Projected Balance Sheet**

Balance sheet as at

INR in Crore

| Particulars | 31-Mar-22 Projected | 31-Mar-23 Projected | 31-Mar-24 Projected | 31-Mar-25 Projected | 31-Mar-26 Projected |
|---|---|---|---|---|---|
| **Equity and liabilities** | | | | | |
| Share capital | 482.5 | 482.5 | 482.5 | 482.5 | 482.5 |
| Other equity | 159.6 | 305.8 | 465.5 | 640.2 | 864.5 |
| **Non current liabilities** | | | | | |
| Long term borrowings | 1,976.2 | 1,950.0 | 1,917.7 | 1,882.6 | 1,838.9 |
| Other non current liabilities | 158.3 | 158.3 | 158.3 | 158.3 | 158.3 |
| **Current liabilities** | | | | | |
| Short term borrowings | 19.1 | 27.9 | 34.0 | 36.7 | 45.4 |
| Trade payables | 78.5 | 80.3 | 85.3 | 90.2 | 100.1 |
| Other current liabilities | 41.3 | 51.3 | 51.3 | 51.3 | 51.3 |
| **Total equity and liabilities** | **2,915.5** | **3,056.2** | **3,194.5** | **3,341.9** | **3,541.0** |
| **Assets** | | | | | |
| **Non current assets** | | | | | |
| Net fixed assets | 2,698.5 | 2,801.1 | 2,843.1 | 2,714.4 | 2,582.0 |
| Other non current assets | 3.7 | 3.7 | 3.7 | 3.7 | 3.7 |
| **Current assets** | | | | | |
| Inventories | 23.1 | 23.6 | 25.1 | 26.5 | 29.4 |
| Trade receivables | 18.5 | 18.9 | 20.1 | 21.2 | 23.5 |
| Cash and cash equivalents | 91.6 | 128.7 | 222.5 | 495.9 | 822.3 |
| Other current assets | 80.1 | 80.1 | 80.1 | 80.1 | 80.1 |
| **Total assets** | **2,915.5** | **3,056.2** | **3,194.5** | **3,341.9** | **3,541.0** |

REGISTERED VALUER NK

*<<<<<This space has been left blank intentionally>>>>>*

b) **Projected Statement of Profit and Loss**

Profit and loss statement for the year ended

INR in Crore

| Particulars | 31-Mar-22 Projected | 31-Mar-23 Projected | 31-Mar-24 Projected | 31-Mar-25 Projected | 31-Mar-26 Projected |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Revenue from operations | 1,108.4 | 1,134.0 | 1,203.6 | 1,273.2 | 1,412.5 |
| **Total revenue** | **1,108.4** | **1,134.0** | **1,203.6** | **1,273.2** | **1,412.5** |
| **Expenses** | | | | | |
| Employee benefit expenses | (26.4) | (26.4) | (28.7) | (31.1) | (35.7) |
| Other expenses | (550.6) | (561.4) | (598.5) | (635.6) | (709.8) |
| **EBITDA** | **531.4** | **546.1** | **576.4** | **606.6** | **667.0** |
| Depreciation | (159.0) | (162.4) | (178.0) | (193.7) | (197.5) |
| **EBIT** | **372.4** | **383.7** | **398.3** | **412.9** | **469.5** |
| Finance cost | (200.0) | (206.5) | (204.9) | (201.2) | (197.7) |
| Other income | 22.5 | - | - | - | - |
| **PBT** | **194.8** | **177.2** | **193.4** | **211.7** | **271.8** |
| Tax expense | (34.0) | (31.0) | (33.8) | (37.0) | (47.5) |
| **PAT** | **160.8** | **146.3** | **159.6** | **174.7** | **224.3** |

NIRANJAN KUMAR • SECURITIES OR FINANCIAL ASSETS • REGISTERED VALUER NK

*<<<<<This space has been left blank intentionally>>>>>*

Discount Factor:

**Calculation of Weighted Average Cost of Capital ('WACC') used for the purpose of discounting:**

WACC has been calculated using the below formula:

**WACC = $r_d$*(1-t) *D/ (D+E) + $r_e$*E/ (D+E);**

Where 'D' and 'E' represents debt and equity respectively; and "$r_d$*(1-t)" represents **cost of debt (post-tax)** and "$r_e$" represents **cost of equity**.

- The cost of debt (post-tax) has been computed using the formula:

  **$r_D$ (post-tax) = $r_D$ (pre-tax)*(1-t)**

  Where $r_D$ (post-tax) = Cost of debt (post tax); $r_D$ (pre-tax) = Cost of debt (pre-tax); t = tax rate applicable to the company

- The cost of equity ($r_E$) has been computed using the Capital Asset Pricing Model ('CAPM') formula:

  **$r_E = r_F + \beta(r_M - r_F)$ + company specific risk premium**

  Where $r_F$ = Risk free rate; $r_M$=Market return; $\beta$=Sensitivity to the market/ measure of market risk

Calculation of WACC:

(i) **Calculation of cost of equity using CAPM Model**

| Particulars | |
|---|---|
| Risk-free rate (A) | 6.2% |
| Equity risk premium (B) | 6.4% |
| Relevered beta (C) | 1.87 |
| **Cost of equity before considering company specific risk [(D) = ((A)+((B)*(C))]** | **18.2%** |
| Company specific risk premium (E) | 4.0% |
| **Adjusted cost of equity [(F) = (D)+(E)]** | **22.2%** |

**(ii) Calculation of cost of debt (post-tax):**

| Particulars | |
|---|---|
| Cost of debt (pre tax) (A) | 10.4% |
| Tax rate (B) | 25.2% |
| **Cost of debt (post tax) [(C)=(A)*(1-(B))]** | **7.8%** |

**(iii) Calculation of WACC**

| Particulars | Weights | Cost (%) | Weighted Cost |
|---|---|---|---|
| Cost of equity (ke) | 50.0% | 22.2% | 11.1% |
| Cost of debt (kd) | 50.0% | 7.8% | 3.9% |
| **WACC** | | | **15.0%** |

NIRANJAN KUMAR REGISTERED VALUER SECURITIES OR FINANCIAL ASSETS NK

**Note:**

a) Risk-free rate: Average 3 months daily yield of 10 Year Indian Government Bond.

b) Equity risk premium: Aswath Damodaran database on country wise equity risk premium (ERP).

c) Cost of debt: Based on discussion with the Management, we understand that to fund the business operations and capex requirements of the company, it can avail loan from financial institutions at an interest rate of 10.4%.

d) Cost of equity calculated using CAPM formula as mentioned above have been adjusted for various factors such as:

   i) uncertainty associated with future financial projections (i.e. projections risk);

   ii) JUSL being an unlisted company

   In light of above, we have therefore considered a risk premium of 4.0% to arrive at the adjusted cost of equity.

e) Calculation of Levered Beta used for the purpose of Cost of Equity (COE):

   Levered beta applicable for JUSL is calculated using the below formula:

   $B_L = B_U * [1 + ((1 - t) \times D/E)]$

Where $B_L$ is levered beta applicable to JUSL; $B_U$ is mean of unlevered beta of peer companies; 't' is tax rate applicable to JUSL; and 'D' and 'E' refers to debt and equity respectively.

Unlevered beta of the following companies has been considered to calculate the levered beta applicable to JUSL for arriving at the cost of equity of JUSL:

INR in Crore

| Company | Business Description | Levered Beta* | Market Capitalization | Net Debt | Debt-Equity Ratio | Tax Rate | Unlevered Beta |
|---|---|---|---|---|---|---|---|
| Jindal Stainless Limited | Jindal Stainless Limited is engaged in the manufacturing of stainless steel products. The Company produces stainless steel slabs, HR coils, CR coils and plates across all grades as well as operates ferro chrome mining, power plant and ferro alloy facilities | 1.86 | 9,328.0 | 2,793.1 | 0.3 | 34.9% | 1.07 |
| Jindal Stainless (Hisar) Limited | Jindal Stainless (Hisar) Limited is engaged in the manufacturing of stainless steel products. It produces stainless steel strips for razor blades, and coin blanks, serving the needs of Indian and international mints. The company's product range includes slabs and blooms, hot rolled coils, cold rolled coils, plates, blade steel, coin blanks, and precision strips. | 1.87 | 7,745.5 | 512.9 | 0.1 | 25.2% | 1.07 |
| | | | | | | | 1.07 |

* Source: Capitaline

Calculation of levered beta for cost of equity:

| Particulars | |
|---|---|
| Unlevered Beta (A) | 1.07 |
| Tax rate (B) | 25.2% |
| Debt-Equity Ratio (C) | 1.00 |
| **Re-levered Beta [(D) = (A)*(1+((1-B)*(C))]** | **1.87** |

REGISTERED VALUER
NK
SECURITIES OR FINANCIAL ASSETS

Annexure III

**Jindal Coke Limited ('JCL' or 'Amalgamating Company')**

**Calculation of equity value per share of JCL.**

Valuation Methodologies Adopted: Discounted Cashflow ('DCF') Method and Net Asset Value ('NAV') Method.

## VALUATION SUMMMARY

For the purpose of arriving at the per share equity value of JCL, we have used mix of Net Asset Value Method ('NAV') Method and Discounted Cashflow ('DCF') Method.

Different values have been arrived under each of the above-mentioned methodologies. However, for the purpose of arriving at the fair value it is necessary to give appropriate weights to the values arrived at under each methodology. Weights have to be assigned after giving due considerations to qualitative factors relevant to the Company.

We have assigned equal weightage to the value arrived under each of the methods for the purpose of arriving at the fair equity value of JCL.

INR in Crore

| Particulars | Equity Value | Weights % | Weighted Equity Value |
|---|---|---|---|
| Net Asset Value (NAV) method | 338.4 | 50.0% | 169.2 |
| Discounted Cash Flow (DCF) method | 801.0 | 50.0% | 400.5 |
| **Equity value of JCL as at report date** | | | **569.7** |
| No. of equity shares outstanding as at report date | | | 3,24,32,432 |
| **Equity Value per share (INR per share) of JCL as at report date** | | | **175.6** |

## A. Net Asset Value (NAV) Method

We have relied on the unaudited provisional financial statement of JCL for the six months period ended 30 September 2021 for the purpose of our value analysis.

We must emphasize that the latest financials of JCL as at the report date were not provided by the Management for our value analysis, however the Management has represented that they do not expect significant change in net asset position between 30 September 2021 and the report date. We have therefore considered all assets and liabilities appearing in the unaudited provisional balance sheet as at 30 September 2021 for the purpose of our analysis.

Further based on the discussion with the Management, we have considered JCL to be going concern and accordingly have assumed that all the assets (except tangible fixed asset and security deposit) would be realisable at the value at which they are carried in the balance sheet and all the known liabilities have been duly recorded, and there would be no additional cash outflow on account of any unrecorded liability. Accordingly, we have reduced the value of all liabilities from the value of asset to calculate the net asset value of JCL.

For valuing the tangible fixed asset held by JCL, we have entirely relied on the valuation report dated 06 January 2022 prepared and issued by RBSA Valuation Advisors LLP.

Based on discussion with the Management, we understand that Company has kept refundable security deposit amounting to INR 125.0 Crore with Jindal Stainless Limited ('JSL'). For the purpose of calculating the net asset value attributable to equity shareholders as at the report

REGISTER VALUER NK SECURITIES OR FINA

date, we have considered the amount of INR 125 Crore to be realisable value instead of its book value reported as per Ind-AS.

Based on discussion with the Management, we understand that Company has decided to transition into the new tax regime and pay corporate tax at the rate of 25.2%. Considering this MAT credit amounting to INR 30.0 crore available with Company as at 30 September 2021 does not have any realisable value, hence we have considered the same for the purpose of our valuation analysis.

The net asset value of JCL based on the unaudited provisional balance sheet as at 30 September 2021 is set out below:

INR in Crore

| Sr.No. | Particulars | Book Value | Fair Value |
|---|---|---|---|
| A | **Value of assets** | | |
| | **Non current assets** | | |
| | Net fixed assets | 484.2 | 485.3 |
| | Other non current assets | 119.7 | 139.7 |
| | **Current assets** | | |
| | Inventories | 246.9 | 246.9 |
| | Trade receivables | 140.2 | 140.2 |
| | Cash and cash equivalents | 11.4 | 11.4 |
| | Other current assets | 48.0 | 43.3 |
| | **Total assets (A)** | **1,050.5** | **1,066.8** |
| B | **Value of liabilities** | | |
| | **Non-Current Liabilities** | | |
| | Long term borrowings | 346.7 | 346.7 |
| | Long term provisions | 1.6 | 1.6 |
| | Deferred tax liabilities (Net) | 71.0 | 101.1 |
| | **Current liabilities** | | |
| | Short term borrowings | 2.7 | 2.7 |
| | Trade payables | 98.2 | 98.2 |
| | Other current liabilities | 68.9 | 68.9 |
| | **Total liabilities (B)** | **589.1** | **619.1** |
| C | **NAV attributable to shareholders of JCL (C) = [(A)-(B)]** | **461.4** | **447.6** |
| | **Adjusted for:** | | |
| D | Redeemable preference share capital as at the report date | (109.3) | (109.3) |
| E | **Adjusted NAV attributable to equity shareholders of JCL (E) = [(C)+(D)]** | **352.1** | **338.4** |

## B. Discounted Cash Flows ('DCF') Method

The equity value analysis of JCL as at the report date has been carried out on a going concern basis. In our fair value analysis, we have used DCF method based on the cash flow projections provided to us by the Management ('Management Projections') and have relied on the unaudited provisional financial statements for the six months' period ended 30 September 2021.

The Free Cash Flows to Firm ('FCFF') method has been used to determine the enterprise value of JCL. The FCFF method involves an estimation of post-tax-free cash flows over the forecast period after considering the entity's requirements for reinvestment in terms of capital expenditure, incremental working capital, project specific needs etc. The free cash flows represent the cash available for distribution to both the owners of and lenders to the business.

The free cash flows are discounted by the Weighted Average Cost of Capital (WACC) to arrive at the enterprise value. The WACC represents the returns required by the investors of debt and equity weighed to their relative funding in the entity. The returns expected would depend on the perceived level of risk associated with the business of the Company and the industry in which the entity operates.

For arriving at the enterprise value of JCL, we have relied on the Management projections for the period from FY22 to FY26, as prepared and provided to us by the Management (as set out on subsequent pages). We did not carry out any validation procedures or due diligence with respect to the information provided/ extracted or carry out any verification of the assets or comment on the achievability of the assumptions underlying the Management Projections, save for satisfying ourselves to the extent possible that they are consistent with other information provided to us during the course of this engagement.

We must emphasize that the latest financials as at the report date were not provided by the Management for our value analysis, however the Management has represented that they do not expect significant change in net asset position between 30 September 2021 and the report date. We have therefore considered the financials as at 30 September 2021 for the purpose of our value analysis. Further, we have adjusted the actual performance for the six months' period ended 30 September 2021 from the annual estimate of FY22 in order to arrive at the projected cash flow for the remaining six months' period from 01 October 2021 to 31 March 2022 ('PE22').

The projected free cash flows based on these financial projections are set below:

INR in Crore

| Particulars | PE22* | FY23 | FY24 | FY25 | FY26 | Terminal |
|---|---|---|---|---|---|---|
| **EBITDA (excluding other income and non operating expenses)** | **130.4** | **217.2** | **209.7** | **244.8** | **303.3** | **252.5** |
| Depreciation | (10.5) | (21.7) | (28.5) | (35.4) | (36.1) | (40.0) |
| **EBIT** | **119.9** | **195.6** | **181.2** | **209.3** | **267.2** | **212.5** |
| Tax expense | (27.2) | (45.2) | (24.6) | (29.8) | (60.0) | (53.5) |
| **EBIT (net of tax)** | **92.7** | **150.3** | **156.5** | **179.6** | **207.3** | **159.0** |
| **Adjustments for:** | | | | | | |
| Depreciation | 10.5 | 21.7 | 28.5 | 35.4 | 36.1 | 40.0 |
| Changes in working capital | 192.5 | 3.3 | (11.5) | (24.2) | (18.3) | - |
| Capital expenditure | (99.4) | (165.0) | (165.0) | (20.0) | (20.0) | (20.0) |
| **Free Cashflow to Firm (FCFF)** | **196.2** | **10.3** | **8.6** | **170.7** | **205.1** | **179.0** |

**PE22: Six months period ended 31 March 2022*

*FYXX: Financial year ended 31 March 20XX*

### Terminal cash flow (terminal value)

The terminal value refers to the present value of the business as a going concern beyond the period of projections up to infinity. This value is estimated taking into account expected growth rates of the business in future, sustainable capital investments required for the business as well as the estimated growth rate of the industry and economy.

Based on discussions with the Management, we understand that taking into consideration the growth outlook, demand prospects etc., the Company does not expect significant growth beyond FY26. Hence, the cash flow of FY26 has been used as the base to determine the terminal value and suitable adjustments have been made to the same based on discussion with the management. The terminal value after discounting has been estimated at **INR 789.6 crore**.

REGISTERED VALUER NK

**Discount factor**

The discount factor considered for arriving at the present value of the FCFF is the WACC, which comprises of cost of debt and equity.

The WACC using the above parameters has been estimated at 13.6% after giving appropriate allowances for illiquidity of shares and company specific risk including risk associated with achieving the financial projections, etc.

Given that cashflows are estimated to accrue evenly over the year, we have used the mid-period discounting convention to discount the cash flows.

**Other Consideration**

To arrive at the equity value of JCL, enterprise value arrived using DCF Method has been adjusted for the following :-

a) **Gross debt**

Gross debt outstanding as at 30 September 2021 comprises of term loan from bank and 10.0% NCNCRPS aggregating to an amount of INR 458.6 crore.

b) **Surplus assets**

Surplus assets as at 30 September 2021 comprises of investments in equity shares of Jindal Stainless Limited and cash and cash equivalents aggregating to an amount of INR 11.7 crore.

c) **Security Deposit**

Based on discussion with the Management, we understand that Company has kept refundable security deposit amounting to INR 125.0 crore with Jindal Stainless Limited ('JSL') for the period of 25 years i.e., upto FY33 and the fair value of the same as at 30 September 2021 is INR 13.1 crore. We have therefore considered the same for the purpose of our value analysis.

**Calculation of equity value per share for JCL as at the report date using the DCF method is set out below:**

INR in Crore

| Particulars | PE22* | FY23 | FY24 | FY25 | FY26 | Total |
|---|---|---|---|---|---|---|
| **Free Cashflow to Firm** | **196.2** | **10.3** | **8.6** | **170.7** | **205.1** | |
| Discounting Factor | 0.97 | 0.88 | 0.77 | 0.68 | 0.60 | |
| **Discounted cash flows** | **190.1** | **9.0** | **6.6** | **116.4** | **123.1** | 445.3 |
| Terminal Value | | | | | | 789.6 |
| **Enterprise Value of JCL as at report date** | | | | | | 1,234.8 |
| **Adjustments for:** | | | | | | |
| Gross debt outstanding as at 30 September 2021 | | | | | | (458.6) |
| Surplus assets as at 30 September 2021 | | | | | | 11.7 |
| Fair value of refundable security deposit | | | | | | 13.1 |
| **Equity value of JCL as at report date** | | | | | | **801.0** |

**PE22: Six months period ended 31 March 2022*

*FYXX: Financial year ended 31 March 20XX*

REGISTERED VALUER NK SECURITIES OR FINANCIAL ASSETS

Following is the summary of financial projections provided by the Management of JCL:

a) Projected Balance Sheet

Balance sheet as at

INR in Crore

| Particulars | 31-Mar-22 Projected | 31-Mar-23 Projected | 31-Mar-24 Projected | 31-Mar-25 Projected | 31-Mar-26 Projected |
|---|---|---|---|---|---|
| **Equity and liabilities** | | | | | |
| Share capital | 32.4 | 32.4 | 32.4 | 32.4 | 32.4 |
| Other equity | 398.2 | 521.4 | 648.1 | 799.4 | 983.0 |
| **Non current liabilities** | | | | | |
| Long term borrowings | 440.8 | 437.4 | 419.6 | 394.9 | 369.7 |
| Other non current liabilities | 72.5 | 72.5 | 72.5 | 72.5 | 72.5 |
| **Current liabilities** | | | | | |
| Short term borrowings | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Trade payables | 75.9 | 69.5 | 73.3 | 85.3 | 105.2 |
| Other current liabilities | 37.2 | 37.4 | 51.9 | 58.7 | 59.2 |
| **Total equity and liabilities** | **1,062.0** | **1,175.7** | **1,302.9** | **1,448.3** | **1,627.1** |
| **Assets** | | | | | |
| **Non current assets** | | | | | |
| Net fixed assets | 573.2 | 716.5 | 852.9 | 837.5 | 821.5 |
| Other non current assets | 101.9 | 98.8 | 95.9 | 93.2 | 90.8 |
| **Current assets** | | | | | |
| Inventories | 145.4 | 133.2 | 140.6 | 163.5 | 201.7 |
| Trade receivables | 46.3 | 48.9 | 56.9 | 70.2 | 70.2 |
| Cash and cash equivalents | 163.6 | 146.8 | 125.1 | 252.4 | 411.5 |
| Other current assets | 31.5 | 31.5 | 31.5 | 31.5 | 31.5 |
| **Total assets** | **1,062.0** | **1,175.7** | **1,302.9** | **1,448.3** | **1,627.1** |

REGISTERED VALUER NK SECURITIES OR FINANCIAL ASSETS

*<<<<< This space has been left blank intentionally>>>>>*

b) **Projected Statement of Profit and Loss**

**Profit and loss statement for the year ended**

INR in Crore

| Particulars | 31-Mar-22 Projected | 31-Mar-23 Projected | 31-Mar-24 Projected | 31-Mar-25 Projected | 31-Mar-26 Projected |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Revenue from operations | 1,011.5 | 926.7 | 977.9 | 1,137.3 | 1,403.0 |
| **Total revenue** | **1,011.5** | **926.7** | **977.9** | **1,137.3** | **1,403.0** |
| **Expenses** | | | | | |
| Employee benefit expenses | (10.4) | (10.4) | (10.5) | (10.5) | (10.5) |
| Other expenses | (682.6) | (699.1) | (757.7) | (882.0) | (1,089.2) |
| **EBITDA** | **318.6** | **217.2** | **209.7** | **244.8** | **303.3** |
| Depreciation | (21.0) | (21.7) | (28.5) | (35.4) | (36.1) |
| **EBIT** | **297.5** | **195.6** | **181.2** | **209.3** | **267.2** |
| Finance cost | (33.2) | (32.5) | (32.3) | (31.0) | (28.7) |
| Other non operating expenses | (4.8) | (4.8) | (4.8) | (4.8) | (4.8) |
| Exceptional items | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Other income | 1.5 | 1.7 | 1.9 | 2.1 | 2.3 |
| **PBT** | **262.0** | **161.0** | **147.0** | **176.7** | **237.1** |
| Tax expense | (60.0) | (37.7) | (20.3) | (25.4) | (53.5) |
| **PAT** | **202.0** | **123.2** | **126.7** | **151.3** | **183.5** |

NIRANJAN KUMAR REGISTERED VALUER SECURITIES OR FINANCIAL ASSETS NK

*<<<<< This space has been left blank intentionally>>>>>*

**Calculation of Weighted Average Cost of Capital ('WACC') used for the purpose of discounting:**

WACC has been calculated using the below formula:

**WACC = $r_d$*(1-t) *D/ (D+E) + $r_e$*E/ (D+E);**

Where 'D' and 'E' represents debt and equity respectively; and "$r_d$*(1-t)" represents **cost of debt (post-tax)** and "$r_e$" represents **cost of equity**.

- The cost of debt (post-tax) has been computed using the formula:

  **$r_D$ (post-tax) = $r_D$ (pre-tax)*(1-t)**

  Where $r_D$ (post-tax) = Cost of debt (post tax); $r_D$ (pre-tax) = Cost of debt (pre-tax); t = tax rate applicable to the company

- The cost of equity ($r_E$) has been computed using the Capital Asset Pricing Model ('CAPM') formula:

  **$r_E = r_F + \beta(r_M - r_F)$ + company specific risk premium**

  Where $r_F$ = Risk free rate; $r_M$=Market return; $\beta$=Sensitivity to the market/ measure of market risk

**Calculation of WACC:**

**(i) Calculation of cost of equity using CAPM Model:**

| Particulars | |
|---|---|
| Risk-free rate (A) | 6.2% |
| Equity risk premium (B) | 6.4% |
| Relevered beta (C) | 1.39 |
| **Cost of equity before considering company specific risk [(D) = ((A)+((B)*(C))]** | **15.1%** |
| Company specific risk premium (E) | 5.0% |
| **Adjusted cost of equity [(F) = (D)+(E)]** | **20.1%** |

**(ii) Calculation of cost of debt (post-tax):**

| Particulars | |
|---|---|
| Cost of debt (pre tax) (A) | 9.5% |
| Tax rate (B) | 25.2% |
| **Cost of debt (post tax) [(C)=(A)*(1-(B))]** | **7.1%** |

**(iii) Calculation of WACC:**

| Particulars | Weights | Cost (%) | Weighted Cost |
|---|---|---|---|
| Cost of equity (ke) | 50.0% | 20.1% | 10.1% |
| Cost of debt (kd) | 50.0% | 7.1% | 3.6% |
| **WACC** | | | **13.6%** |

NIRANJAN KUMAR
REGISTERED VALUER
NK
SECURITIES OR FINANCIAL ASSETS

**Note:**

a) Risk-free rate: Average 3 months daily yield of 10 Year Indian Government Bond.

b) Equity risk premium: Aswath Damodaran database on country wise equity risk premium (ERP).

c) Cost of debt: Based on discussion with the Management, we understand that to fund the business operations and capex requirements of the company, it can avail loan from financial institutions at an interest rate of 9.5%.

d) Cost of equity calculated using CAPM formula as mentioned above have been adjusted for various factors such as:

i. uncertainty associated with future financial projections (i.e. projections risk);

ii. JCL being an unlisted company

In light of above, we have therefore considered a risk premium of 5.0% to arrive at the adjusted cost of equity.

e) Calculation of Levered Beta used for the purpose of Cost of Equity (COE):

Levered beta applicable for JCL is calculated using the below formula:

BL = BU * [1 + ((1 - t) x D/E)]

Where BL is levered beta applicable to JCL; BU is mean of unlevered beta of peer companies; 't' is tax rate applicable to JCL; and 'D' and 'E' refers to debt and equity respectively.

Unlevered beta of the following companies has been considered to calculate the levered beta applicable to JCL for arriving at the cost of equity of JCL:

INR in Crore

| Company | Business Description | Levered Beta* | Market Capitalization | Net Debt | Debt-Equity Ratio | Tax Rate | Unlevered Beta |
|---|---|---|---|---|---|---|---|
| Nippon Coke and Engineering Limited | The Company is principally engaged in the manufacture and sale of coke, general coal and powder and granular equipment. | 1.14 | 2,549.7 | 767.8 | 0.3 | 30.6% | 0.94 |
| Suncoke Energy Inc. | The Company is engaged in the production of coke through heating metallurgical coal in a refractory oven | 1.16 | 4,089.5 | 4,080.3 | 1.0 | 21.0% | 0.65 |
| | | | | | | | **0.80** |

* *Source: Reuters*

Calculation of levered beta for cost of equity:

| Particulars | |
|---|---|
| Unlevered Beta (A) | 0.80 |
| Tax rate (B) | 25.2% |
| Debt-Equity Ratio (C) | 1.00 |
| **Re-levered Beta [(D) = (A)*(1+((1-B)*(C))]** | **1.39** |

REGISTERED VALUER SECURITIES OR FINANCIAL ASSETS NK

JINDAL UNITED STEEL LIMITED

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF JINDAL UNITED STEEL LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013, AT ITS MEETING HELD ON 28TH JANUARY, 2022**

1. This Composite Scheme of Arrangement ("**Scheme**") is presented pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and the rules and regulations issued thereunder and also read with Sections 2(1B) and the other applicable provisions of the Income-tax Act, 1961, in each case, as amended from time to time and as may be applicable, for:
   - **i.** Amalgamation of Jindal Coke Limited (the "**Amalgamating Company**") into and with Jindal United Steel Limited (the "**Amalgamated Company**"); and
   - **ii.** Other matters consequential or otherwise integrally connected herewith.

2. The Board of Directors of the Amalgamated Company ("**Board**") at its meeting held on 28th January, 2022 had approved the Scheme.

3. The Scheme is subject to the approval of:
   - **i.** Approval of Board of Directors of all the Applicant Companies;
   - **ii.** Approval of the shareholders/ members and secured and unsecured creditors of the Applicant Companies as directed by the Hon'ble National Company Law Tribunal ("**NCLT**"); and
   - **iii.** Order of the Chandigarh bench of NCLT approving the Scheme.

4. As per Section 232(2)(c) of the Act, a report is required to be adopted by the Directors of the merging companies, explaining effect of the Scheme on each class of shareholders, promoter and non-promoter shareholders and Key Managerial Personnel ("**KMP**") laying out in particular the share exchange ratio, specifying any special valuation difficulties.

JINDAL UNITED STEEL LIMITED

Jindal United Steel Limited
CIN: U28113HR2014PLC053875
Corporate Office: Jindal Centre, 12 Bhikaiji Cama Place, New Delhi - 110066, India
Registered Office: O.P. Jindal Marg, Hisar - 125005 (Haryana) India
T: +91 011-26188345, 41462000, 61462000 F: +91 11 41659169 E: info.jusl@jindalstainless.com W: www.jindalunitedsteel.com

5. Following documents were placed before the Board:

   i. Draft copy of the Scheme;

   ii. Valuation Report dated 28th January, 2022 issued by Mr. Niranjan Kumar, Registered Valuer (IBBI Registration No.- IBBI/RV/06/2018/10137);

   iii. Audited financial statements for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 along with unaudited financial statements for the period ended September 30, 2021.

6. **The Need and Rationale for the Scheme:**

   i. The Amalgamated Company proposes to enter into this Scheme with Amalgamating Company to consolidate their respective manufacturing/service capabilities thereby increasing efficiencies in operations and use of resources and better catering to stainless steel and steel industry, to consolidate their diversified product and services portfolio for improving overall customer satisfaction, to pool their human resource talent for optimal utilization of their expertise, to integrate the marketing and distribution channels for better efficiency, and to ensure optimization of working capital utilization.

   ii. The management of the respective Companies are of the view that the amalgamation proposed in this Scheme is, in particular, expected to have the following benefits:

      a. Reduction in management overlaps and elimination of legal and regulatory compliances and associated costs due to operation of multiple entities.

      b. Optimization of the allocated capital and availability of funds which can be deployed more efficiently to pursue the operational growth opportunities

      c. Consolidation of businesses under the Amalgamation, which would result in pooling of financial, managerial, technical and human resources, thereby creating stronger base for future growth and value accretion for the stakeholders

JINDAL UNITED STEEL LIMITED

d. Consolidation of production capabilities to create larger scale of business and operations to cater to demand of stainless steel and steel industry.

e. Consolidation of the complementing strengths will enable the Amalgamated Company to have increased capability for offering diversified products and services on a single platform.

f. The combined financial strength is expected to further accelerate the scaling up of the operations of the Amalgamated Company.

g. The consolidation of funds and resources will lead to optimization of working capital utilization and stronger financial leverage given the simplified capital structure, improved balance sheet, optimized management structure and consolidation of cross location talent pool.

**iii.** The management of the respective Companies are of the view that this Scheme is in the interest of the customers, employees, lenders, shareholders, and all other stakeholders of the respective Companies. Further, the Scheme will enable the synergies that already exist between the Amalgamating Company and the Amalgamated Company in terms of services and resources to be used optimally for the benefit of their stakeholders.

7. **Share Entitlement Ratio Report:**

Exchange ratio as per the Valuation report dated 28th January, 2022 issued by Mr. Niranjan Kumar, Registered Valuer (IBBI Registration No.- IBBI/RV/06/2018/10137) is as under:

**i.** Following share exchange ratio has been determined for the allotment of the equity shares of the Amalgamated Company having face value of Rs. 10/- each to the shareholders of the Amalgamating Company as on the Part B Record Date (as defined in the Scheme), in consideration for the amalgamation of the Amalgamated Company with and into the Amalgamated Company:

JINDAL UNITED STEEL LIMITED

*"10,765 fully paid up equity shares of face value of Rs. 10 each of the Amalgamated Company shall be issued and allotted as fully paid up equity shares to the equity shareholders of the Amalgamating Company, for every 1,000 fully paid up equity shares of face value of Rs. 10 each held by them in the Amalgamating Company."*

ii. Following share exchange ratio has been determined for the allotment of the preference shares of the Amalgamated Company having face value of Rs. 10/- each to the preference shareholders of the Amalgamating Company as on the Part B Record Date (as defined in the Scheme), in consideration for the amalgamation of the Amalgamating Company with and into the Amalgamated Company:

*"1 (One) fully paid Non-Cumulative Non-Convertible Redeemable Preference Shares of face value of Rs. 10 each of the Amalgamated Company shall be issued and allotted as fully paid up preference shares to the preference shareholders of the Amalgamating Company, for every 1 (One) fully paid up Non-Cumulative Non-Convertible Redeemable Preference shares of face value of Rs. 10 each held by them in the Amalgamating Company."*

No special valuation difficulties were reported.

8. **Effect of the Scheme on the equity shareholders of the Amalgamated Company:**

The Board reviewed the Valuation Report dated 28th January, 2022 issued by Mr. Niranjan Kumar, Registered Valuer (IBBI Registration No.- IBBI/RV/06/2018/10137) for determination of share entitlement ratio under the Scheme.

The Board is of the informed opinion that the proposed Scheme is in the best interests of the Amalgamating Company and its shareholders and creditors.

9. **Effect of the Scheme on the KMPs of the Amalgamated Company:**

JINDAL UNITED STEEL LIMITED

There is no impact of the Scheme on the KMPs of the Amalgamated Company. Further, none of the KMPs have any interest in the Scheme except to the extent of shares held by them, if any, in the Amalgamated Company.

**Adoption of the Report by the Directors:**

The Directors of the Company have adopted this Report after noting and considering the information set forth in this Report and documents placed before the Directors.

For and Behalf of the Board

For **Jindal United Steel Limited**

OP Verma

Om Parkash Verma
Director

DIN: 07137865

Address: Jindal Centre, 12, Bhikaiji Cama Place,

New Delhi - 110066

Place: New Delhi

Date: 28th January, 2022

Annexure - 4

JINDAL
COKE LIMITED

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF JINDAL COKE LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013, AT ITS MEETING HELD ON 28TH JANUARY, 2022.**

1. This Composite Scheme of Arrangement ("**Scheme**") is presented pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and the rules and regulations issued thereunder and also read with Sections 2(1B) and the other applicable provisions of the Income-tax Act, 1961, in each case, as amended from time to time and as may be applicable, for:
   **i.** Amalgamation of Jindal Coke Limited (the "**Amalgamating Company**") into and with Jindal United Steel Limited (the "**Amalgamated Company**"); and
   **ii.** Other matters consequential or otherwise integrally connected herewith.

2. The Board of Directors of the Amalgamating Company ("**Board**") at its meeting held on 28th January, 2022 had approved the Scheme.

3. The Scheme is subject to the approval of:
   **i.** Approval of Board of Directors of all the Applicant Companies;
   **ii.** Approval of the shareholders/ members and secured and unsecured creditors of the Applicant Companies as directed by the Hon'ble National Company Law Tribunal ("**NCLT**"); and
   **iii.** Order of the Chandigarh bench of NCLT approving the Scheme.

4. As per Section 232(2)(c) of the Act, a report is required to be adopted by the Directors of the merging companies, explaining effect of the Scheme on each class of shareholders, promoter and a non-promoter shareholders and Key Managerial Personnel ("**KMP**") laying out in particular the share exchange ratio, specifying any special valuation difficulties.

JINDAL COKE LIMITED

Jindal Coke Limited
CIN: U23101HR2014PLC053884
Corporate Office: Jindal Centre, 12 Bhikaiji Cama Place, New Delhi - 110066, India
Registered Office: O.P. Jindal Marg, Hisar - 125005 (Haryana) India
T: +91 011-26188345, 41462000, 61462000 F: +91 11 41659169 E: info.jcl@jindalstainless.com W: www.jindalcoke.com

5. Following documents were placed before the Board:
   i. Draft copy of the Scheme;
   ii. Valuation Report dated 28th January, 2022 issued by Mr. Niranjan Kumar, Registered Valuer (IBBI Registration No.- IBBI/RV/06/2018/10137);
   iii. Audited financial statements for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 along with unaudited financial statements for the period ended September 30, 2021.

6. **The Need and Rationale for the Scheme:**
   i. The Amalgamated Company proposes to enter into this Scheme with Amalgamating Company to consolidate their respective manufacturing/service capabilities thereby increasing efficiencies in operations and use of resources and better catering to stainless steel and steel industry, to consolidate their diversified product and services portfolio for improving overall customer satisfaction, to pool their human resource talent for optimal utilization of their expertise, to integrate the marketing and distribution channels for better efficiency, and to ensure optimization of working capital utilization.
   ii. The management of the respective Companies are of the view that the amalgamation proposed in this Scheme is, in particular, expected to have the following benefits:
      a. Reduction in management overlaps and elimination of legal and regulatory compliances and associated costs due to operation of multiple entities.
      b. Optimization of the allocated capital and availability of funds which can be deployed more efficiently to pursue the operational growth opportunities
      c. Consolidation of businesses under the Amalgamation, which would result in pooling of financial, managerial, technical and human resources, thereby creating stronger base for future growth and value accretion for the stakeholders

JINDAL
COKE LIMITED

d. Consolidation of production capabilities to create larger scale of business and operations to cater to demand of stainless steel and steel industry.

e. Consolidation of the complementing strengths will enable the Amalgamated Company to have increased capability for offering diversified products and services on a single platform.

f. The combined financial strength is expected to further accelerate the scaling up of the operations of the Amalgamated Company.

g. The consolidation of funds and resources will lead to optimization of working capital utilization and stronger financial leverage given the simplified capital structure, improved balance sheet, optimized management structure and consolidation of cross location talent pool.

**iii.** The management of the respective Companies are of the view that this Scheme is in the interest of the customers, employees, lenders, shareholders, and all other stakeholders of the respective Companies. Further, the Scheme will enable the synergies that already exist between the Amalgamating Company and the Amalgamated Company in terms of services and resources to be used optimally for the benefit of their stakeholders.

7. **Share Entitlement Ratio Report:**

Exchange ratio as per the Valuation report dated 28th January, 2022 issued by Mr. Niranjan Kumar, Registered Valuer (IBBI Registration No.- IBBI/RV/06/2018/10137) is as under:

**i.** Following share exchange ratio has been determined for the allotment of the equity shares of the Amalgamated Company having face value of Rs. 10/- each to the equity shareholders of the Amalgamating Company as on the Part B Record Date (as defined in the Scheme), in consideration for the amalgamation of the Amalgamating Company with and into the Amalgamated Company:

JINDAL COKE LIMITED

**Jindal Coke Limited**
CIN: U23101HR2014PLC053884
Corporate Office: Jindal Centre, 12 Bhikaiji Cama Place, New Delhi - 110066, India
Registered Office: O.P. Jindal Marg, Hisar - 125005 (Haryana) India
T: +91 011-26188345, 41462000, 61462000 F: +91 11 41659169 E: info.jcl@jindalstainless.com W: www.jindalcoke.com

*"10,765 fully paid up equity shares of face value of Rs. 10 each of the Amalgamated Company shall be issued and allotted as fully paid up equity shares to the equity shareholders of the Amalgamating Company, for every 1,000 fully paid up equity shares of face value of Rs. 10 each held by them in the Amalgamating Company."*

ii. Following share exchange ratio has been determined for the allotment of the preference shares of the Amalgamated Company having face value of Rs. 10/- each to the preference shareholders of the Amalgamating Company as on the Part B Record Date (as defined in the Scheme), in consideration for the amalgamation of the Amalgamating Company with and into the Amalgamated Company:

*"1 (One) fully paid Non-Cumulative Non-Convertible Redeemable Preference Shares of face value of Rs. 10 each of the Amalgamated Company shall be issued and allotted as fully paid up preference shares to the preference shareholders of the Amalgamating Company, for every 1 (One) fully paid up Non-Cumulative Non-Convertible Redeemable Preference shares of face value of Rs. 10 each held by them in the Amalgamating Company."*

No special valuation difficulties were reported.

8. **Effect of the Scheme on the equity shareholders of the Amalgamating Company:**

The Board reviewed the Valuation Report dated 28th January, 2022 issued by Mr. Niranjan Kumar, Registered Valuer (IBBI Registration No.- IBBI/RV/06/2018/10137) for determination of share entitlement ratio under the Scheme.

The Board is of the informed opinion that the proposed Scheme is in the best interests of the Amalgamating Company and its shareholders and creditors. The impact of the Scheme on the shareholders would be the same in all respects and no shareholder is expected to have any disproportionate advantage or disadvantage in any manner.

JINDAL COKE LIMITED *

9. **Effect of the Scheme on the KMPs of the Amalgamating Company:**

There is no impact of the Scheme on the KMPs of the Amalgamating Company. Further, none of the KMPs have any interest in the Scheme except to the extent of shares held by them, if any, in the Amalgamating Company.

**Adoption of the Report by the Directors:**

The Directors of the Company have adopted this Report after noting and considering the information set forth in this Report and documents placed before the Directors.

For and Behalf of the Board

For **Jindal Coke Limited**

JINDAL COKE LIMITED

Shashibhushan Shobhnath Upadhyay
Wholetime Director
DIN: 07314313
Address: Jindal Centre, 12, Bhikaiji Cama Place,
New Delhi - 110066

Place: New Delhi
Date: 28th January, 2022

Annexure - 5

N.C. AGGARWAL & CO.
CHARTERED ACCOUNTANTS
102, Harsha house, Karampura Commercial Complex,
New Delhi-110 015. Ph: (O) 25920555-556 (R) 25221561
E-Mail: nc.aggarwal@gmail.com, nc.a@rediffmail.com

**INDEPENDENT AUDITORS' REPORT**

**To**
**The Members of JINDAL UNITED STEEL LIMITED**

**Report on the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **JINDAL UNITED STEEL LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the statement of Profit and loss (Including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended and a summary of 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 other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022,and its Loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis of Opinion**

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 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 is also responsible for overseeing the Company's financial reporting process.

**Auditors' Responsibility**

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.

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

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

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

N.C. AGGARWAL & CO. CHARTERED ACCOUNTANTS NEW DELHI

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure 'A'** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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

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

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

(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015;

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to **Annexure 'B'**.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations as on March 31, 2022.

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;

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

(h) The managerial remuneration for the year ended 31st March, 2022 has been paid/ provided for by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

(i) As per the management representation we report,

(i) no funds have been advanced or loaned or invested by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

(ii) no funds have been received by the company from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.

(iii) Based on the audit procedures performed, we report that nothing has come to our notice that has caused us to believe that the representations given under sub-clause (i) and (ii) by the management contain any material misstatement.

(j) No dividend has been paid by the company

**For N.C. Aggarwal & Co.**
Chartered Accountants
Firm Registration No. 003273N

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

**G. K. Aggarwal**
Partner
M. No. 086622
Date: 29th April,2022
Place: New Delhi
UDIN: 22086622AIGENU4775

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

(Annexure referred to in our report of even date to the members of **JINDAL UNITED STEEL LIMITED** on the accounts for the year ended March 31, 2022)

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment (PPE) and Intangible assets.

   b) A major portion of the PPE has been physically verified by the Management in accordance with a phased programmed of verification once in four years adopted by the company. In our opinion, the frequency of the verification is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.

   c) The Company does not have any immovable property wherein reporting requirement with respect to title deed of immovable properties is applicable.

   d)The Company has not revalued its PPE and Intangible assets during the year. Hence, the reporting requirement of para 3(i)(d) of the order is not applicable to the Company.

   e) As explained to us and as per the information and explanations furnished to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988. Hence, Para 3(i)(e) of the order is not applicable to the company.

2. (a) As explained to us, the management during the year has physically verified inventories. In our opinion, the coverage and procedure of verification is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

   (b) No working capital limit has been sanctioned and availed by the Company. Hence, the reporting requirement of para 3(ii)(b) of the order is not applicable to the Company.

3. In our opinion and According to the information and the explanations given to us, the company during the year has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the provisions of Para 3(iii)(a-f) of the order are not applicable to the company.

4. The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iv) of the order are not applicable to the company and hence not commented upon..

5. According to the information given to us, the Company has not accepted any deposits or amount which are deemed to be deposits, the provisions of section 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the companies Act and the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time. No order has been passed with respect to Section 73 to 76, by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal.

N.C. AGGARWAL & CO.
NEW DELHI
CHARTERED ACCOUNTANTS

6. We have broadly reviewed the books of account and records maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Companies Act, 2013 in respect of the company's products and are of the opinion that, prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of records with a view to determine whether they are accurate or complete.

7. (a) Undisputed statutory dues including Goods and Service Tax, provident fund, employee' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as at 31st March, 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material statutory dues referred in aforesaid clause 7(a) which have not been deposited with the appropriate authorities on account of any dispute.

8. In our opinion and as per the information and explanations furnished to us, there are no unrecorded transactions or transactions disclosed as income in the tax assessments under the Income Tax Act. Hence, the para 3(viii) of the order is not applicable to the Company.

9. (a) In our opinion, on the basis of books and records examined by us and according to the information and explanations given to us, the company has not defaulted in repayment of loan or other borrowing and payment of interest to any lender. Hence, the para 3(ix) of the order is not applicable to the Company.

(b) In our opinion, and as per the information and explanation furnished to us, the Company is not willful defaulter by any bank or other financial institution or any other lender.

(c) In our opinion and as per the information and explanation furnished to us, the term loan availed were utilized for the purpose for which the loan were taken.

(d) On the basis of books and records examined by us, the company has not raised any short term fund. Hence, Para 3(ix)(d) of the order not applicable to company.

(e) On the basis of books and records examined by us, the Company has not taken any funds from from any entity or person to meet the obligation of its subsidiary.

(f) On the basis of books and records examined by us and as explained to us, the Company has not raised loan during the year on the pledge of securities held in its subsidiary.

10. (a) The Company has not raised any money by way of initial public offer or further public offer or debt instruments. Hence, the para 3(x) of the order is not applicable to the Company.

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

(f)Trade Receivables turnover ratio = Net Credit Sales / (Average of opening and closing trade receivable for the period)

(g) Trade payables turnover ratio : (Cost of material consumed+ Purchase of stock-in-trade+ Changes in inventories )/ (Average of opening and closing trade payable for the year)

(h) Net capital turnover ratio : Total Turnover / Shareholder's equity

Shareholder's equity : Equity Share Capital + Reserves (Excluding Revaluation Reserve)

(i) Net Profit ratio : Net Profit/Total income

(j) Return on Capital employed: EBIT/ Capital employed

EBIT : (Profit before tax + finance cost)

Capital employed : (Total Assets - Current Liability)

xii. At its meeting held on 28 January, 2022, the Board considered and approved a Composite Scheme of Arrangement pursuant to Sections 230 to 232 and other relevant provisions of Companies Act, 2013, amongst the Company and Jindal Coke Limited ('Scheme'). The aforementioned Scheme is subject to necessary statutory and regulatory approvals under applicable laws, including approval of the Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT").

xiii. The company has not advanced/ loaned/ invested funds (borrowed/share premium/any other sources of kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries), with the understanding (whether recorded in writing or otherwise) that the intermediary shall (a) directly/ indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (ultimate beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The company has not received any funds from any other person(s) or entity(ies), including foreign entities (Funding Party), with the understanding (whether recorded in writing or otherwise) that the company shall (a) directly/ indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Funding Party (Ultimate beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries.

xiv. No income has been surrendered or disclosed for which transaction was not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

xv. CSR provisions under section 135 of the Companies Act are not applicable to this company.

xvi. There is no transaction related to Crypto Currency or Virtual Currency. Hence, Not applicable.

49. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

50. Figures in bracket indicate previous year figures.

N C AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL UNITED STEEL LIMITED

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement of shares, through preferential issue during the year, in compliance of Section 42 and 62 of the companies Act, 2013 and the amount raised have been used for the purposes for which it has been raised.

11. (a) According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, we have been informed that no case of frauds by the Company or on the Company has been noticed or reported by the Company.

(b) As informed to us and as per the information and explanation furnished to us, there was no report in prescribed form ADT-4 under sub-section 12 of section 143 of the Companies Act,2013 required to be filed. Hence, the reporting para 3(xi)(b) of the order is not applicable to the Company.

(c) No whistle blower complaints were received by the Company. Hence, the reporting para 3(xi)of the order is not applicable to the Company.

12. The company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13. According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Act, and where applicable the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14. According to the information and explanations given to us. In our opinion and as per the information and explanation furnished to us, the Company has an internal audit system commensurate with the size and nature of its business. The report of the internal auditor furnished for the period as submitted to us, was considered in framing the opinion.

15. The Company has not entered into any non-cash transactions with the directors or persons connected with him as covered under Section 192 of the Companies Act, 2013. Accordingly, provisions of clause 3 (xv) of the Order are not applicable to the Company.

16. (a) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3 (xvi) of the Order are not applicable to the Company.

(b) In our opinion and as explained to us by the management, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid certificate of registration from Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) In our opinion and as per the information and explanation furnished to us, the Company is not a Core Investment Company (CIC) as defined in the regulation made by the Reserve Bank Of India. Hence, the reporting para 3(xvi)(c) and (d)of the order is not applicable to the Company.

N.C. AGGARWAL & CO. * CHARTERED ACCOUNTANTS * NEW DELHI

17. The Company has not incurred cash loss during the year and in the immediately preceding previous year.

18. There was no resignation of the statutory auditor during the year. Hence, the reporting para 3(xviii) of the order is not applicable to the Company.

19. In our opinion and based on the books and relevant documents and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plan no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

20 The Company is not required to incur any amount under Corporatize Social Responsibility (CSR). Hence, the reporting clause 3(xx) of the order is not applicable to the Company.

21. There are no qualifications or adverse remark by the respective Auditor in the separate Companies (Auditor's Report) Order (CARO) of the companies included in the consolidated financial statements. Hence, the reporting para 3(xxi) of the order is not applicable to the Company.

**For N.C. Aggarwal & Co.**
Chartered Accountants
Firm Registration No. 003273N

N.C. AGGARWAL & CO. * NEW DELHI * CHARTERED ACCOUNTANTS

**G. K. Aggarwal**
Partner
M. No. 086622
Date: 29th April,2022
Place: New Delhi
UDIN: 22086622AIGENU4775

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

Annexure referred to in our report of even date to the members of **JINDAL UNITED STEEL LIMITED** on the accounts for the year ended 31st March, 2022

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

We have audited the internal financial controls over financial reporting of **JINDAL UNITED STEEL LIMITED** ("the Company") as of 31st March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

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

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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

**For N.C. Aggarwal & Co.**
Chartered Accountants
Firm Registration No. 003273N

**G. K. Aggarwal**
Partner
M. No. 086622
Date: 29th April,2022
Place: New Delhi
UDIN: 22086622AIGENU4775

**JINDAL UNITED STEEL LIMITED**
**CIN-U28113HR2014PLC053875**
**Balance sheet as at March 31, 2022**

(₹ In Lakhs)

| Particulars | Note No. | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **(1) Non-Current Assets** | | | |
| (a) Property, Plant and Equipment | 2 | 2,61,173.43 | 2,73,834.43 |
| (b) Capital Work-in-Progress | 41 | 4,853.80 | 1,061.96 |
| (c) Goodwill | 3 | 242.78 | 242.78 |
| (d) Other Intangible Assets | 4 | 27.09 | 20.50 |
| (e) Financial Assets | | | |
| (i) Investments | 5 | 14.02 | 4.67 |
| (ii) Other Financial Assets | 6 | 5.16 | 2,029.10 |
| (f) Other Non-Current Assets | 7 | 5,041.42 | 15,728.30 |
| **(2) Current assets** | | | |
| (a) Inventories | 8 | 4,931.28 | 1,977.88 |
| (b) Financial Assets | | | |
| (i) Investments | 9 | 7,563.33 | 7,525.11 |
| (ii) Trade Receivables | 10 | 4,498.60 | 1,583.03 |
| (iii) Cash and Cash Equivalents | 11 | 346.74 | 563.89 |
| (iv) Other Bank Balances | 12 | 879.68 | 844.45 |
| (v) Other Financial Assets | 13 | 680.43 | 844.07 |
| (c) Current Tax Assets (Net) | 14 | 3,566.07 | 1,180.92 |
| (d) Deffered Tax Asset (Net) | 14A | - | 3,008.28 |
| (e) Other Current Assets | 15 | 710.95 | 1,087.51 |
| **Total Assets** | | **2,94,534.78** | **3,11,536.88** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity Share Capital | 16 | 46,160.83 | 42,844.59 |
| (c) Other Equity | 16A | 15,410.82 | (120.60) |
| **Liabilities** | | | |
| **(1) Non-Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 17 | 2,17,943.15 | 2,56,328.68 |
| (b) Provisions | 18 | 426.34 | 366.06 |
| (c) Deffered Tax Liabilities (Net) | 14A | 3,019.73 | - |
| **(2) Current liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 19 | 1,750.66 | 745.07 |
| (iii) Trade Payables | | | |
| - Due to Micro and small enterprises | 20 | 614.17 | 324.68 |
| - Due to other than Micro and small enterprises | 20 | 5,984.84 | 7,544.51 |
| (iv) Other Financial Liabilities | 21 | 2,684.10 | 2,816.28 |
| (b) Other Current Liabilities | 22 | 520.94 | 676.48 |
| (c) Provisions | 23 | 19.20 | 11.13 |
| **Total Equity and Liabilities** | | **2,94,534.78** | **3,11,536.88** |
| **Significant Accounting Policies and Notes to Financial Statements** | 1-51 | | |

As per our report of even date attached

For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N

**G.K. Aggarwal**
PARTNER
M.No. 086622

Place : New Delhi
Dated :29th April 2022

For and on behalf of the Board of Directors of
**Jindal United Steel Limited**

O.P. Verma

**Om Praksh Verma**
Director
DIN-07137865

**Rahul Himatsingka**
Director
DIN-03633751

**Narinder Dhankar**
Chief Financial Officer

**Akhand Kirty**
Company Secretary
ACS : 53378

JINDAL UNITED STEEL LIMITED

**JINDAL UNITED STEEL LIMITED**
**CIN-U28113HR2014PLC053875**
**Statement Of Profit And Loss For The Year Ended March 31,2022**

| Particulars | Note No. | Year Ended March 31, 2022 | Year Ended March 31, 2021 |
|---|---|---|---|
| **I. Revenue from Operations** | 24 | 1,48,334.07 | 90,407.78 |
| **II. Other Income** | 25 | 1,487.96 | 723.33 |
| **Total Income (I +II)** | | **1,49,822.03** | **91,131.11** |
| **III. Expenses:** | | | |
| Raw Material Consumed | 26 | 26,213.89 | 7,929.32 |
| Changes in inventories of finished goods, work in progress and Trading goods | 27 | (2,344.49) | 1,206.14 |
| Employee Benefit Expenses | 28 | 2,999.18 | 2,546.41 |
| Finance Costs | 29 | 23,649.37 | 30,472.72 |
| Depreciation and Amortisation | 30 | 15,927.99 | 15,267.32 |
| Other Expenses | 31 | 62,483.82 | 40,111.02 |
| **Total Expenses** | | **1,28,929.76** | **97,532.94** |
| **IV. Profit/(Loss) before exceptional and extraordinary items and tax (I+II-III)** | | **20,892.27** | **(6,401.83)** |
| **V. Exceptional Items (Gain)/Loss** | 32 | **15.05** | **0.36** |
| **VI. Profit/(Loss) before Tax (IV - V)** | | **20,877.22** | **(6,402.19)** |
| **VII. Tax expense:** | | | |
| (1) Deferred Tax | 44 | 6,028.39 | (2,266.87) |
| | | **6,028.39** | **(2,266.87)** |
| **VIII. Profit/(Loss) for the year after taxation (VI-VII)** | | **14,848.83** | **(4,135.32)** |
| **IX. Other comprehensive Income:** | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| Re-measurement gains (losses) on defined benefit plans | | (10.92) | 20.44 |
| Income tax effect | | 2.75 | (7.14) |
| Gain / (Loss) on Fair valuation of Long Term Investment | | 9.35 | 3.01 |
| Income tax effect on above | | (2.35) | (1.05) |
| **Total Other comprehensive Income (IX)** | | **(1.17)** | **15.26** |
| **X. Total Comprehensive Income for the year (VIII+IX)** | | **14,847.66** | **(4,120.06)** |
| **XI. Earning per equity share of face value of ₹ 10/- each.** | | | |
| (1) Basic | 40 | **2.98** | **(0.87)** |
| (2) Diluted | | **2.98** | **(0.87)** |
| **Significant Accounting Policies and Notes to Financial Statements** | **1-51** | | |

As per our report of even date attached

For and on behalf of the Board of Directors of
**Jindal United Steel Limited**

**For N.C. Aggarwal & Co.**
Chartered Accountants
Firm Registration No. 003273N

OP verma

**Om Praksh Verma**
Director
DIN-07137865

**Rahul Himatsingka**
Whole Time Director
DIN-03633751

**G.K. Aggarwal**
PARTNER
M.No. 086622
Place : New Delhi
Dated :29th April 2022

**Narinder Dhankar**
Chief Financial Officer

**Akhand Kirty**
Company Secretary
ACS : 53378

JINDAL UNITED STEEL LIMITED

**JINDAL UNITED STEEL LIMITED**
**CIN-U28113HR2014PLC053875**
**Statement of Changes in Equity for the year ended March 31,2022**

**A. Equity Share Capital**

(₹ in Lakhs)

| Balance as at March 31,2020 | Changes in equity share capital during 2020-21 | Balance as at March 31,2021 | Changes in equity share capital during 2021-22 | Balance as at March 31,2022 |
|---|---|---|---|---|
| 38,114.86 | 4,729.73 | 42,844.59 | 3,316.24 | 46,160.83 |

**B. Other Equity**

| Particulars | 0.01% Non Cumulative Compulsorily Convertible Preference Shares (NCCCPS) | Reserves and Surplus | | Items of Other Comprehensive Income | | Total |
|---|---|---|---|---|---|---|
| | | Retained Earnings | Share premium | Re-measurement of the net defined benefit plans | Gain / (Loss) on Fair valuation of Investment | |
| **Balance as at March 31, 2020** | 7,595.14 | (2,346.60) | - | (18.59) | (0.76) | 5,229.20 |
| Profit/(Loss)for the year | | (4,135.32) | | | | (4,135.32) |
| Re-measurement of the net defined benefit plans (net of taxes) | | | | 13.30 | | 13.30 |
| Gain / (Loss) on Fair valuation of Investment (net of taxes) | | | | | 1.96 | 1.96 |
| Shares Converted during the year 16 (e) (i)) | (1,229.74) | | | | | (1,229.74) |
| **Balance as at March 31, 2021** | 6,365.40 | (6,481.92) | - | (5.29) | 1.20 | (120.60) |
| Profit/(Loss)for the year | | 14,848.83 | | | | 14,848.83 |
| Premium on share allotment | | | 1,546.01 | | | 1,546.01 |
| Re-measurement of the net defined benefit plans (net of taxes) | | | | (8.17) | | (8.17) |
| Gain / (Loss) on Fair valuation of Investment (net of taxes) | | | | | 7.00 | 7.00 |
| Shares Converted during the year 16 (e) (i)) | (862.25) | | | | | (862.25) |
| **Balance as at March 31, 2022** | 5,503.15 | 8,366.91 | 1,546.01 | (13.46) | 8.20 | 15,410.82 |

As per our report of even date attached

For and on behalf of the Board of Directors of
**Jindal United Steel Limited**

O.P.Verma

**For N.C. Aggarwal & Co.**
Chartered Accountants
Firm Registration No. 003273N

**G.K. Aggarwal**
PARTNER
M.No. 086622

Place : New Delhi
Dated :29th April 2022

**Om Praksh Verma**
Director
DIN-07137865

**Narinder Dhanker**
Chief Financial Officer

**Rahul Himatsingka**
Whole Time Director
DIN-03633751

**Akhand Kirty**
Company Secretary
ACS : 53378

JINDAL UNITED STEEL LIMITED

# JINDAL UNITED STEEL LIMITED
## CIN-U28113HR2014PLC053875
## CASH FLOW STATEMENT
## FOR THE YEAR ENDED March 31, 2022

(₹ in Lakhs)

| PARTICULARS | For the year Ended March 31, 2022 | | For the year Ended March 31, 2021 | |
|---|---|---|---|---|
| **A. CASH INFLOW (OUTFLOW) FROM THE OPERATING ACTIVITIES** | | | | |
| **NET PROFIT BEFORE TAX** | 20,892.27 | 20,892.27 | (6,401.83) | (6,401.83) |
| Adjustments for | | | | |
| Add/(Less) | | | | |
| Depreciation | 15,927.99 | | 15,267.32 | |
| Interest Expense | 23,166.57 | | 30,176.02 | |
| Profit on sale of fixed assets | (32.89) | | (65.66) | |
| Loss on sale of asset | 52.60 | | - | |
| Acturall Gain/(Loss) | (10.92) | | 20.44 | |
| Interest Income | (282.91) | 38,820.44 | (635.12) | 44,763.00 |
| **OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES** | | | | |
| Adjustments for:- | | | | |
| Inventories | (2,953.40) | | 1,587.43 | |
| Trade Receivables | (2,915.57) | | (1,281.86) | |
| Loans and advances and other assets | 12,502.76 | | 2,117.39 | |
| Trade and Other Payables | (1,456.48) | 5,175.31 | 683.50 | 3,106.46 |
| CASH GENERATED FROM OPERATIONS BEFORE EXCEPTIONAL ITEMS | | 64,888.02 | | 41,467.63 |
| Exceptional Items | (15.05) | (15.05) | (0.36) | (0.36) |
| Tax Paid | | (2,385.15) | | 1,767.50 |
| NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES | | 62,487.82 | | 43,234.77 |
| **B. CASH INFLOW/(OUTFLOW)FROM INVESTMENT ACTIVITIES** | | | | |
| (Increase)/Decrease in Current Investment | (38.22) | | (7,525.11) | |
| Interest income | 995.94 | | 456.26 | |
| Sale of fixed assets | 42.59 | | 106.06 | |
| Capital expenditure | (7,127.72) | | (5,739.59) | |
| NET CASH INFLOW/(OUTFLOW)FROM INVESTING ACTIVITIES | | (6,127.40) | | (12,702.38) |
| **C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES** | | | | |
| Increase/(Decrease) in Non-Current Borrowings | (41,327.63) | | (2,692.86) | |
| Interest paid | (20,255.54) | | (31,165.99) | |
| Increase/(Decrease) in Current Borrowings | 1,005.59 | | (392.54) | |
| Issue of Equity Share Capital | 4,000.00 | | 3,499.99 | |
| NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES | | (56,577.58) | | (30,751.40) |
| **NET CHANGES IN CASH AND CASH EQUIVALENTS** | | (217.16) | | (219.01) |
| Cash and cash equivalents at beginning of the year | | 563.89 | | 782.90 |
| **Cash and cash equivalents at end of the year** | | 346.73 | | 563.89 |

NOTE:
1. Increase/(decrease) in Non-current and current borrowings are shown net of repayments.
2. Figures in bracket indicates cash outflow.
3. The above cash flow statement has been prepared under the indirect method setout in IND AS-7 'Statement of Cash Flows'.

As per our report of even date attached

**For N.C. Aggarwal & Co.**
Chartered Accountants
Firm Registration No. 003273N

**G.K. Aggarwal**
PARTNER
M.No. 086622
Place : New Delhi
Dated :29th April 2022

4

O.P. Verma

**Om Praksh Verma**
Director
DIN-07137865

**Rahul Himatsingka**
Director
DIN-03633751

**Narinder Dhankar**
Chief Financial Officer

**Akhand Kirty**
Company Secretary
ACS : 53378

JINDAL UNITED STEEL LIMITED

## JINDAL UNITED STEEL LIMITED

**Notes to Financial Statements**

**1. Significant accounting policies**

**A. Corporate and General Information**

Jindal United Steel Limited ("JUSL)" or ("the Company") is domiciled and incorporated in India. The Company is a leading manufacturer of hot rolled products of stainless steel and carbon steel. The Registered Office of the Company is located at O.P. Jindal Marg, Hisar. The Company has acquired the HSM Plant from Jindal Stainless Limited pursuant to the Composite Scheme of Arrangement between the Company and Jindal Stainless Limited as a part of integrated steel plant to be set up at Jajpur, Orissa.

**B. Basis of preparation**

The financial statements have been prepared complying in all material respects with the Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2015. The financial statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented.

The significant accounting policies used in preparing the financial statements are set out in Note no.1C of the Notes to Financial Statements.

Ministry of Corporate Affairs ("MCA") through a notification dated March 24, 2021, amended Division II of Schedule III of the Companies Act, 2013. These amendments are applicable for the reporting period beginning on or after April 1, 2021. The amendment encompasses significant additional disclosure requirements and includes certain changes to the existing disclosures. The Company has applied and incorporated the requirements of amended Division II of Schedule III of the Companies Act, 2013 while preparing these standalone financial statements based on available information including exposure draft of revised guidance note on Division II- Ind AS schedule III to the Companies Act, 2013 issued by the corporate laws & corporate governance committee of the Institute of Chartered Accountants India (ICAI).

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 1C(xviii) on Significant accounting estimates, assumptions and judgements).

**C. Significant Accounting Policies**

**i) Basis of Measurement**

The financial statements have been prepared on the accrual basis of accounting and under the historical cost convention except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below.

**ii) Property, Plant and Equipment**

a) For transition to IND AS, the Company has elected to continue with the carrying value of previous GAAP for all its tangible assets as of 1st April, 2015 (transition date) and use that carrying value as its deemed cost on transition date.
However, under the previous GAAP, the Company has fair valued all its Property, Plant and Equipment on transfer of business to the Company under Composite Scheme of Arrangement (Refer Note No 36).

b) Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

c) Depreciation on fixed assets has been provided as per guidance set out in Schedule II of the Act on straight line method, on remaining Useful life on transfer of Property, Plant and Equipment under Composite Scheme of Arrangement. However, in respect of certain Plant and Machinery, electrical installation and Factory Building, depreciation is provided as per their useful lives assessed on the basis of technical evaluation by the external valuer, as stated below:

| Category of Assets | Years |
|---|---|
| -Building | 25-45 |
| -Plant and Machinery | Up to 35 Years |

**iii). Intangible Assets**

The Identifiable intangible assets are recognised:

i) When the Company controls the asset,
ii) It is probable that future economic benefits attributed to the asset will flow to the Company and
iii) The cost of the asset can be reliably measured.

Computer software's are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of license, generally not exceeding five years on straight line basis. The assets' useful lives are reviewed at each financial year end.

Goodwill is initially recognised at cost and is tested for impairment at the end of each Financial Year.

**iv). Impairment of non-current assets**

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use).The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

**v). Cash and cash equivalents**

Cash and cash equivalents includes Cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the Company's cash management.

**vi). Inventories**

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

**vii). Employee benefits**

i) Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered.

ii) Leave encashment being a short term benefit is accounted for using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.

iii) Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

iv) The cost of providing gratuity, a defined benefit plans, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Other Comprehensive Income in the period in which they arise. Other costs are accounted in statement of profit and loss.

v) The Company's liability towards employee benefits such as gratuity, leave encashment, and other terminal benefits are provided for on the basis of actuarial valuation. Company does not operate any Defined plan for Gratuity; hence, the liability is recognised in the books. The liability towards terminal benefit is un-funded.

**viii). Foreign currency reinstatement and translation**

(i) Functional and presentation currency

The financial statements have been presented in Indian Rupees, which is the Company's functional and presentation currency.

(ii) Transactions and balances

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. Exchange component of the gain or loss arising on fair valuation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to such exchange difference.

**ix). Financial instruments – initial recognition, subsequent measurement and impairment**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial assets or financial liabilities (Other than financial assets and financial liabilities at fair value through profit and loss account ) are added to or deducted from fair value measured on initial recognition of financial asset or financial liability.

Financial Assets and liabilities are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and liabilities and the assets and liabilities contractual cash flow characteristics.

**Financial Assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest amount outstanding.

**Financial Assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

N C AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL UNITED STEEL LIMITED

**Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liability at fair value thorough profit or loss are immediately recognised in profit or loss.

**Financial Liabilities**

Financial liabilities including interest bearing loans and borrowings and trade payables are subsequently measured at amortised cost using the effective interest rate method (EIR) except those designated in an effective hedging relationship.

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

**x). Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.
Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

All other borrowing costs are expensed in the period in which they occur.

**xi). Taxation**

Income tax expense represents the sum of current and deferred tax (including MAT). Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income, such change could be for change in tax rate.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

N C AGGARWAL & Co. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL UNITED STEEL LIMITED

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**xii). Revenue recognition and Other income**

**Sale of Goods**

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

**Sale of Services-Job work**

Revenue from job work charges is accounted for on the basis of work performed and rendering of service as per the terms of the specific contract.

**Other Operating Income**

Incentives on export as per the policy of government are recognized in books after due consideration of certainty of utilization.

**Other Income**

**Interest**
Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

N.C. AGGARWAL & Co. CHARTERED ACCOUNTANTS NEW DELHI

**xiii). Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year.

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

**xiv). Provisions and contingencies**

**Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

**Contingencies**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

**xv). Current /non-current classification**

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

N.C. AGGARWAL & Co. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL UNITED STEEL LIMITED

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

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

**xvi). Lease**

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) The contract involves the use of an identified asset

(ii) The Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.
And in case entity is lessor, it identifies whether the lease is defined as finance or operating lease as per the criteria given in Ind AS 116.
In case of Operating lease, an entity recognises lease payment as income on straight line basis

In case of Finance lease, an entity initial measurement

(i) Derecognises the carrying amount of underlying assets

(ii) Recognise the net investment in lease

(iii) Recognise profit and loss on selling profit or selling loss

N.C. AGGARWAL & CO. CHARTERED ACCOUNTANTS NEW DELHI

And on subsequent measurement, entity recognises finance income over the lease period and reduces the net investment in the lease for lease payment received and recognise income from any variable lease payments and recognises any impairment of the net investment in the lease

**xvii). Recent accounting pronouncements**

New and amended standards applied
The group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2021:

• Extension of COVID-19 related concessions – amendments to Ind AS 116
• Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Ministry of Corporate Affairs ("MCA") has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

Ministry of Corporate Affairs ("MCA") amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.
Consequent to above, the group has changed the classification/presentation of
(i) current maturities of long-term borrowings
(ii) security deposits, in the current year
The current maturities of long-term borrowings (including interest accrued) has now been included in the "Current borrowings" line item. Previously, current maturities of long-term borrowings and interest accrued were included in 'other financial liabilities' line item.
Further, security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

**xviii). Significant accounting estimates, assumptions and judgements**

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

(i) Property, plant and equipment
External adviser or internal technical team assess the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable, the estimates and assumptions made to determine depreciation are critical to the Company's financial position and performance.

N.C. AGGARWAL & Co. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL UNITED STEEL LIMITED

(ii) Income taxes
Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

(iii) Contingencies
Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

(iv) Fair value of financial assets and liabilities
When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair value. Judgements include consideration of input such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(v) Defined benefit plan
The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL UNITED STEEL LIMITED

(This space has been intentionally left blank)

## JINDAL UNITED STEEL LIMITED
### Notes to Financial Statements

**2. Property, Plant and Equiptment**

(₹ in Lakhs)

| Particulars | Building | Plant and Machinery | Furniture and Fixtures | Office equipment | Total |
|---|---|---|---|---|---|
| **Gross Block** | | | | | |
| **As at March 31,2020** | **39,286.00** | **2,45,758.70** | **114.79** | **30.25** | **2,85,189.74** |
| Additions | **235.90** | **6,611.95** | **14.05** | | 6,861.90 |
| Disposal | - | **807.98** | | | 807.98 |
| **As at March 31,2021** | **39,521.90** | **2,51,562.67** | **128.84** | **30.25** | **2,91,243.66** |
| Additions | **96.47** | **3,184.02** | **11.51** | **36.13** | 3,328.13 |
| Disposal | - | **266.96** | | | 266.96 |
| **As at March 31,2022** | **39,618.37** | **2,54,479.73** | **140.35** | **66.38** | **2,94,304.83** |
| **Accumulated Depreciation** | | | | | |
| **As at March 31,2020** | **344.91** | **2,539.46** | **26.45** | **8.69** | **2,919.51** |
| Charge for the Year | 1,391.76 | 13,847.04 | 12.96 | 5.54 | 15,257.30 |
| Disposal | | 767.58 | | | 767.58 |
| **As at March 31,2021** | **1,736.67** | **15,618.92** | **39.41** | **14.23** | **17,409.23** |
| Charge for the Year | 1,399.71 | 14,501.58 | 14.21 | 11.33 | 15,926.83 |
| Disposal | | 204.66 | | | 204.66 |
| **As at March 31,2022** | **3,136.38** | **29,915.84** | **53.62** | **25.56** | **33,131.40** |
| **Net Carrying Amount** | | | | | |
| **As at March 31,2021** | **37,785.23** | **2,35,943.75** | **89.43** | **16.02** | **2,73,834.43** |
| **As at March 31,2022** | **36,481.99** | **2,24,563.89** | **86.73** | **40.82** | **2,61,173.43** |

*Note: Property, Plant and Equipment has been hypothecated to lenders for Term Borrowings (Refer Note No.17)*

N.C. AGGARWAL & Co. NEW DELHI CHARTERED ACCOUNTANTS

# JINDAL UNITED STEEL LIMITED
## Notes to Financial Statements

**3. Goodwill**

| Particulars | Goodwill * | Total |
|---|---|---|
| **Gross Block** | | |
| **As at March 31,2020** | **242.78** | **242.78** |
| Additions | - | - |
| Disposal | - | - |
| **As at March 31,2021** | **242.78** | **242.78** |
| Additions | - | - |
| Disposal | - | - |
| **As at March 31,2022** | **242.78** | **242.78** |
| **Accumulated Depreciation** | | |
| **As at March 31,2020** | - | - |
| Charge for the year | - | - |
| Disposal | - | - |
| **As at March 31,2021** | - | - |
| Charge for the year | - | - |
| Disposal | - | - |
| **As at March 31,2022** | - | - |
| **Net carrying amount** | | |
| As at March 31,2021 | 242.78 | 242.78 |
| As at March 31,2022 | 242.78 | 242.78 |

*** Refer Note No 33 (2) (C)**

N.C AGGARWAL & Co. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL UNITED STEEL LIMITED

**JINDAL UNITED STEEL LIMITED**
**Notes to Financial Statements**

**4. Other Intangible Assets**

| Particulars | Software | Total |
|---|---|---|
| **Gross Block** | | |
| **As at March 31,2020** | **94.93** | **94.93** |
| Additions | 2.49 | 2.49 |
| Disposal | - | - |
| **As at March 31,2021** | **97.42** | **97.42** |
| Additions | 7.75 | 7.75 |
| Disposal | - | - |
| **As at March 31,2022** | **105.17** | **105.17** |
| **Accumulated Depreciation** | | |
| **As at March 31,2020** | **66.90** | **66.90** |
| Charge for the year | 10.02 | 10.02 |
| Disposal | - | - |
| **As at March 31,2021** | **76.92** | **76.92** |
| Charge for the year | 1.16 | 1.16 |
| Disposal | - | - |
| **As at March 31,2022** | **78.08** | **78.08** |
| **Net carrying amount** | | |
| **As at March 31,2021** | **20.50** | **20.50** |
| **As at March 31,2022** | **27.09** | **27.09** |

N.C AGGARWAL & CO. NEW DELHI ★ CHARTERED ACCOUNTANTS ★

JINDAL UNITED STEEL LIMITED ★

**JINDAL UNITED STEEL LIMITED**
**Notes to Financial Statements**

| Particulars | As at March 31,2022 | As at March 31,2021 |
|---|---|---|

**5. Non - Current Investments**

(₹ in Lakhs)

| Particulars | As at March 31,2022 | | | As at March 31,2021 | | |
|---|---|---|---|---|---|---|
| | No. of Shares | Face Value (₹) | Amount | No. of Shares | Face Value (₹) | Amount |
| LONG TERM - NON TRADE | | | | | | |
| QUOTED | | | | | | |
| Designated at Fair Value through other Comprehensive Income | | | | | | |
| Jindal Stainless Limited | 6,920 | 2.00 | 14.02 | 6,920 | 2.00 | 4.67 |
| Total | 6,920 | | 14.02 | 6,920 | | 4.67 |
| Aggregate amount of quoted investments (At market Value) | | | 14.02 | | | 4.67 |

**6. OTHER FINANCIAL ASSETS - NON CURRENT**

| | As at March 31,2022 | As at March 31,2021 |
|---|---|---|
| Security Deposit | 0.75 | 1,313.07 |
| Interest Accrued | - | 711.62 |
| Bank Deposits (with remaining maturity of more than 12 months)* | 4.41 | 4.41 |
| Total Other Financial Assets - Non Current | 5.16 | 2,029.10 |

**7. OTHER NON-CURRENT ASSETS**

| | As at March 31,2022 | As at March 31,2021 |
|---|---|---|
| Capital Advances | 5,041.42 | 365.13 |
| Prepaid Expenses - Non Current* | - | 15363.17 |
| Total Other Non-Current Assets | 5,041.42 | 15,728.30 |

** Towards Security deposit paid to JSL for Utilities as per Scheme*
*(Refer note no 33)*

**8. INVENTORIES**

**Inventories - Stores and Spares**

| | As at March 31,2022 | As at March 31,2021 |
|---|---|---|
| Finished Good | 2,583.33 | 238.84 |
| Stores and Spares | 2,347.95 | 1739.04 |
| Total Inventories | 4,931.28 | 1,977.88 |

**9. Current Investments**

| Particulars | As at March 31,2022 | | As at March 31,2021 | |
|---|---|---|---|---|
| | No. of Units | Amount | No. of Units | Amount |
| INVESTMENTS IN MUTUAL FUNDS | | | | |
| FULLY PAID-UP (UNQUOTED) | | | | |
| Designated at Fair Value through Profit and Loss | | | | |
| SBI Saving Fund-Direct plan-Growth | - | - | 44,44,651 | 1,519.88 |
| SBI Saving Fund-Regular-Growth | 2,24,47,977 | 7,563.33 | 1,84,37,307 | 6,005.23 |
| | 2,24,47,977 | 7,563.33 | 2,28,81,958.27 | 7,525.11 |
| Aggregate amount of unquoted investments (At market Value) | | 7,563.33 | | 7,525.11 |

N.C. AGGARWAL & Co. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL UNITED STEEL LIMITED

**JINDAL UNITED STEEL LIMITED**
**NOTES TO FINANCIAL STATEMENTS**

| Particulars | As at March 31,2022 | As at March 31,2021 |
|---|---|---|
| **10. TRADE RECEIVABLES** | | |
| Unsecured | | |
| Considered good | 4,498.60 | 1,583.03 |
| **Total Trade Receivables** | 4,498.60 | 1,583.03 |

| Particulars | | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | Morethan 3 years | Total |
| (i) Undisputed Trade receivables - considered good | 1,518.48 | 2,954.32 | 12.38 | 1.86 | 0.03 | 11.53 | 4,498.60 |
| (ii) Undisputed Trade Receivables - considered doubtful | | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | | - | - | - | - | - | - |
| | 1,518.48 | 2,954.32 | 12.38 | 1.86 | 0.03 | 11.53 | 4,498.60 |

| Particulars | | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | Morethan 3 years | Total |
| (i) Undisputed Trade receivables - considered good | 1,093.04 | 20.09 | 458.34 | 0.03 | 11.53 | - | 1,583.03 |
| (ii) Undisputed Trade Receivables - considered doubtful | | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | | - | - | - | - | - | - |
| | 1,093.04 | 20.09 | 458.34 | 0.03 | 11.53 | - | 1,583.03 |

| Particulars | As at March 31,2022 | As at March 31,2021 |
|---|---|---|
| **11. CASH AND CASH EQUIVALENTS** | | |
| **Balances with Banks** | | |
| On current accounts | 346.69 | 15.31 |
| Bank Deposits with original maturity of less than three months | - | 548.52 |
| Cash on hand | 0.05 | 0.06 |
| **Total Cash and Cash equivalents** | 346.74 | 563.89 |
| **12. OTHER BANK BALANCES** | | |
| Bank deposits with original maturity of more than three month but residual maturity of less than 12 months | 879.68 | 844.45 |
| | 879.68 | 844.45 |
| **13. OTHER FINANCIAL ASSETS** | | |
| Other Receivables (Unbilled revenue from services) | 678.61 | 840.84 |
| Interest Accrude but not due on Bank deposit | 1.82 | 3.23 |
| **Total Other Financial Assets** | 680.43 | 844.07 |
| **14. CURRENT TAX ASSETS (NET)** | | |
| TDS Recoverable | 3,566.07 | 1,180.92 |
| **Total Current Tax Assets (Net)** | 3,566.07 | 1,180.92 |
| **14 A. DEFERRED TAX ASSETS/(LIABILITIES) (NET)** | | |
| **A. ASSETS** | | |
| (I)Amount allowable in Income tax on payment basis | 2,628.02 | 533.10 |
| (II) Finacial asset & finacial liabilities measured at amortized cost | - | 343.59 |
| (III)Carried Forward losses | 10,450.85 | 34,947.79 |
| **Total Deferred Tax Assets** | 13,078.87 | 35,824.48 |
| **B. LIABILITY** | | |
| (I)Difference between WDV as per books and Income Tax | 16,069.88 | 32,723.17 |
| (II) Finacial asset & finacial liabilities measured at amortized cost | 28.72 | 93.03 |
| **Total Deferred Tax Liabilities** | 16,098.60 | 32,816.20 |
| **C. Net Assets of Temporary Difference (A-B)** | (3,019.73) | 3,008.28 |
| **D. MAT Credit Entitlement** | - | - |
| **Net Deferred Tax Assets/(Liability) (C+D)** | (3,019.73) | 3,008.28 |
| Deferred tax asset/(Liability) accounted for in Statement of Profit and Loss account | (6,028.39) | 2,266.87 |
| Deferred tax asset/(Liability) accounted for through OCI | 0.40 | (8.19) |
| | (6,027.99) | 2,258.68 |

N.C. AGGARWAL & Co. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL UNITED STEEL LIMITED

## JINDAL UNITED STEEL LIMITED
## NOTES TO FINANCIAL STATEMENTS

(₹ in Lakhs)

| Particulars | As at March 31,2022 | As at March 31,2021 |
|---|---|---|
| **15. Other Current Assets** | | |
| Prepaid Expenses | 121.01 | 827.64 |
| Advances to vendors | 468.08 | 223.61 |
| Advances recoverable in cash or kind* | 121.86 | 36.26 |
| **Total Other Current Assets** | 710.95 | 1,087.51 |

* Includes GST Receivable.

**16. SHARE CAPITAL**

| Particulars | As at March 31,2022 | As at March 31,2021 |
|---|---|---|
| **(a) Authorised** | | |
| 55,50,00,000 (45,50,00,000) Equity Shares of ₹10/- each | 55,500.00 | 45,500.00 |
| 26,50,00,000 (26,50,00,000) Preference Shares of ₹10/- each | 26,500.00 | 26,500.00 |
| | 82,000.00 | 72,000.00 |
| **(b) Issued** | | |
| 461,608,315 (42,84,45,937) Equity Shares of ₹10/- each | 46,160.83 | 42,844.59 |
| | 46,160.83 | 42,844.59 |
| **(c) Subscribed and Fully Paid-Up** | | |
| 461,608,315 (42,84,45,937) Equity Shares of ₹10/- each | 46,160.83 | 42,844.59 |
| | 46,160.83 | 42,844.59 |
| **(d) Reconciliation of the number of equity shares:** | | |
| Shares outstanding as at the beginning of the year | 42,84,45,937 | 38,11,48,637 |
| Add: Conversion of 0.01% Non-Cumulative Compulsorily Convertible Preference Shares | 86,22,500 | 1,22,97,300 |
| Add: Alloted Equity Shares during the year | 2,45,39,878 | 3,50,00,000 |
| **Equity Shares outstanding as at the end of the year** | 46,16,08,315 | 42,84,45,937 |
| **(e) Reconciliation of the number of NCCCPS:** | | |
| **(i) 0.01% Non Cumulative Compulsorily Convertible Preference Shares (NCCCPS)** | | |
| Shares outstanding as at the beginning of the year | 6,36,54,063 | 7,59,51,363 |
| Add: Shares allotted during the year | - | - |
| Less: Shares converted in to equal number of equity shares during the year | 86,22,500 | 1,22,97,300 |
| **NCCCPS outstanding as at the end of the year** | 5,50,31,563 | 6,36,54,063 |

**(f) (i) Details of equity shareholders holding more than 5% shares in the company:**

| | As at March 31,2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| **Name of Shareholders** | **No. of Shares held** | **% of Holding** | **No. of Shares held** | **% of Holding** |
| OPJ Steel Trading Private Limited | 34,15,89,879 | 74.00 | 31,70,50,001 | 74.00 |
| Jindal Stainless Limited | 12,00,18,377 | 26.00 | 11,13,95,877 | 26.00 |
| **Total** | 46,16,08,256 | | 42,84,45,878 | |

**(f) (ii) Details of 0.01% Non Cumulative Compulsorily Convertible Preference Shareholders holding more than 5% shares in the company:**

| | As at March 31,2022 | | As at March 31,2021 | |
|---|---|---|---|---|
| **Name of Shareholders** | **No. of Shares held** | **% of Holding** | **No. of Shares held** | **% of Holding** |
| Jindal Stainless Limited | 5,50,31,563 | 100 | 6,36,54,063 | 100 |
| **Total** | 5,50,31,563 | | 6,36,54,063 | |

**(f) (iii) Promoters holdings**

| Shares held by promoters at the end of the year | | | | % of change during the year | As At March 31, 2021 |
|---|---|---|---|---|---|
| **Sl No** | **Promotors Name** | **No of shares** | **% of Total Shares** | **Total** | **No of shares** |
| 1 | OPJ Steel Trading Private Limited | 34,15,89,879 | 74.00% | 0.00% | 31,70,50,001 |
| 2 | Jindal Stainless Limited | 12,00,18,377 | 26.00% | 0.00% | 11,13,95,877 |
| 3 | Pradeep Tahiliani | 19 | 0.00% | 0.00% | 19 |
| 4 | Navneet Raghuvanshi | 10 | 0.00% | 0.00% | - |
| 5 | Sanjay Gupta | - | 0.00% | 0.00% | 10 |
| 6 | Rajeev Garg | 10 | 0.00% | 0.00% | 10 |
| 7 | Mahabir Prasad Gupta | 10 | 0.00% | 0.00% | 10 |
| 8 | Mahabir Prashad Swami | 10 | 0.00% | 0.00% | 10 |
| | | 46,16,08,315 | | | 42,84,45,937 |

**(g) Details of Share held by holding company**

| Name of Shareholders | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
|---|---|---|---|---|
| OPJ Steel Trading Private Limited | 34,15,89,879 | 74.00 | 31,70,50,001 | 74.00 |

**(h) Terms/Rights attached to Equity Shares**

The Company has one class of equity shares having a face value of ₹10/- per equity share. Each equity shareholder is entitled to one vote per share. Further the equity shares issued during the F.Y. 2018-19 will rank pari-passu with the existing equity shares.

**(i) Terms/Rights attached to 0.01% Non Cumulative Compulsorily Convertible Preference Shares.**

5,50,31,563, 0.01% NCCCPS shall be compulsorily convertible into one equity share of ₹ 10/-each on or before 10 years from the date of allotment,i.e,25.10.2018 at the option of the Company. These NCCCPS carry a preferential right over equity shares of the Company with respect to payment of dividend and shall have voting rights in respect of certain matters as per the provisions of section 47(2) of the Companies Act,2013.

N.C AGGARWAL & Co. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL UNITED STEEL LIMITED

# JINDAL UNITED STEEL LIMITED
## Notes to Financial Statements

### 16A. Other equity

(₹ In Lakhs)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| **A. 0.01% Non Cumulative Compulsorily Convertible Preference Shares (NCCCPS)** | | |
| Balance at the beginning of the year | 6,365.40 | 7,595.14 |
| Add: alloted during the year | - | - |
| Less-Converted into equity shares during the year | (862.25) | (1,229.74) |
| Balance at the end of the year | **5,503.15** | **6,365.40** |
| **B. Retained earnings** | | |
| Represents the undistributed surplus of the Company. | | |
| Balance at the beginning of the year | (6,481.92) | (2,346.60) |
| Add : Profit for the year | 14,848.83 | (4,135.32) |
| Balance at the end of the year | **8,366.91** | **(6,481.92)** |
| **C. Re-measurement of the net defined benefit plans** | | |
| Represents amounts towards remeasurement of defined benefit plan | | |
| Balance at the beginning of the year | (5.29) | (18.59) |
| Re-measurement of the net defined benefit plans (net of taxes) | (8.17) | 13.30 |
| Balance at the end of the year | **(13.46)** | **(5.29)** |
| **D.Gain / (Loss) on Fair valuation of Investment (net of taxes)** | | |
| Balance at the beginning of the year | 1.20 | (0.76) |
| Gain / (Loss) on Fair valuation of Investment (net of taxes) | 7.00 | 1.96 |
| Balance at the end of the year | **8.20** | **1.20** |
| **E.Share premium** | | |
| Balance at the beginning of the year | - | - |
| Premium on share allotment | 1,546.01 | - |
| | **1,546.01** | **-** |

N C AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL UNITED STEEL LIMITED

**JINDAL UNITED STEEL LIMITED**
**NOTES TO FINANCIAL STATEMENTS**

| Particulars | As at March 31,2022 | As at March 31,2021 |
|---|---|---|
| | | (₹ in Lakhs) |
| **17. BORROWINGS - NON CURRENT** | | |
| **Secured** | | |
| **Term Loans** | | |
| Term Loans from Banks | 2,02,475.82 | 2,40,861.35 |
| **Unsecured** | | |
| 10% Non-Cumulative Non-Convertible Redeemable Preference Shares * | 8,767.33 | 8,767.33 |
| Inter corporate loan from related party | 6,700.00 | 6,700.00 |
| **(refer note no. 33(2))* | | |
| **Total Non-Current borrowings** | 2,17,943.15 | 2,56,328.68 |

**Term Loan from Banks**

(a)The Term Loan Facility 1 from banks amounting to Rs. 1,86,857.73 Lakhs (Rs. 2,41,437.23 Lakhs) are repayable in structured quarterly installments, with repayment for Rs. 194.66 lakhs during FY 2022-23, Rs. 618.54 Lakhs during FY 2023-24, Rs. 734.00 Lakhs during FY 2024-25, Rs. 1,005.14 Lakhs during FY 2025-26, Rs. 1,494.48 Lakhs during FY 2026-27, Rs. 4,857.59 Lakhs during FY 2027-28, Rs. 19,062.60 Lakhs during FY 2028-29, Rs. 19,079.28 Lakhs during FY 2029-30, Rs. 20,446.53 Lakhs during FY 2030-31, Rs. 15,189.31 Lakhs during FY 2031-32, Rs. 5,098.40 Lakhs during FY 2032-33 & FY 2033-34, Rs. 6,386.23 Lakhs during FY 2034-35, Rs. 7,647.60 Lakhs during FY 2035-36, Rs. 8,935.43 Lakhs during FY 2036-37, Rs. 10,858.53 Lakhs during FY 2037-38, Rs.11,547.66 Lakhs during FY 2038-39, Rs. 12,190.54 Lakhs during FY 2039-40, Rs. 14,120.93 Lakhs during FY 2040-41 and balance repayable Rs. 22,296.88 Lakhs in FY 2041-42

b)The Term Loan Facility 2 from banks amounting to Rs. 12,125.00 Lakhs is repayable in structured quarterly installments, with repayment for Rs. 1,500.00 lakhs during FY 2022-23, Rs. 2,000.00 Lakhs during FY 2023-24, Rs. 2,500.00 Lakhs during FY 2024-25 & FY 2025-26, Rs. 2,875.00 Lakhs during FY 2026-27 and balance repayable Rs. 750.00 Lakhs in FY 2027-28.

(c) The Term Loan Facility 3 from banks amounting to Rs. 5,600.00 Lakhs is repayable in structured quarterly installments, with repayment for Rs. 56.00 lakhs during FY 2022-23 & FY 2023-24, Rs. 448.00 Lakhs during FY 2024-25, Rs. 672.00 Lakhs during FY 2025-26, Rs. 840.00 Lakhs during FY 2026-27 & FY 2027-28, Rs. 1,008.00 Lakhs during FY 2028-29 & FY 2029-30 and balance repayable Rs. 672.00 Lakhs in FY 2030-31.

(d)The outstanding long term borrowings include an adjustment of unamortised portion of upfront fees and transaction costs amounting to Rs. 356.25 lakhs

Facility 1 is secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge by way of hypothecation and/or pledge of current assets including finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable, etc both present and future.

Facility 1 is also secured by the following additional securities :

(i) Unconditional and irrevocable personal guarantee of Mr. Ratan Jindal; and
(ii) Pari-passu pledge of 100% equity shares, as held by promoter (OPJSTPL) in the Company.

Facility 2 is secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge by way of hypothecation and/or pledge of current assets including but not limited to finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable, etc both present and future.

Facility 3 is secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge by way of hypothecation and/or pledge of current assets including but not limited to finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable, etc both present and future.

**10% Non-Cumulative Non-Convertible Redeemable Preference Shares**
8,76,73,311, 10% Non - Cumulative Non - Convertible Redeemable Preference Shares ("NCNCRPS') are redeemable on or before 20 (twenty) years from the date of allotment i.e. 13th October, 2016, at the option of the company.

| | | |
|---|---|---|
| **18. PROVISIONS** | | |
| **Provision for Employee benefits** | | |
| Provision for Gratuity | 280.94 | 232.75 |
| Provision for Leave Encashment | 145.40 | 133.31 |
| **Total Provisions** | 426.34 | 366.06 |
| **19. BORROWINGS - CURRENT** | | |
| **Secured*** | | |
| Overdraft from banks | - | 169.19 |
| Current maturities of long term borrowings | 1,750.66 | 575.88 |
| **Total Borrowings** | 1,750.66 | 745.07 |

* Overdraft and Working capital facility from bank is secured against lien mark of fixed deposit held by company.

| | | |
|---|---|---|
| **20. TRADE PAYABLES** | | |
| Dues to Micro and Small Enterprises (refer note A below) | 614.17 | 324.68 |
| Due to creditors otherthan micro and small enterprises | 5,984.84 | 7,544.51 |
| **Total Trade Payables** | 6,599.01 | 7,869.19 |

| Particulars | | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | 2-3 years | Morethan 3 years | Total |
| (i) MSME | | 590.86 | 10.23 | 13.06 | 0.02 | 614.17 |
| (ii) Others | | 5,879.10 | 38.45 | 14.03 | 53.26 | 5,984.84 |
| (iii) Disputted dues-MSME | | | - | - | - | - |
| (iv) Disputted dues-Others | | | - | - | - | - |
| | | 6,469.96 | 48.68 | 27.09 | 53.28 | 6,599.01 |

| Particulars | | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|---|
| | | Less then 1 year | 1-2 years | 2-3 years | Morethan 3 years | Total |
| (i) MSME | | 302.94 | 13.23 | 8.13 | 0.38 | 324.68 |
| (ii) Others | | 7,493.61 | 9.51 | - | 41.39 | 7,544.51 |
| (iii) Disputted dues-MSME | | | - | - | - | - |
| (iv) Disputted dues-Others | | | - | - | - | - |
| | | 7,796.55 | 22.74 | 8.13 | 41.77 | 7,869.19 |

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL UNITED STEEL LIMITED

(₹ in Lakhs)

| Particulars | As at March 31,2022 | As at March 31,2021 |
|---|---|---|

A On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, dues disclosed as per the Micro, Small and Medium Enterprise Development Act, 2006 at the year end are below:

| Particulars | As at March 31,2022 | As at March 31,2021 |
|---|---|---|
| (i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | |
| Principal amount due | 612.62 | 324.41 |
| Interest amount due | 1.55 | 0.27 |
| (ii) The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| (iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act | - | - |
| (iv) The amount of interest accrued and remaining unpaid at the end of each accounting year | 1.55 | 0.27 |
| (v) 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. | - | - |

## 21. OTHER FINANCIAL LIABILITIES

| Particulars | As at March 31,2022 | As at March 31,2021 |
|---|---|---|
| Interest Accrued | 28.27 | 59.34 |
| **Others:** | | |
| Capital Creditors | 621.69 | 1,313.97 |
| Other Outstanding Liabilities | 2,034.14 | 1,442.97 |
| **Total Other Financial Liabilities** | **2,684.10** | **2,816.28** |

## 22. OTHER CURRENT LIABILITIES

| Particulars | As at March 31,2022 | As at March 31,2021 |
|---|---|---|
| **Other Payables** | | |
| Statutory Dues | 520.94 | 676.48 |
| **Total Other Current Liabilities** | **520.94** | **676.48** |

## 23. PROVISIONS

| Particulars | As at March 31,2022 | As at March 31,2021 |
|---|---|---|
| **Provision for Employee benefits** | | |
| Provision for Gratuity | 10.76 | 5.00 |
| Provision for Leave Encashment | 8.44 | 6.13 |
| **Total Provisions** | **19.20** | **11.13** |

(This space has been intentionally left blank)

N.C. AGGARWAL & Co. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL UNITED STEEL LIMITED

# JINDAL UNITED STEEL LIMITED
## NOTES TO FINANCIAL STATEMENTS

| Particulars | Year Ended March 31, 2022 | Year Ended March 31, 2021 |
|---|---|---|
| **24. Revenue from Operations** | | |
| Job Charges received | 1,17,440.18 | 79,313.11 |
| Sale of Product | 30,893.89 | 11,094.67 |
| **Total Revenue from Operations** | **1,48,334.07** | **90,407.78** |
| **25. Other Income** | | |
| Profit on Sale of Fixed Assets | 32.89 | 65.66 |
| Interest on Fixed Deposit | 44.16 | 171.86 |
| Liability written Back | 0.72 | 1.15 |
| Profit on sale of Mutual Fund | 160.93 | 15.65 |
| Gain/(Loss) on fair valuation of mutual fund | 104.18 | 9.92 |
| Interest Income on fair valuation of Security deposit | 77.82 | 216.04 |
| Interest on Income tax refund | - | 231.57 |
| Other Operating Income | 164.98 | 11.48 |
| Other Non-Operating Income | 902.28 | - |
| **Total Other Income** | **1,487.96** | **723.33** |
| **26. Raw Material Consumed** | | |
| Raw Material Consumed | 26,213.89 | 7,929.32 |
| | **26,213.89** | **7,929.32** |
| **27.CHANGES IN INVENTORIES OF FINISHED GOODS ,WORK IN PROGRESS AND TRADING GOODS** | | |
| **OPENING STOCK** | | |
| Finished Goods | **238.84** | **1,444.98** |
| **TOTAL OPENING STOCK** | **238.84** | **1,444.98** |
| **CLOSING STOCK** | | |
| Finished Goods | 2,583.33 | 238.84 |
| | **2,583.33** | **238.84** |
| **TOTAL - CHANGES IN INVENTORIES { (Increase) / Decrease }** | **(2,344.49)** | **1,206.14** |
| **28. Employee Benefits Expenditure** | | |
| Salaries, Wages, Bonus and Other benefits | 2,831.85 | 2,391.23 |
| Contribution to provident and other funds | 134.00 | 122.82 |
| Staff Welfare Expenses | 33.33 | 32.36 |
| **Total** | **2,999.18** | **2,546.41** |

N.C. AGGARWAL & Co. ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

JINDAL UNITED STEEL LIMITED

# JINDAL UNITED STEEL LIMITED
## NOTES TO FINANCIAL STATEMENTS

| Particulars | Year Ended March 31, 2022 | Year Ended March 31, 2021 |
|---|---|---|
| **29. Finance Cost** | | |
| Interest Expenses | 23,166.57 | 30,176.02 |
| Other Borrowing Costs | 482.80 | 296.70 |
| **Total Finance Costs** | **23,649.37** | **30,472.72** |
| **30. Depreciation & Amortisation** | | |
| Depreciation on Fixed Assets | 15,926.83 | 15,257.30 |
| Amortization of Intangible assets | 1.16 | 10.02 |
| **Total Depreciation & Amortisation** | **15,927.99** | **15,267.32** |
| **31. OTHER EXPENSES** | | |
| **(a). Manufacturing Expenses** | | |
| Consumption of Stores and Spare parts | 7,453.89 | 4,925.23 |
| Power and Fuel | 37,015.55 | 23,532.36 |
| Labour Processing & Transportation Charges | 8,202.81 | 5,398.37 |
| Repairs to buildings | 44.30 | 18.82 |
| Repairs to plant & machinery | 689.14 | 335.67 |
| Job work expenses | 226.57 | - |
| Other Manufacturing Expenses | 276.46 | 237.86 |
| | 53,908.72 | 34,448.31 |
| **(b). Administrative Expenses** | | |
| Insurance | 393.63 | 335.84 |
| Rent | 263.06 | 787.03 |
| Rates and Taxes | 42.51 | 23.82 |
| Legal and Professional | 86.19 | 50.22 |
| Postage, Telegram ,Telex and Telephone | 16.91 | 14.86 |
| Printing & Stationary | 16.27 | 19.38 |
| Travelling & Conveyance | 1.23 | 1.56 |
| Director' Meeting Fees | 0.53 | 0.23 |
| Vehicle Upkeep and Maintenance | 85.50 | 78.28 |
| Auditor's Remuneration | 5.05 | 5.05 |
| Miscellaneous Expenses | 6,256.64 | 4,199.54 |
| | 7,167.52 | 5,515.81 |
| **(C). Selling Expenses** | | |
| Other Selling Expenses | 381.78 | 179.71 |
| Freight Charges | 973.20 | (32.81) |
| | 1,354.98 | 146.90 |
| Loss on sale of asset | 52.60 | - |
| | 52.60 | - |
| **Total Other Expenses** | **62,483.82** | **40,111.02** |
| **32. Exceptional Items** | | |
| Exchange Fluctuation | (15.05) | (0.36) |
| **Total Exceptional Items** | **(15.05)** | **(0.36)** |

N.C. AGGARWAL & Co. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL UNITED STEEL LIMITED

33. Composite Scheme of Arrangement

1. Composite Scheme of Arrangement (here in after referred to as 'Scheme') amongst Jindal Stainless Limited Transferor Company / JSL) and its three wholly owned subsidiaries namely Jindal Stainless (Hisar) limited (JSHL), Jindal United Steel Limited (JUSL) and Jindal Coke Limited (JCL) under the provision of Sec 391-394 read with Sec 100-103 of the Companies Act, 1956 and other relevant provision of Companies Act, 1956 and / or Companies Act, 2013 has been sanctioned by the Hon'ble High Court of Punjab & Haryana, Chandigarh vide its Order dated 21st September 2015, modified by order dated 12th October, 2015.

   Section III of the Scheme comprising Transfer of the Business Undertaking 2 (as defined in the Scheme) of the Transferor Company comprising, inter-alia, of the HSM Plant of the Company Located at Odisha and vesting of the same with Jindal United Steel Limited (JUSL) on Going Concern basis by way of Slump Sale w.e.f. appointed date, i.e. close of business hours before midnight of March 31, 2015. Section III of the Scheme has become effective on 24th September 2016 [i.e. on receipt of approvals from the Orissa Industrial Infrastructure Development Corporation (OIIDCO) for the transfer/grant of the right to use in the land on which HSM Plants are located, to JUSL as specified in the Scheme].

2. Pursuant to the Section III of the Scheme becoming effective:

   a) Business undertaking 2 have been transferred by way of slump sale to and vested in the company with effect from the said appointed date, i.e. close of business hours before midnight of March 31, 2015.

   b) Business undertaking 2 has been transferred at a lump sum consideration of ₹241,267.33 Lakhs; (out of this ₹215,000.00 Lakhs shall payable by the transferee company in cash, out of which ₹208,321.00 Lakhs paid by the company during the Financial Year 2016-17 & ₹ 6,679.00 Lakhs paid by the company during the Financial Year 2017-18) and against the balance amount of ₹26,267.33 Lakhs, the company had to issue & allot to the transferor Company 8,76,73,311 nos. 10% non-cumulative non-convertible redeemable preference shares having face value of ₹ 10 each which has been issued during the year 2016-17 and 17,50,00,000 nos. 0.01% non-cumulative compulsorily convertible preference shares having face value of ₹ 10 each out of which 4,38,68,919 Issued and converted to equal no. of equity share of ₹ 10/- each at par during Financial Year 2016-17 and remaining 13,11,31,081 issued during the financial year 2018-19, out of which 1,42,47,286 converted to equal no. of equity share of ₹ 10/- each at par during financial year 2018-19 and 4,09,32,432 converted to equal no. of equity share of ₹ 10/- each at par during financial year 2019-20 and 1,22,97,300 converted to equal no. of equity share of ₹ 10/- each at par during financial year 2020-21 as specified in the Scheme.

   c) On transfer of Business Undertaking 2, the difference between the fair values of assets and liabilities transferred to and vested in the Company and the lump sum consideration paid/to be paid as stated above, amounting to ₹242.78 Lakhs has been considered to Goodwill.

3. In terms of the Scheme as stated above, all the business and activities of Business Undertaking 2 has been carried on by JSL on or after the appointed date in trust in so far as may be necessary until all rights license/permits stands fully developed.
4. IDCO (vide letter dt. No. IDCO:HO:P&A:LA-E:3642(V)/03-16/20731 Dt 24.09.2016) has given permission for sub-lease of 382.02 Acres of land at Duburi, Dist- Jajpur, Odisha by JSL to JUSL. Accordingly JSL has entered into long term Sub-lease of land to JUSL.

34. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 16,837.90Lakhs (₹1,432.01Lakhs as at 31st March, 2021).

N C AGGARWAL & Co. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL UNITED STEEL LIMITED

35. Exceptional item Includes Gain/ (Loss) (net) of (₹ 15.05 Lakhs), (previous year: net loss ₹ 0.36 Lakhs) on translation/settlement of foreign currency monetary items.

36. Based on the intimation received from supplier regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the required disclosure is given below * :

(₹ in Lakhs)

| Sl.No. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
|---|---|---|---|
| 1 | Principal amount due outstanding | 612.62 | 324.41 |
| 2 | Interest due on (1) above and unpaid | 1.55 | 0.27 |
| 3 | Interest paid to the supplier | - | - |
| 4 | Payments made to the supplier beyond the appointed day during the year. | - | - |
| 5 | Interest due and payable for the period of delay | - | - |
| 6 | Interest accrued and remaining unpaid | 1.55 | 0.27 |
| 7 | Amount of further interest remaining due and payable in succeeding year | - | - |

* To the extent information available with the company.

37. In the opinion of board, assets have a realizable value, in the ordinary course of business at least equal to the amount at which they are stated.

**38. Segment Reporting**

Company has only one eligible business segment i.e. Steel Products.

**39. Related Party Transactions**

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

**A. Key Management Personnel (KMP):**

| Sl. No. | Name | Designation |
|---|---|---|
| 1 | Mr. Sanjay Kumar Gupta | CFO (ceased w.e.f 07.10.2020) |
| 2 | Mr. Akhand Kirty | Company Secretary |
| 3 | Mr. Rahul Himatsingka | Wholetime Director |
| 4 | Mr. Narinder Dhankar | CFO (appointed w.e.f 01.11.2020) |

N.C. AGGARWAL & Co. NEW DELHI CHARTERED ACCOUNTANTS

B. Related Parties :

| Sl. No. | Name of the entity in the Group | Principal place of operation / Country of Incorporation | Principal Activities/Nature of Business | % Shareholding/Voting Power | |
|---|---|---|---|---|---|
| | | | | As at March 31,2022 | As at March 31,2021 |
| (i) | **Holding Company :** | | | | |
| | OPJ Steel Trading Private Limited.(w.e.f. 27th December, 2016 | India | Trading of steel | 74.00% | 74.00% |
| (i) | **Entity Having Significant influence over the company** | | | | |
| | Jindal Stainless Limited | India | Stainless Steel manufacturing | 26.00% | 26.00% |
| | Jindal Stainless(Hissar) Limited | India | Stainless Steel manufacturing | | |

C. Related Party Transactions (₹ in Lakhs)

| Sl. No. | Particulars | Shareholding Company | |
|---|---|---|---|
| | | 2021-22 | 2020-21 |
| 1 | **Purchase of Goods** | **74,792.60** | **39,632.29** |
| | Jindal Stainless Ltd | 74,792.60 | 39,614.90 |
| | Jindal Stainless(Hissar) Limited | - | 17.39 |
| 2 | **Job charges paid** | **47.48** | - |
| | Jindal Stainless Ltd | **47.48** | - |
| 3 | **Sale of Goods** | **35,569.11** | **13,988.03** |
| | Jindal Stainless Ltd | 4,123.39 | 1,826.24 |
| | Jindal Stainless(Hissar) Limited | 31,445.72 | 12,161.79 |
| 4 | **Job work Charges-Received** | **1,16,154.18** | **84,631.86** |
| | Jindal Stainless Limited | 1,16,154.18 | 84,631.86 |
| 5 | **Sharing of Exp. Reimbursed/to be Reimbursed** | **63.20** | **20.89** |
| | Jindal Stainless Ltd | 63.20 | 20.89 |

| | | | |
|---|---|---|---|
| 6 | Support Service Charges Paid | 7,405.68 | 4,979.22 |
| | Jindal Stainless Ltd | 7,405.68 | 4,979.22 |
| 7 | Security deposit repaid | 20,464.00 | - |
| | Jindal Stainless Ltd | 20,464.00 | - |
| 8 | Interest paid | 737.00 | 737.00 |
| | Jindal stainless limited | 737.00 | 737.00 |

D. Related Party Balances: (₹ in Lakhs)

| Sl. No. | Particulars | Shareholding Company | |
|---|---|---|---|
| | | As at 31st March, 2022 | As at 31st March, 2021 |
| 1 | Equity Share Capital / Preference Share Capital: | | |
| (i) | Equity Share Capital | 46,160.83 | 42,844.59 |
| | Jindal Stainless Limited | 12,001.84 | 11,139.59 |
| | OPJ Steel Trading Private Limited | 34,158.99 | 31,705.00 |
| (ii) | 10% NCNCRPS | 8,767.33 | 8,767.33 |
| | Jindal Stainless Limited | 8,767.33 | 8,767.33 |
| (iii) | 0.01% NCCC preference share | 5,503.16 | 6,365.41 |
| | Jindal Stainless Limited | 5,503.16 | 6,365.41 |
| 2 | Balance as at the end of the Year | | |
| | Security Deposit receivable (Including Prepaid amount) | - | 20,464.00 |
| | Jindal Stainless Limited* | - | 20,464.00 |
| | Receivable | 2,049.40 | 456.48 |
| | Jindal Stainless(Hissar) Limited | 1,270.83 | 456.48 |
| | Jindal Stainless Limited | 778.57 | |
| 3 | Borrowings(inter corporate deposits) | 6,700.00 | 6,700.00 |
| | Jindal Stainless Limited | 6,700.00 | 6,700.00 |
| 4 | Payables | - | 4,068.77 |
| | Jindal Stainless Ltd(current Account Balance) | - | 4,068.77 |
| | Jindal Stainless(Hissar) Limited | - | - |

** Due to Implementation of Composite Scheme of arrangement. (Refer Note no.33)*

*Note: Above transaction does not include interest free security deposit of ₹ 4,536 Lakhs payable to Jindal Stainless Ltd as per infrastructure sharing agreement executed on 05th May, 2015, which is yet to be paid.*

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

E. Key Management Personnel (KMP)

(₹ in Lakhs)

| Particulars | Year Ended March 31, 2022 | Year Ended March 31, 2021 |
|---|---|---|
| Short-Term benefits | 127.36 | 143.90 |
| Defined contribution plan $ # | 4.74 | 4.84 |
| **Total** | **132.10** | **148.74** |

# as the liability for gratuity and leave encashment is provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above.

$ including PF, leave encashment paid and any other benefit.

**40. Earnings Per Share (EPS) computed in accordance with Indian Accounting Standard 33 "Earning Per Share ".**

(₹ in Lakhs)

| Sl. No. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
|---|---|---|---|
| a. | Net Profit/(Loss) after Tax as per Profit and Loss for basic EPS | 14,848.33 | -4135.32 |
| b. | Add : Interest Expenses on potential equity shares (net of tax) | - | - |
| c. | Net Profit/(Loss) after Tax as per Profit and Loss for diluted EPS | - | - |
| d. | Weighted Average No. of Equity Shares for Basic EPS* | 49,74,78,603 | 47,40,72,603 |
| e. | Weighted average No. of Equity Shares for Diluted EPS | 49,74,78,603 | 47,40,72,603 |
| | Basic EPS Per Share ( in ₹ ) | 2.98 | (0.87) |
| | Diluted EPS Per Share ( in ₹ ) | 2.98 | (0.87) |
| | Face Value Per Share ( in ₹ ) | 10.00 | 10.00 |

**Including 55,031,563, 0.01% Non-Cumulative Compulsorily Convertible Preference Shares (NCCCPS) of ₹10/- each (Previous Year-63,654,063 NCCCPS)*

**41. Financial risk management**

**Financial risk factors**

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has short term current investments only. The Company's activities expose it to a variety of financial risks:

i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as of March 31, 2022 and March 31, 2021.

N.C. AGGARWAL & Co. NEW DELHI CHARTERED ACCOUNTANTS

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

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

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

**Market Risk**
The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. However, such effect is not material.

**(a) Foreign exchange risk and sensitivity**
The Company transacts business primarily in Indian Rupee, USD, Euro, CNY. The Company has foreign currency trade payables and is therefore, exposed to foreign exchange risk, though not material.

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

**Foreign Exchange Risk And Sensitivity (Unhedged)**

**(₹ in Lakhs)**

| Particulars | Change in currency exchange rate | Effect on profit before tax/preoperative expenses For the year ended March 31, 2022 | Effect on profit before tax/preoperative expenses For the year ended March 31, 2021 |
|---|---|---|---|
| USD | +5% | 84.65 | (42.36) |
| | -5% | (84.65) | 42.36 |
| Euro | +5% | 116.00 | 3.20 |
| | -5% | (116.0) | (3.20) |

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

Summary of exchange difference accounted in Statement of Profit and Loss/preoperative expenses:

(₹ in Lakhs)

| Particulars | For the year ended on 31st March 2022 | For the year ended on 31st March 2021 |
|---|---|---|
| Net foreign exchange (gain) / losses shown as exceptional item | 15.05 | 0.36 |
| **Total** | **15.05** | **0.36** |

**(b) Interest rate risk and sensitivity**

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

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

(₹ in Lakhs)

| Particulars | Increase /Decrease in Basis Points | Effect on profit before tax/preoperative expenses For the Year ended 31 March 2022 | Effect on profit before tax/preoperative expenses For the Year ended 31 March 2021 |
|---|---|---|---|
| INR Borrowings | +50 | (1,021.13) | (1,207.19) |
| | -50 | 1,021.13 | 1,207.19 |

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

**Interest rate & currency of borrowings**

The below table demonstrates the borrowing of fixed and floating rate of interest:

(₹ in Lakhs)

| Particulars | For the Year Ended 2021-22 | For the Year Ended 2020-21 |
|---|---|---|
| Borrowing currency | ₹ | ₹ |
| Total Borrowings | 2,19,693.81 | 2,57,073.75 |
| Floating Rate Borrowings | 2,10,926.48 | 2,48,306.42 |
| Fixed Rate Borrowings | 8,767.33 | 8,767.33 |
| Weighted Average Interest Rate (%) | 9.94% | 10.83% |

**(c) Commodity price risk and sensitivity**

The Company is at present doing the major work on job work, so the commodity price risk is not materially affected. Hence Commodity Price risk and sensitivity is not applicable.

**Credit risk**

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds and financial institutions and other financial instruments.

N C AGGARWAL & Co. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL UNITED LIMITED

**Trade Receivable**

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

**As on 31.03.2022**

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 1,518.48 | 2,954.32 | 12.38 | 1.86 | 0.03 | 11.53 | 4,498.60 |
| (ii)Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - | - |
| **Total** | **1,518.48** | **2,954.32** | **12.38** | **1.86** | **0.03** | **11.53** | **4,498.60** |

**As on 31.03.2021**

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 1,093.04 | 20.09 | 458.34 | 0.03 | 11.53 | - | 1,583.03 |
| (ii)Undisputed Trade Receivables – considered doubtful | | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | | | - | - | - | - | - |
| **Total** | **1,093.04** | **20.09** | **458.34** | **0.03** | **11.53** | **-** | **1,583.03** |

**Financial instruments and cash deposits**

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations.

N.C. AGGARWAL & Co. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL ... LIMITED

**Liquidity risk**

The Company's objective is to; at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

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

**For the Year ended 31 March 2022**
**(₹ in Lakhs)**

| Particulars | As at March 31, 2022 | | | | | |
|---|---|---|---|---|---|---|
| | Carrying Amount | Less than 1 Year | 1-2 Year | 2-3 Year | More than 3 years | Total |
| Interest bearing borrowings (including current maturities) | 2,19,693.81 | 1,750.66 | - | - | 2,17,943.15 | 2,19,693.81 |
| Trade payables | 6,599.01 | 6,469.97 | 48.68 | 27.09 | 53.28 | 6,599.01 |
| Other liabilities | 2,684.10 | 2,591.48 | 37.68 | 23.84 | 31.10 | 2,648.10 |
| **Total** | **2,28,976.92** | **10,812.11** | **86.35** | **50.93** | **2,18,027.53** | **2,28,976.92** |

**For the Year ended 31 March 2021**
**(₹ in Lakhs)**

| Particulars | As at March 31, 2021 | | | | | |
|---|---|---|---|---|---|---|
| | Carrying Amount | Less than 1 Year | 1-2 Year | 2-3 Year | More than 3 years | Total |
| Interest bearing borrowings (including current maturities) | 2,57,073.75 | 745.07 | - | - | 2,56,328.68 | 2,57,073.75 |
| Trade and other payables | 7,869.19 | 7,796.55 | 22.74 | 8.13 | 41.77 | 7,869.19 |
| Other liabilities | 2,816.28 | 1,805.04 | 110.11 | 882.09 | 19.04 | 2,816.28 |
| **Total** | **2,67,759.22** | **10,346.66** | **132.85** | **890.22** | **2,56,389.49** | **2,67,759.22** |

N.C. AGGARWAL & Co. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL UNITED STEEL LIMITED

The Company is required to maintain ratios (including total debt to EBITDA / net worth, EBITDA to gross interest, debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels. In the event of failure to meet any of these ratios these loans become callable at the option of lenders, except where exemption is provided by lender.

**Competition and price risk**

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

**Capital risk management**

The Company aim to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company monitors capital using gearing ratio, which is net debt divided by total capital which is given as under:-

**Gearing Ratio**

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31,2021 |
|---|---|---|
| Loans and borrowings | 2,19,693.81 | 2,57,073.75 |
| Less: Cash and cash equivalents | 364.74 | 563.89 |
| Net debt | 2,19,347.07 | 2,56,509.86 |
| Total capital | 61,571.65 | 42,723.99 |
| **Capital and net debt** | 2,80,918.72 | 2,99,233.85 |
| **Gearing ratio** | 78% | 85% |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest bearing loans and borrowing for reported periods.

N.C. AGGARWAL & Co. NEW DELHI CHARTERED ACCOUNTANTS

**42. Fair value of financial assets and liabilities**

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

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | Carrying amount | Fair Value | Carrying amount | Fair Value |
| **Financial assets designated at fair value through profit and loss*** | | | | |
| Investment (In mutual funds - current) | 7,563.33 | 7,563.33 | 7,525.12 | 7,525.12 |
| **Financial assets designated at fair value through OCI*** | | | | |
| Investment (In shares - non current) | 14.02 | 14.02 | 4.67 | 4.67 |
| **Financial assets designated at amortized cost** | | | | |
| Fixed Deposits | 884.09 | 884.09 | 848.86 | 848.86 |
| Cash and cash equivalents | 346.74 | 346.74 | 563.89 | 563.89 |
| Trade Receivable | 4,498.60 | 4,498.60 | 1,583.03 | 1,583.03 |
| Other Financial Assets | 681.18 | 681.18 | 2,868.76 | 2,868.76 |
| | 13,987.96 | 13,987.96 | 13,394.33 | 13,394.33 |
| **Financial liabilities designated at amortized cost** | | | | |
| Borrowings- fixed rate | 8,767.33 | 8,767.33 | 8,767.33 | 8,767.33 |
| Borrowings- floating rate | 2,10,926.48 | 2,10,926.48 | 2,48,306.42 | 2,48,306.42 |
| Trade payables | 6,599.01 | 6,599.01 | 7,869.19 | 7,869.19 |
| Other financial liabilities | 2,684.10 | 2,684.10 | 2,816.28 | 2,816.28 |
| | 2,28,976.92 | 2,28,976.92 | 2,67,759.22 | 2,67,759.22 |

*all the expenses carried to expenditure during construction period forming part of Capital Work in Progress.

**Fair Value Hierarchy**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. 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:

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices/NAV for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

For assets and liabilities which are measured at fair value as at Balance Sheet date.

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL UNITED STEEL LIMITED

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 2 as described below:

**Assets / Liabilities measured at fair value (Accounted)**

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | | | As at March 31, 2021 | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | | | |
| Investment | | | | | | |
| - In shares – Non-current | 14.02 | - | - | 4.67 | - | - |
| - In mutual funds – current | 7,563.33 | - | - | 7,525.12 | - | - |

**Assets / Liabilities for which fair value is disclosed:**

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | | | As at March 31, 2021 | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **Financial Liabilities** | | | | | | |
| -Borrowings – Fixed Rate | - | 8,767.33 | - | - | 8,767.33 | - |
| Other Financial Liabilities | - | 2,684.10 | - | - | 2,816.28 | - |

During the year ended March 31, 2022 and March 31, 2021, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements. There is no transaction/balance under level 3.

Following table describes the valuation techniques used and key inputs for valuation under fair value hierarchy as of March 31, 2022 and March 31, 2021 respectively:

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL UNITED STEEL LIMITED

a) Assets / Liabilities measured at fair value(accounted)

| Particulars | Fair value hierarchy | Valuation technique | Inputs used | Quantitative information about significant unobservable inputs |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Investment in Mutual Funds-Current | Level 1 | Market Valuation techniques | As per NAV of Mutual Fund | - |
| Investment in Quoted Equity Shares | Level 1 | Market Valuation techniques | Quoted price in Stock Exchange | - |

b) Assets / Liabilities for which fair value is disclosed

| Particulars | Fair Value Hierarchy | Valuation Technique | Inputs Used |
|---|---|---|---|
| **Financial Liabilities** | | | |
| Other Borrowings – Fixed Rate | Level 2 | Discounted Cash Flow | Prevailing interest rates in market, Future pay-outs |
| Other Financial Liabilities | Level 2 | Discounted Cash Flow | Prevailing interest rates to discounted Future cash flows |

43. Income tax expense

| Particulars | For the year ended March 31,2022 | For the year ended March 31,2021 |
|---|---|---|
| **Current Tax** | | - |
| | | - |
| **Deferred Tax** | | |
| Relating to Origination and reversal of temporary differences | 6,028.39 | (2,266.87) |
| | 6,028.39 | (2,266.87) |
| **Tax Expenses attributable to current year's profit** | 6,028.39 | (2,266.87) |
| Adjustments in respect of income tax of previous year | - | - |
| MAT | | |
| MAT Credit entitlement | - | - |
| MAT Credit entitlement-Prior Period | - | - |
| | - | - |
| **Total tax Expenses** | 6,028.39 | (2,266.87) |

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL UNITED STEEL LIMITED

**Effective Tax Rate (ETR) reconciliation**

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

(₹ in Lakhs)

| Sl. No. | Description | 2021-22 | 2020-21 |
|---|---|---|---|
| | Net Income/(Loss) before taxes | 20,877.22 | (6,402.19) |
| | Enacted tax rate | 25.168% | 34.944% |
| | Computed tax (Income)/Expense | 5,254.38 | (2,237.18) |
| | **Increase/(reduction) in taxes on account of:** | | |
| 1 | Tax related to change of tax rate | 845.56 | - |
| 2 | Tax related to earlier period | - | - |
| 3 | Permanent Disallowance | (71.55) | (29.69) |
| | **Income tax Expense/(Income) reported** | **6,028.39** | **(2,266.87)** |

**44. Deferred income tax**

The analysis of deferred tax expenses/ (income) is as follows:

(₹ in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Book base and tax base of Fixed Assets | (16,653.29) | 27,816.70 |
| (Disallowance)/ Allowance (net) under Income Tax | (2,094.92) | (526.59) |
| Financial asset & financial liabilities measured at amortized cost | 279.27 | (287.32) |
| Brought forward losses set off | 24,496.93 | (29,261.47) |
| **Total** | **6,027.99** | **(2,258.68)** |

**45. Retirement Benefit Obligation**

**1. Expense recognised for Defined Contribution plan**

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Company's contribution to provident fund | 115.98 | 106.71 |
| Company's contribution to ESI | 1.69 | 0.99 |
| Company's contribution to superannuation fund | - | - |
| Total | **117.67** | **107.70** |

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognized in Balance Sheet as of March 31, 2022 and March 31, 2021, being the respective measurement dates:

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL UNITED LIMITED

**2. Movement in Defined benefit obligation**

**a) Gratuity**

(₹ in Lakhs)

| Particulars | Gratuity (Unfunded) as on 31.03.2022 | Gratuity (unfunded) as on 31.03.2021 |
|---|---|---|
| | | |
| Present value of the obligation at the beginning of the year | 237.76 | 234.38 |
| Interest cost | 16.17 | 15.98 |
| Current service cost | 32.02 | 29.02 |
| Acquisition adjustment - IN | 0.29 | 3.44 |
| Benefits paid | (5.45) | (9.39) |
| Acquisitions / Transfer in/ Transfer out | - | (15.24) |
| Re-measurements - actuarial loss/ (gain) | 10.92 | (20.44) |
| Present value of the obligation at the end of the year | 291.71 | 237.76 |

**b) Leave Encashment (Compensated Absence)**

(₹ in Lakhs)

| Particulars | Leave Encashment (unfunded) as on 31.03.2022 | Leave Encashment (unfunded) as on 31.03.2021 |
|---|---|---|
| | | |
| Present value of the obligation at the beginning of the year | 139.45 | 137.13 |
| Interest cost | 9.48 | 9.35 |
| Current service cost | 20.22 | 20.34 |
| Benefits paid | (32.95) | (33.70) |
| Acquisitions / Transfer in/ Transfer out | - | (2.01) |
| Acquisition adjustment - IN | 0.24 | 3.73 |
| Re-measurements - actuarial loss/ (gain) | 17.39 | 4.61 |
| Present value of the obligation at the end of the year | 153.83 | 139.45 |

**3. Movement in Plan Assets – Gratuity**

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Fair value of plan assets at beginning of year | - | - |
| Expected return on plan assets | - | - |
| Employer contributions | - | - |
| Benefits paid | - | - |
| Amount received on redemption of plan assets | - | - |
| Acquisitions / Transfer in/ Transfer out | - | - |
| Actuarial gain / (loss) | - | - |
| Fair value of plan assets at end of year | - | - |
| Present value of obligation | 291.71 | 237.76 |
| Net funded status of plan | (291.71) | (237.76) |
| Actual return on plan assets | - | - |

N.C. AGGARWAL & Co. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL UNITED STEEL LIMITED

The components of the gratuity &leave encashment cost are as follows:

4. **Recognised in profit and loss/Pre-operative expenses**

**a) Gratuity** (₹ in Lakhs)

| Particulars | For the year ended on 31st March 2022 | For the year ended on 31st March 2021 |
|---|---|---|
| Current Service cost | 32.02 | 29.02 |
| Interest cost | 16.17 | 15.98 |
| Expected return on plan assets | - | - |
| Re-measurement - Actuarial loss/(gain) | - | - |
| Past service cost | - | - |
| Expenses recognized in Pre operative expenses | 48.19 | 45.00 |
| Actual return on plan assets | - | - |

**b) Leave Encashment (Compensated Absence)** (₹ in Lakhs)

| Particulars | For the year ended on 31st March 2022 | For the year ended on 31st March 2021 |
|---|---|---|
| Current Service cost | 20.22 | 20.34 |
| Interest cost | 9.48 | 9.35 |
| Expected return on plan assets | - | - |
| Re-measurement - Actuarial loss/(gain) | 17.39 | 4.61 |
| Past service cost | - | - |
| Expenses recognized in P&L A/c | 47.09 | 34.30 |

5. **Recognised in other comprehensive Income**

(₹ in Lakhs)

| Particulars | Gratuity for the year ended on 31st March 2022 | Gratuity for the year ended on 31st March 2021 |
|---|---|---|
| Re-measurement - Actuarial loss/(gain) | 10.92 | (20.44) |

**6. The principal actuarial assumptions used for estimating the Company's defined benefit obligations are set out below:**

| Weighted average actuarial assumptions | As of 31st March, 2022 | As of 31st March, 2021 |
|---|---|---|
| Attrition rate | NA | NA |
| Discount Rate | 7.18% | 6.80% |
| Expected Rate of increase in Compensation levels | 5.50% | 5.50% |
| Expected Rate of Return on Plan Assets | NA | NA |
| Mortality rate | 100% IALM (2012-14) | 100% IALM (2012-14) |
| Expected Average remaining working lives of employees (years) | 18.16 | 18.63 |

N.C. AGGARWAL & Co. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL UNITED STEEL LIMITED

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market. Same assumptions were considered for comparative period i.e. 2018-19 as considered in previous I-GAAP on transition to IND AS.

7. **Sensitivity analysis:**

a) Gratuity (₹ in Lakhs)

| Particulars | Change in Assumption | Effect for the year ended on 31st March, 2022 | Effect for the year ended on 31st March, 2021 |
|---|---|---|---|
| Discount rate | 0.5% | (17.15) | (15.00) |
| | (0.5)% | 18.74 | 16.46 |
| Salary Growth rate | 0.5% | 18.69 | 16.59 |
| | (0.5)% | (17.23) | (15.25) |

b) Leave Encashment (Compensated Absence) (₹ in Lakhs)

| Particulars | Change in Assumption | Effect for the year ended on 31st March, 2022 | Effect for the year ended on 31st March, 2021 |
|---|---|---|---|
| Discount rate | 0.5% | (9.44) | (9.19) |
| | (0.5)% | 10.18 | 10.00 |
| Salary Growth rate | 0.5% | 10.36 | 10.11 |
| | (0.5)% | (9.54) | (9.27) |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

8. **History of experience adjustments is as follows:**

(₹ in Lakhs)

| Particulars | Gratuity | Leave Encashment |
|---|---|---|
| **For the year ended March 31, 2022** | | |
| Plan Liabilities - (loss)/gain | (24.98) | (25.10) |
| Plan Assets - (loss)/gain | - | - |
| **For the year ended March 31, 2021** | | |
| Plan Liabilities - (loss)/gain | 21.07 | (4.19) |
| Plan Assets - (loss)/gain | - | - |

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

For the year ended March 31, 2022 (₹ in Lakhs)

| Particulars | Gratuity | Compensated Absence |
|---|---|---|
| Year-1 | 10.76 | 8.44 |
| Year-2 | 5.34 | 2.92 |
| Year-3 | 5.28 | 2.77 |
| Year-4 | 25.97 | 13.62 |
| Year-5 | 8.30 | 3.41 |
| Year-6 | 9.53 | 6.58 |
| Year-6 Onwards | 226.52 | 116.10 |

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL UNITED STEEL

For the year ended March 31, 2021 (₹ in Lakhs)

| Particulars | Gratuity | Compensated Absence |
|---|---|---|
| Year-1 | 5.00 | 6.13 |
| Year-2 | 7.76 | 4.18 |
| Year-3 | 4.32 | 2.55 |
| Year-4 | 4.24 | 2.46 |
| Year-5 | 20.41 | 11.14 |
| Year-6 | 6.46 | 3.23 |
| Year-6 Onwards | 189.55 | 109.74 |

9. Statement of Employee benefit provision

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Gratuity | 291.70 | 237.75 |
| Compensated absences | 153.84 | 139.45 |
| Other employee benefits | - | - |
| Total | 445.54 | 377.20 |

The following table sets out the funded status of the plan and the amounts recognised in the Company's balance sheet.

10. Current and non-current provision for Gratuity and leave encashment

As at 31st March,2022 (₹ in Lakhs)

| Particulars | Gratuity | Leave Encashment |
|---|---|---|
| Current provision | 10.76 | 8.44 |
| Non-current provision | 280.94 | 145.40 |
| **Total Provision** | **291.70** | **153.84** |

As at 31st March,2021 (₹ in Lakhs)

| Particulars | Gratuity | Leave Encashment |
|---|---|---|
| Current provision | 5.00 | 6.13 |
| Non-current provision | 232.75 | 133.31 |
| **Total Provision** | **237.75** | **139.44** |

11. Employee benefit expenses

(₹ in Lakhs)

| Employee benefit expenses | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Salaries and Wages | 2,831.85 | 2,391.23 |
| Costs-defined benefit plan | 134.00 | 122.82 |
| Welfare expenses | 33.33 | 32.36 |
| Total | 2,999.18 | 2,546.41 |

N C AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

(Figure in No.)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Average no of people employed | 303 | 300 |

**OCI presentation of defined benefit plan**

-Gratuity is in the nature of defined benefit plan, Re-measurement gains/(losses) on defined benefit plans is shown under OCI as Items that will not be reclassified to profit or loss and also the income tax effect on the same.

-Leave encashment cost is in the nature of short term employee benefits.

**Presentation in Statement of Profit and Loss/ operative expenses and Balance Sheet**

Expense for service cost, net interest on net defined benefit liability (asset) is charged to Statement of operative expenses.

IND AS 19 do not require segregation of provision in current and non-current, however net defined liability ( Assets) is shown as current and non-current provision in balance sheet as per IND AS 1.

Actuarial liability for short term benefits (leave encashment cost) is shown as current and non-current provision in balance sheet.

When there is surplus in defined benefit plan, company is required to measure the net defined benefit asset at the lower of; the surplus in the defined benefit plan and the assets ceiling, determined using the discount rate specified, i.e. market yield at the end of the reporting period on government bonds, this is applicable for domestic companies, foreign company can use corporate bonds rate.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The mortality rates used are as published by one of the leading life insurance companies in India.

46."Due to outbreak of Coronavirus Disease 2019 (COVID-19) which has been declared as a Pandemic by the World Health Organization and subsequent lock down ordered by the Central and State Government(s) in India, the manufacturing operations of the Company were suspended from 25th March 2020. Subsequently, the Company resumed operations in the phased manner while complying with the necessary instructions/guidelines issued by relevant authorities. The Company is gradually ramping up its operations depending upon the market conditions.
This Pandemic has disturbed the economic activities in the Country and the Company is closely monitoring the impact on its operations and sustainability. The Company, as on the date of approval of these Financial Statements, believes that this Pandemic may not have a significant adverse impact on the long term operations and performance of the Company. "

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL UNITED STEEL LIMITED

**47.Other Disclosures**

a) Auditors Remuneration

(₹ in Lakhs)

| Particulars | For the year ended 31st March,2022 | For the year ended 31st March,2021 |
|---|---|---|
| **Statutory Auditors** | | |
| a) Audit Fees | 3.90 | 3.90 |
| b) Tax Audit Fees | 1.15 | 1.15 |
| **Total** | **5.05** | **5.05** |
| | | |
| **Cost Auditor** | | |
| a) Audit Fees | 0.50 | 0.55 |
| **Total** | **0.50** | **0.55** |

b) The Company has not proposed any dividend to its shareholders during the year.

c) The Company has not given any loan or given any guarantee with respect to the parties covered under section 186(4) of the Companies Act, 2013.The Company has made investments in one Company covered under section 186(4) of the Companies Act, 2013 in one associate as depicted in Long Term Investment Schedule.

**48. Additional Regulatory Information**

i. The company does not have any immovable property. Hence the disclosure requirenment is not applicable.

ii. The Company has not revalued its Property, Plant and Equipment as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 during the year 2021-22 and 2020-21.

iii. The company has not granted any loan to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

iv. Ageing of Capital-Work-in Progress (CWIP) is as below:-

**(a) Capital-Work-in Progress (CWIP)**

(Amount in Rs.)

| CWIP | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 46,32,58,811 | 59,63,259 | - | 1,61,58,085 | 48,53,80,156 |

v. The company does not own any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

vi. The Company does not have loan from banks or financial institutions on the basis of security of current assets.

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

vii. Company is not declared wilful defaulter by any bank or financial Institution or other lender.

viii. The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

ix. The company do not have any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

x. The provisions related to number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 are not applicable on the company.

xi. **Financial Ratios:-**

| S.No | Ratio | 31-Mar-22 | 31-Mar-21 | % change | Reason for variance more than 25% |
|---|---|---|---|---|---|
| | | | | | |
| 1 | Current ratio | 2.00 | 1.54 | 30% | Movement in ratio due to increase in Inventory and trade receivables |
| 2 | Debt- Equity Ratio | 3.56 | 6.00 | -41% | Movement in ratio due to loan repayment and improvement in EBITDA |
| 3 | Debt Service Coverage ratio | 0.77 | 1.24 | -38% | Movement in ratio due to loan repayment and improvement in EBITDA |
| 4 | Return on Equity ratio | 0.28 | (0.11) | -371% | Increase in ratio as the company has earned profit for the year as compared to net loss for previous year. |
| 5 | Inventory Turnover ratio | 6.91 | 3.30 | 110% | Increase in ratio due to increase of cost of goods sold |
| 6 | Trade Receivable Turnover Ratio | 48.78 | 95.96 | -49% | Increase in ratio due to lower receivables and increase in turnover. |
| 7 | Trade Payable Turnover Ratio | 3.30 | 1.18 | 179% | Increase in ratio due to increase of cost of goods sold |
| 8 | Net Capital Turnover Ratio | 2.43 | 2.13 | 14% | Not applicable |
| 9 | Net Profit ratio | 0.10 | (0.05) | -319% | Increase in ratio is due to increase in profitability of the company. |
| 10 | Return on Capital Employed | (0.01) | (0.12) | -93% | Increase in ratio is due to increase in profitability of the company. |
| 12 | Return on Investment | 0.04 | 0.02 | 61% | Increase in ratio due to income from mutual fund investment |

<u>Formulae for computation of ratios are as follows :</u>

(a) Current Ratio : Current assets / Current liabilities

(b) Debt Equity Ratio : Total Debt/ Net Worth

Total Debt : Secured Loans + Unsecured Loans - Liquid Investments

Net Worth : Equity Share Capital + Reserves (Excluding Revaluation Reserve)

(c) Debt Service Coverage Ratio : EBDIT / (Finance costs + Principal repayment of long term debt during the period)

(d)Return on Equity Ratio = Net Income/Shareholder's equity

Net Income : Profit after tax

Shareholder's equity : Equity Share Capital + Reserves (Excluding Revaluation Reserve)

(e) Inventory turnover ratio : (Cost of material consumed + Purchase of stock-in-trade+ Changes in inventories)/(average of opening and closing inventory of RM, SFG, FG and Scrap)

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL UNITED STEEL LIMITED

(f)Trade Receivables turnover ratio = Net Credit Sales / (Average of opening and closing trade receivable for the period)

(g) Trade payables turnover ratio : (Cost of material consumed+ Purchase of stock-in-trade+ Changes in inventories )/ (Average of opening and closing trade payable for the year)

(h) Net capital turnover ratio : Total Turnover / Shareholder's equity

Shareholder's equity : Equity Share Capital + Reserves (Excluding Revaluation Reserve)

(i) Net Profit ratio : Net Profit/Total income

(j) Return on Capital employed: EBIT/ Capital employed

EBIT : (Profit before tax + finance cost)

Capital employed : (Total Assets - Current Liability)

xii. At its meeting held on 28 January, 2022, the Board considered and approved a Composite Scheme of Arrangement pursuant to Sections 230 to 232 and other relevant provisions of Companies Act, 2013, amongst the Company and Jindal Coke Limited ('Scheme'). The aforementioned Scheme is subject to necessary statutory and regulatory approvals under applicable laws, including approval of the Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT").

xiii. The company has not advanced/ loaned/ invested funds (borrowed/share premium/any other sources of kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries), with the understanding (whether recorded in writing or otherwise) that the intermediary shall (a) directly/ indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (ultimate beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The company has not received any funds from any other person(s) or entity(ies), including foreign entities (Funding Party), with the understanding (whether recorded in writing or otherwise) that the company shall (a) directly/ indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Funding Party (Ultimate beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries.

xiv. No income has been surrendered or disclosed for which transaction was not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

xv. CSR provisions under section 135 of the Companies Act are not applicable to this company.

xvi. There is no transaction related to Crypto Currency or Virtual Currency. Hence, Not applicable.

49. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

50. Figures in bracket indicate previous year figures.

N C AGGARWAL & Co. NEW DELHI CHARTERED ACCOUNTANTS

JINDAL UNITED STEEL LIMITED

JINDAL UNITED STEEL LIMITED

51. Notes 1 to 50 are annexed to and form an integral part of financial statements.

**AUDITOR'S REPORT**
In terms of our report of even date annexed hereto

**For N.C. Aggarwal & Co.**
Chartered Accountants

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

**(G.K. Aggarwal)**

Partner

Membership No. 086622
FRN 003273N

**Place:** New Delhi
**Date:** 29th April, 2022

**For and on behalf of the Board of Directors of Jindal United Steel Limited**

OPVerma
**Om Prakash Verma**

(Director)

DIN: 07137865

**Rahul Himatsingka**

(Whole Time Director)

DIN: 03633751

**Narinder Dhankar**
(Chief Financial Officer)

**Akhand Kirty**
(Company Secretary)
ACS-53378

JINDAL UNITED STEEL LIMITED

Annexure - 6

N.C. AGGARWAL & CO.
CHARTERED ACCOUNTANTS
102, Harsha house, Karampura Commercial Complex,
New Delhi-110 015. Ph: (O) 25920555-556 (R) 25221561
E-Mail:nc.aggarwal@gmail.com,nc.a@rediffmail.com

# INDEPENDENT AUDITORS' REPORT

**To**

**The Members of JINDAL COKE LIMITED**

## Report on the Financial Statements

### Opinion

We have audited the accompanying financial statements of **JINDAL COKE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended and a summary of 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 other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis of Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### 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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 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 is also responsible for overseeing the Company's financial reporting process.

### Auditors' Responsibility

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.

N.C. AGGARWAL & CO. * NEW DELHI * CHARTERED ACCOUNTANTS

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

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

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

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in

(i) Planning the scope of our audit work and in evaluating the results of our work;
(ii) To evaluate the effect of any identified misstatements in the financial statements

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

N.C. AGGARWAL & CO. * CHARTERED ACCOUNTANTS * NEW DELHI

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure 'A'** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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

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

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

(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015;

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to **Annexure 'B'**.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

i. The Company does not have any pending litigations which would have any material financial impact on the company as on March 31, 2022.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There is no amount payable towards investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 / the Companies Act, 2013 and rules made thereunder.

(h) The managerial remuneration for the year ended 31st March, 2022 has been paid/ provided for by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

(i) As per the management representation we report,

(i) no funds have been advanced or loaned or invested by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

(ii) no funds have been received by the company from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.

(iii) Based on the audit procedures performed, we report that nothing has come to our notice that has caused us to believe that the representations given under sub-clause (i) and (ii) by the management contain any material misstatement.

(j) No dividend has been paid by the company.

**For N.C. Aggarwal & Co.**
Chartered Accountants
Firm Registration No. 003273N

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

**G. K. Aggarwal**
Partner
M. No.086622
Date: 29th April, 2022
Place: New Delhi
UDIN NO: 22086622AIGFAF704

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

(Annexure referred to in our report of even date to the members of **JINDAL COKE LIMITED** on the accounts for the year ended March 31, 2022)

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   b) A major portion of the PPE has been physically verified by the Management in accordance with a phased programmed of verification once in three years adopted by the company. In our opinion, the frequency of the verification is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.

   c) The Company does not have any immovable property i.e. land in the name of the Company. Therefore, para 3(i)(c) of the order is not applicable to the company.

   (d) The Company has not revalued its PPE and Intangible assets during the year. Hence, the reporting requirement of para 3(i)(d) of the order is not applicable to the Company.

   (e) As explained to us and as per the information and explanations furnished to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988. Hence, Para 3(i)(e) of the order is not applicable to the company.

2. (a) As explained to us, the management during the year has physically verified inventories. In our opinion, the frequency of verification is reasonable. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

   (b) As informed to us and as per the information and explanations furnished to us, the working capital limit sanctioned by bankers on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks are in agreement with the books of account of the Company.

3. In our opinion and According to the information and the explanations given to us, the company during the year has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the provisions of Para 3(iii) (a-f) of the order are not applicable to the company.

4. The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iv) of the order are not applicable to the company and hence not commented upon.

N.C. AGGARWAL & CO. * CHARTERED ACCOUNTANTS * NEW DELHI

5. According to the information given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits under the provisions of section 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the companies Act and the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time. No order has been passed with respect to Section 73 to 76, by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal.

6. We have broadly reviewed the books of account and records maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Companies Act, 2013 in respect of the company's products and are of the opinion that, prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of records with a view to determine whether they are accurate or complete.

7. (a) Undisputed statutory dues including Goods and Services tax, provident fund, employee state insurance, income tax, sales tax, service tax, duty of excise, value added tax, cess, and other statutory dues as applicable to the Company have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as at 31st March, 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material statutory dues referred in aforesaid clause 7(a) which have not been deposited with the appropriate authorities on account of any dispute.

8. In our opinion and as per the information and explanations furnished to us, there are no unrecorded transactions or transactions disclosed as income in the tax assessments under the Income Tax Act. Hence, the para 3(viii) of the order is not applicable to the Company.

9. (a) In our opinion, on the basis of books and records examined by us and according to the information and explanations given to us, the company has not defaulted in repayment of loan or other borrowing and payment of interest to any lender.

(b) In our opinion, and as per the information and explanation furnished to us, the Company is not willful defaulter by any bank or other financial institution or any other lender.

(c) In our opinion and as per the information and explanation furnished to us, the term loan availed were utilized for the purpose for which the loan were taken.

(d) On the basis of books and records examined by us, the company has not raised any short term fund. Hence, Para 3(ix)(d) of the order not applicable to company.

N.C. AGGARWAL & CO.
NEW DELHI
CHARTERED ACCOUNTANTS

(e) On the basis of books and records examined by us, the Company has not taken any funds from any entity or person to meet the obligation of its subsidiary.
(f) On the basis of books and records examined by us and as explained to us, the Company has not raised loan during the year on the pledge of securities held in its subsidiary.

10. (a) The Company has not raised any money by way of initial public offer or further public offer or debt instruments. Hence, the para 3(x) of the order is not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or convertible debentures (fully, partly or optionally convertible) during the year. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable to the Company.

11. (a) According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, we have been informed that no case of frauds by the Company or on the Company has been noticed or reported by the Company.

(b) As informed to us and as per the information and explanation furnished to us, there was no report in prescribed form ADT-4 under sub-section 12 of section 143 of the Companies Act,2013 required to be filed. Hence, the reporting para 3(xi)(b) of the order is not applicable to the Company.

(c) No whistle blower complaints were received by the Company. Hence, the reporting para 3(xi)(c) of the order is not applicable to the Company.

12. The company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13. According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act, and where applicable the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14. According to the information and explanations given to us. In our opinion and as per the information and explanation furnished to us, the Company has an internal audit system commensurate with the size and nature of its business. The report of the internal auditor furnished for the period as submitted to us, was considered in framing the opinion.

15. The Company has not entered into any non-cash transactions with the directors or persons connected with him as covered under Section 192 of the Companies Act, 2013. Accordingly, provisions of clause 3 (xv) of the Order are not applicable to the Company.

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

16. (a) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3 (xvi) of the Order are not applicable to the Company.

(b) In our opinion and as explained to us by the management, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid certificate of registration from Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) In our opinion and as per the information and explanation furnished to us, the Company is not a Core Investment Company (CIC) as defined in the regulation made by the Reserve Bank of India. Hence, the reporting para 3(xvi)(c) and (d) of the order is not applicable to the Company.

17. The Company has not incurred any cash loss in the current financial year and in the immediately preceding previous year.

18. There was no resignation of the statutory auditor during the year. Hence, the reporting para 3(xviii) of the order is not applicable to the Company.

19. In our opinion and based on the books and relevant documents and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plan no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date

20. The Company does not have any unspent CSR Expenditure. Hence, the para 3(xx) of the order is not applicable to the Company.

21. There is no subsidiary, associate or joint venture of the Company. Therefore, the para with respect to qualifications or adverse remark by the respective Auditor in the separate Companies (Auditor's Report) Order (CARO) of the companies included in the consolidated financial statements in, the reporting para 3(xxi) of the order is not applicable to the Company

**For N.C. Aggarwal & Co.**
Chartered Accountants
Firm Registration No. 003273N

N.C. AGGARWAL & CO. CHARTERED ACCOUNTANTS NEW DELHI

**G. K. Aggarwal**
Partner
M. No.086622
Date: 29th April, 2022
Place: New Delhi
UDIN NO : 22086622AIGFAF7048

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

Annexure referred to in our report of even date to the members of **JINDAL COKE LIMITED** on the accounts for the year ended 31st March, 2022

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

We have audited the internal financial controls over financial reporting of **JINDAL COKE LIMITED** ("the Company") as of 31st March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

N.C. AGGARWAL & CO. * CHARTERED ACCOUNTANTS * NEW DELHI

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

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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

**For N.C. Aggarwal & Co.**
Chartered Accountants
Firm Registration No. 003273N

N.C. AGGARWAL & CO. * CHARTERED ACCOUNTANTS * NEW DELHI

**G. K. Aggarwal**
Partner
M. No.086622
Date: 29th April, 2022
Place: New Delhi
UDIN NO: 22086622AIGFAF7048

# JINDAL COKE LIMITED

CIN NO-U23101HR2014PLC053684

## BALANCE SHEET AS AT March 31, 2022

₹ in Lakhs

| Particulars | Note No. | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **(1) Non-Current Assets** | | | |
| (a) Property, Plant and Equipment | 2 | 48,151.74 | 48,234.42 |
| (b) Capital Work-in-Progress | | 161.68 | 56.94 |
| (c) Goodwill | 3 | 1,166.34 | 1,166.34 |
| (d) Other Intangible Assets | 3A | 1.55 | 1.55 |
| (e) Financial Assets | | | |
| (i) Investments | 4 | 14.02 | 4.67 |
| (ii) Other Financial Assets | 5 | 1,398.46 | 1,248.23 |
| (f) Other Non-Current Assets | 7 | 11,130.22 | 9,285.48 |
| **(2) Current assets** | | | |
| (a) Inventories | 8 | 60,332.47 | 9,985.19 |
| (b) Financial Assets | | | |
| (ii) Trade Receivables | 9 | 10,887.37 | 4,782.84 |
| (iii) Cash and Cash Equivalents | 10 | 24,240.47 | 4,392.27 |
| (iv) Bank Balances other than (iii) above | 11 | 579.17 | 549.01 |
| (v) Other Financial Assets | 12 | 50.95 | 210.30 |
| (c) Other Current Assets | 13 | 3,440.00 | 2,954.98 |
| **Total Assets** | | 1,61,555.44 | 82,734.72 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity Share Capital | 14 | 3,243.24 | 3,243.24 |
| (b) Other Equity | 14 | 43,495.64 | 19,618.35 |
| **Liabilities** | | | |
| **(1) Non-Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 15 | 51,149.35 | 49,706.97 |
| (b) Provisions | 17 | 171.21 | 144.52 |
| (c) Deferred Tax Liabilities (Net) | 6 | 6,412.13 | 5,306.52 |
| **(2) Current liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 16 | 428.32 | 228.16 |
| (ii) Trade Payables | | | |
| - Due to Micro and small enterprises | 18 | 89.54 | 43.62 |
| - Due to other than Micro and small enterprises | 18 | 35,516.04 | 1,037.21 |
| (iii) Other Financial Liabilities | 19 | 1,047.45 | 1,277.38 |
| (b) Other Current Liabilities | 20 | 2,352.64 | 1,946.49 |
| (c) Provisions | 21 | 5.45 | 4.52 |
| (d) Current Tax Liabilities (Net) | 22 | 7,644.43 | 177.78 |
| **Total Equity and Liabilities** | | 1,61,555.44 | 82,734.72 |
| **Significant Accounting Policies and Notes to Financial Statements** | 1-49 | | |

As per our report of even date attached

For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N

G.K. Aggarwal
PARTNER
M.No. 086622

N.C. Aggarwal & Co. New Delhi Chartered Accountants

Place : New Delhi
Dated : 28th April 2022

For and on behalf of the Board of Directors of
Jindal Coke Limited

Udai Vashisht
Director
DIN : 02638165

Shashibhushan Shobhnath Upadhyay
Whole Time Director
DIN : 07314313

Hitin Kumar Agrawal
Chief Financial Officer

Pradeep Tahiliani
Company Secretary
ACS-18570

# JINDAL COKE LIMITED
CIN NO-U23101HR2014PLC053884
## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED March 31,2022

₹ in Lakhs

| Particulars | Note No. | Year Ended March 31, 2022 | Year Ended March 31, 2021 |
|---|---|---|---|
| I. Revenue from Operations | 23 | 1,24,216.10 | 78,345.69 |
| II. Other Income | 24 | 211.72 | 518.53 |
| III. Total Income (I +II) | | 1,24,427.82 | 78,864.22 |
| **IV. Expenses:** | | | |
| Cost of Materials Consumed | 25 | 89,585.07 | 49,112.39 |
| Purchases of stock-in-trade | | 422.43 | 686.99 |
| Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade | 26 | (15,569.89) | 3,437.66 |
| Employee Benefit Expenses | 27 | 1,283.34 | 1,028.20 |
| Finance Costs | 28 | 3,491.07 | 5,096.52 |
| Depreciation and Amortisation | 29 | 2,120.93 | 1,996.80 |
| Other Expenses | 30 | 10,853.37 | 7,318.48 |
| Total Expenses | | 92,186.32 | 70,681.03 |
| V. Profit/ (Loss) before exceptional and extraordinary items and tax (III - IV) | | 32,241.50 | 8,183.19 |
| VI. Exceptional Items Gain/ (Loss)(refer note no.31) | | 313.76 | 105.77 |
| VII. Profit/ (Loss) before Tax (V - VI) | | 32,555.26 | 8,288.96 |
| VIII. Tax expense: | | | |
| (1) Current Tax | | 7,768.07 | 1,591.65 |
| (2) Tax for Prior Period | | (358.09) | - |
| (3) Deferred Tax | 42 | 1,271.22 | 1,001.36 |
| (4) MAT Credit (Entitlement)/Reversal | | - | (83.34) |
| | | 8,681.20 | 2,509.67 |
| IX. Profit/ (Loss) for the year after taxation (VII-VIII) | | 23,874.06 | 5,779.29 |
| X. Other comprehensive income: | | | |
| Items that will not be reclassified to profit or loss | | | |
| Re-measurement gains (losses) on defined benefit plans | | (5.09) | 5.62 |
| Income tax effect on above | | 1.27 | (1.96) |
| Gain / (Loss) on Fair valuation of Long Term Investment | | 9.39 | 3.01 |
| Income tax effect on above | | (2.35) | (1.05) |
| Total Other comprehensive income (X) | | 3.22 | 5.62 |
| XI. Total Comprehensive Income for the year (IX + X) | | 23,877.28 | 5,784.91 |
| XII. Earning per equity share of face value of ₹ 10/- each. | | | |
| (1) Basic | 36 | 73.61 | 15.94 |
| (2) Diluted | | 73.61 | 15.94 |
| Significant Accounting Policies and Notes to Financial Statements | 1-49 | | |

As per our report of even date attached

For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N

G.K. Aggarwal
PARTNER
M.No. 086622

Place : New Delhi
Dated : 29th April 2022

Udai Vashisht
Director
DIN : 02638165

Nitin Kumar Agarwal
Chief Financial Officer

For and on behalf of the Board of Directors of
Jindal Coke Limited

Shashibhushan Shobhnath Upadhyay
Whole Time Director
DIN : 07314313

Pradeep Tahiliani
Company Secretary
ACS-18576

# JINDAL COKE LIMITED
## CIN NO-U23101HR2014PLC053884
### Statement of Changes in Equity for the year ended March 31, 2022

A. Equity Share Capital

(₹ in Lakhs)

| Balance as at March 31, 2020 | Changes in equity share capital during 2020-21 | Balance as at March 31, 2021 | Changes in equity share capital during 2021-22 | Balance as at March 31, 2022 |
|---|---|---|---|---|
| 3,741.24 | - | 3,741.24 | - | 3,741.24 |

B. Other Equity

(₹ in Lakhs)

| Particulars | 0.01% Non Cumulative Compulsorily Convertible Preference Shares (NCCCPS) | Reserves and Surplus | Items of Other Comprehensive Income | | Total |
|---|---|---|---|---|---|
| | | Retained Earnings | Revaluation Reserve | Re-measurement of the net defined benefit plans | |
| Balance as at March 31, 2020 | 1,761.76 | 8,092.15 | 5,750.81 | (9.51) | 15,595.21 |
| Profit/(Loss)for the year | - | 5,779.29 | - | - | 5,779.29 |
| Re-measurement of the net defined benefit plans (net of taxes) | - | - | - | 3.66 | 3.66 |
| Gain / (Loss) on Fair valuation of Investment (net of taxes) | - | - | - | 1.96 | 1.96 |
| Depreciation on Revalued value of Asset (net of taxes) | - | 223.01 | (223.01) | | - |
| Conversion of Non-Cumulative Compulsorily Convertible Preference Shares("NCCPs") into Non-Cumulative Non convertible redeemable preference shares("NCNCRPs") | (1,761.76) | - | - | - | (1,761.76) |
| Balance as at March 31, 2021 | - | 14,094.45 | 5,527.80 | (3.89) | 19,618.36 |
| Profit/(Loss)for the year | - | 23,874.06 | - | - | 23,874.06 |
| Re-measurement of the net defined benefit plans (net of taxes) | - | - | - | (3.78) | (3.78) |
| Gain / (Loss) on Fair valuation of Investment (net of taxes) | - | - | - | 7.00 | 7.00 |
| Depreciation on Revalued value of Asset (net of taxes) | - | 256.54 | (256.54) | | - |
| Balance as at March 31, 2022 | - | 38,225.05 | 5,271.26 | (0.67) | 43,495.64 |

As per our report of even date attached

For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N

G.K. Aggarwal
PARTNER
M.No. 086622

Place : New Delhi
Dated : 29th April 2022

For and on behalf of the Board of Directors of
Jindal Coke Limited

Udai Vashisht
Director
DIN : 02638165

Shashibhushan Shobhnath Upadhyay
Whole Time Director
DIN : 07314313

Nitin Kumar Agarwal
Chief Financial Officer

Pradeep Tahiliani
Company Secretary
ACS-18570

## JINDAL COKE LIMITED

CIN NO-U23101HR2014PLC053884

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

₹ in Lakhs

| PARTICULARS | For the year Ended March 31, 2022 | | For the year Ended March 31, 2021 | |
|---|---|---|---|---|
| A. CASH INFLOW (OUTFLOW) FROM THE OPERATING ACTIVITIES | | | | |
| NET PROFIT BEFORE TAX | | 32,241.50 | | 8,183.19 |
| Adjustments for | | | | |
| Add/(Less) | | | | |
| Depreciation | 2,120.93 | | 1,988.80 | |
| Interest Expense | 3,150.14 | | 4,779.30 | |
| Acturall Gain/(Loss) | (5.05) | | 5.62 | |
| Bad debts written off and allowance for expected credit loss | - | | 41.41 | |
| Interest Income | (178.59) | 5,089.43 | (459.48) | 6,355.65 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | | | | |
| Adjustments for:- | | | | |
| Inventories | (50,348.28) | | 3,691.80 | |
| Trade Receivables | (6,104.53) | | (3,964.55) | |
| Loans and advances and other assets | (2,211.76) | | 2,014.65 | |
| Effect of Unrealised Foreign Exchange (Gain)/Loss | 25.14 | | - | |
| Trade and Other Payables | 34,733.12 | (23,906.33) | (5,454.25) | (3,712.34) |
| CASH GENERATED FROM OPERATIONS BEFORE EXCEPTIONAL ITEMS | | 13,424.60 | | 10,826.60 |
| Foreign Exchange Fluctuation (Gain)/Loss | 338.09 | | 105.77 | |
| Tax Paid | (1,921.25) | (1,583.16) | (1,230.11) | (1,124.34) |
| NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES | | 11,841.44 | | 9,702.26 |
| B. CASH INFLOW/(OUTFLOW)FROM INVESTMENT ACTIVITIES | | | | |
| Capital expenditure | (2,182.99) | | (1,299.95) | |
| Interest received | 29.56 | | 333.93 | |
| NET CASH INFLOW/(OUTFLOW)FROM INVESTING ACTIVITIES | | (2,153.43) | | (966.01) |
| C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES | | | | |
| Interest paid | (2,065.19) | | (3,090.15) | |
| Increase/(Decrease) in Current Borrowings | | | - | |
| Increase/(Decrease) in Non-Current Borrowings | 12,314.87 | | (2,912.77) | |
| NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES | | 10,249.69 | | (6,002.92) |
| NET CHANGES IN CASH AND CASH EQUIVALENTS | | 19,937.70 | | 2,733.33 |
| Cash and cash equivalents at beginning of the year | | 4,302.77 | | 1,569.44 |
| Cash and cash equivalents at end of the year | | 24,240.47 | | 4,302.77 |

NOTE-

1. Increase/(decrease) in Non-current and current borrowings are shown net of repayments.
2. Figures in bracket indicates cash outflow.
3. The above cash flow statement has been prepared under the indirect method setout in IND AS-7 "Statement of Cash Flows".

As per our report of even date attached

For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N

G.K. Aggarwal
PARTNER
M.No. 086622

N.C. Aggarwal & Co. New Delhi Chartered Accountants

Place : New Delhi
Dated :29th April 2022

Udai Vashisht
Director
DIN : 02638165

Nitin Kumar Agarwal
Chief Financial Officer

For and on behalf of the Board of Directors of
Jindal Coke Limited

Sashibhushan Shobhnath Upadhyay
Whole Time Director
DIN : 07314313

Pradeep Tahiliani
Company Secretary
ACS-18570

JINDAL COKE LIMITED

Notes to Financial Statements

1. Significant accounting policies

A. Corporate and General Information

Jindal Coke Limited ("JCL)" or "the Company") is domiciled and incorporated in India. The Company is leading manufacturer of coke and coke products at a facility with a capacity of 0.43 million metric tonnes p.a. at Kalinga Nagar Industrial Complex, Duburi, Jaipur, Odisha. The Registered Office of the Company is located at O.P. Jindal Marg, Hisar.

B. Basis of preparation

The financial statements have been prepared complying in all material respects with the Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2015. The financial statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented

The significant accounting policies used in preparing the financial statements are set out in Note no.1C of the Notes to the Financial Statements.

Ministry of Corporate Affairs ("MCA") through a notification dated March 24, 2021, amended Division II of Schedule III of the Companies Act, 2013. These amendments are applicable for the reporting period beginning on or after April 1, 2021. The amendment encompasses significant additional disclosure requirements and includes certain changes to the existing disclosures. The Company has applied and incorporated the requirements of amended Division II of Schedule III of the Companies Act, 2013 while preparing these standalone financial statements based on available information including exposure draft of revised guidance note on Division II- Ind AS schedule III to the Companies Act, 2013 issued by the corporate laws & corporate governance committee of the Institute of Chartered Accountants India (ICAI).

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no.30) on Significant accounting estimates, assumptions and judgements).

C. Significant Accounting Policies

i) Basis of Measurement

The financial statements have been prepared on the accrual basis of accounting and under the historical cost convention except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below.

N.C. Aggarwal & Co. New Delhi Chartered Accountants

ii) Property, Plant and Equipment

a) For transition to IND AS, the Company has elected to continue with the carrying value of previous GAAP for all its tangible assets as of 1st April, 2015 (transition date) and use that carrying value as its deemed cost on transition date.
However, under the previous GAAP, the Company has fair valued all its Property Plant and Equipment on transfer of business to the Company under Composite Scheme of Arrangement (Refer Note No. 30).

The company has done fair valuation of the Building and Plant and Machinery as valued by an independent valuer before close of business hours on 31.03.2018. The assets are valued at depreciated replacement cost basis and determined using "Market Value" basis of valuation for tangible fixed Asset.

b) Depreciation on fixed assets has been provided as per guidance set out in Schedule II of the Companies Act, 2013 on straight line method, on remaining Useful life on transfer of Property, Plant and Equipment under Composite Scheme of Arrangement. However, in respect of certain Plant and Machinery, electrical installation and Factory Building, depreciation is provided as per their useful lives assessed on the basis of technical evaluation by the external valuer/technical expert, as stated below.

| Category of Assets | Years |
|---|---|
| -Building | 25-50 |
| -Plant and Machinery | Up to 35 Years |

iv). Intangible Assets

The Identifiable intangible assets are recognized:
i) When the Company controls the asset,
ii) It is probable that future economic benefits attributed to the asset will flow to the Company and
iii) The cost of the asset can be reliably measured.
Computer software's are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of license, generally not exceeding five years on straight line basis. The assets' useful lives are reviewed at each financial year end.
Goodwill is initially recognised at cost and is tested for impairment end of each Financial Year.

v). Impairment of non-current assets

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use).The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

vi). Cash and cash equivalents

Cash and cash equivalents includes Cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

N.C. Aggarwal & Co. New Delhi Chartered Accountants

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the Company's cash management.

vii). Inventories

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

viii). Employee benefits

i) Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered.

ii) Leave encashment being a short-term benefit is accounted for using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.

iii) Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

iv) The cost of providing gratuity, a defined benefit plans, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Other Comprehensive Income in the period in which they arise. Other costs are accounted in statement of profit and loss.

v) The Company's liability towards employee benefits such as gratuity, leave encashment, terminal benefits etc. is provided for on the basis of actuarial valuation. Company does not operate any Defined plan for Gratuity; hence, the liability is recognised in the books. The liability towards terminal benefit is un-funded.

ix). Foreign currency reinstatement and translation

(i) Functional and presentation currency

The financial statements have been presented in Indian Rupees, which is the Company's functional and presentation currency.

(ii) Transactions and balances

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

Chartered Accountants

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. Exchange component of the gain or loss arising on fair valuation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to such exchange difference.

**x). Financial instruments – initial recognition, subsequent measurement and impairment**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial assets or financial liabilities (Other than financial assets and financial liabilities at fair value through profit and loss account) are added to or deducted from fair value measured initial recognition of financial asset or financial liability.

Financial Assets and liabilities are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and liabilities and the assets and liabilities contractual cash flow characteristics.

**Financial Assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest amount outstanding.

**Financial Assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

**Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liability at fair value thorough profit or loss are immediately recognised in profit or loss.

**Financial Liabilities**

Financial liabilities including interest bearing loans and borrowings and trade payables are subsequently measured at amortised cost using the effective interest rate method (EIR) except those designated in an effective hedging relationship.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss.

N.C. Aggarwal & Co. New Delhi Chartered Accountants

Trade and other payables

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

xi). Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.
Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

All other borrowing costs are expensed in the period in which they occur.

xii). Taxation

Income tax expense represents the sum of current and deferred tax (including MAT). Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income, such change could be for change in tax rate.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the profit and lossaccount and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

xiii). Revenue recognition from sale of products and services

Sale of Goods

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

Sale of Services-Job work

Revenue from job work charges is accounted for on the basis of work performed and rendering of service as per the terms of the specific contract.

Periodically, the Company enters into volume or other rebate programs where once a certain volume or other conditions are met, it refunds the customer some portion of the amounts previously billed or paid. For such arrangements, the Company only recognizes revenue for the amounts it ultimately expects to realize from the customer. The Company estimates the variable consideration for these programs using the most likely amount method or the expected value method, whichever approach best predicts the amount of the consideration based on the terms of the contract and available information and updates its estimates in each reporting period.

Other Income

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

xiv). Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Fully convertible preference shares into fixed number of equity shares are considered for calculation of basic earning per share.

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

xv). Provisions and contingencies

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

xvi). Current/ non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

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

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

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

xvii). Lease

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) The contract involves the use of an identified asset

(ii) The Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) The Company has the right to direct the use of the asset.

**xvii). Recent accounting pronouncements**

New and amended standards applied
The group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2021:

• Extension of COVID-19 related concessions – amendments to Ind AS 116
• Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Ministry of Corporate Affairs ("MCA") has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

Ministry of Corporate Affairs ("MCA") amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.
Consequent to above, the group has changed the classification/presentation of
(i) current maturities of long-term borrowings
(ii) security deposits, in the current year
The current maturities of long-term borrowings (including interest accrued) has now been included in the "Current borrowings" line item. Previously, current maturities of long-term borrowings and interest accrued were included in 'other financial liabilities' line item.
Further, security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

30. Significant accounting estimates, assumptions and judgements

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

(i) Property, plant and equipment
External adviser or internal technical team assess the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable, the estimates and assumptions made to determine depreciation are critical to the Company's financial position and performance.

(ii) Income taxes
Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

(iii) Contingencies
Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

(iv) Fair value of financial assets and liabilities
When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The input to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair value. Judgements include consideration of input such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(v) Defined benefit plan
The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These includes the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

# JINDAL COKE LIMITED
## Notes to Financial Statements

### 2. Property, Plant and Equiptment

₹ in Lakhs

| Particulars | Building | Residential Building | Plant and Machinery | Furniture and Fixtures | Office equipment | Vehicles | Total |
|---|---|---|---|---|---|---|---|
| **Gross Block** | | | | | | | |
| **As at March 31,2020** | 5,442.14 | | 55,392.91 | 80.02 | 5.74 | 23.66 | 60,944.47 |
| Additions | - | | 1,351.61 | 0.50 | 0.21 | | 1,352.32 |
| Disposal | | | | | | | |
| Fair Value Adjustment | | | | | | | |
| **As at March 31,2021** | 5,442.14 | - | 56,744.52 | 80.52 | 5.95 | 23.66 | 62,296.79 |
| Additions | - | 1,938.15 | 74.58 | 21.21 | 4.31 | - | 2,038.25 |
| Disposal | | | | | | | |
| Fair Value Adjustment | | | | | | | |
| **As at March 31,2022** | 5,442.14 | 1,938.15 | 56,819.10 | 101.73 | 10.26 | 23.66 | 64,335.04 |
| **Accumulated Depreciation** | | | | | | | |
| **As at March 31,2020** | 732.89 | | 11,199.14 | 27.39 | 2.24 | 4.99 | 12,066.64 |
| Charge for the year | 170.56 | | 1,817.06 | 7.33 | 0.78 | | 1,995.73 |
| | | | | | | | |
| **As at March 31,2021** | 903.45 | - | 13,116.20 | 34.72 | 3.02 | 4.99 | 14,062.37 |
| Charge for the year | 170.56 | 10.68 | 1,927.88 | 9.07 | 0.96 | 1.78 | 2,120.93 |
| **As at March 31,2022** | 1,074.01 | 10.68 | 15,044.08 | 43.79 | 3.98 | 6.77 | 16,183.30 |
| **Net Carrying Amount (Revalued)** | | | | | | | |
| **As at March 31,2021** | 4,538.69 | - | 43,628.32 | 45.81 | 2.93 | 18.67 | 48,234.42 |
| **As at March 31,2022** | 4,368.13 | 1,927.47 | 41,775.02 | 57.95 | 6.28 | 16.89 | 48,151.74 |
| **Fair Value Adjustment included above (net of depreciation) (Refer Note-2 below)** | | | | | | | |
| As at March 31,2021 | 111.90 | | 8,385.07 | | | | 8,496.98 |
| As at March 31,2022 | 108.59 | | 8,045.57 | | | | 8,154.16 |

Note:-

1) Property,plant and equipment is hypothecated for long term borrowings from banks.(Refer note no. 15)

2) The Building and Plant and Machinery is valued by an independent valuer before close of business hours on 31.03.2018. The assets are valued at depreciated replacement cost basis and determined using "Market Value" basis of valuation for tangible fixed Asset.

184

## JINDAL COKE LIMITED
### Notes to Financial Statements

### 3. Goodwill

₹ in Lakhs

| Particulars | Goodwill* | Total |
|---|---|---|
| **Gross Block** | | |
| **As at March 31,2020** | 1,166.34 | 1,166.34 |
| Additions | - | - |
| Disposal | - | - |
| **As at March 31,2021** | 1,166.34 | 1,166.34 |
| Additions | - | - |
| Disposal | - | - |
| **As at March 31,2022** | 1,166.34 | 1,166.34 |
| **Accumulated Depreciation** | | |
| **As at March 31,2020** | - | - |
| Charge for the year | - | - |
| Disposal | | - |
| **As at March 31,2021** | - | - |
| Charge for the year | | - |
| Disposal | - | - |
| **As at March 31,2022** | - | - |
| | | |
| **Net carrying amount** | | |
| **As at March 31,2021** | 1,166.34 | 1,166.34 |
| **As at March 31,2022** | 1,166.34 | 1,166.34 |

*Refer note no 31 (2)(c)

### 3A. Intangible Assets

₹ in Lakhs

| Particulars | Software | Total |
|---|---|---|
| **Gross Block** | | |
| **As at March 31,2020** | 31.18 | 31.18 |
| Additions | - | - |
| Disposal | - | - |
| **As at March 31,2021** | 31.18 | 31.18 |
| Additions | - | - |
| Disposal | - | - |
| **As at March 31,2022** | 31.18 | 31.18 |
| **Accumulated Depreciation** | | |
| **As at March 31,2020** | 26.57 | 26.57 |
| Charge for the year | 3.06 | 3.06 |
| Disposal | - | - |
| **As at March 31,2021** | 29.63 | 29.63 |
| Charge for the year | - | - |
| Disposal | - | - |
| **As at March 31,2022** | 29.63 | 29.63 |
| | | |
| **Net carrying amount** | | |
| **As at March 31,2021** | 1.55 | 1.55 |
| **As at March 31,2022** | 1.55 | 1.55 |

# JINDAL COKE LIMITED
## Notes to Financial Statements

### 4. Non - Current Investments

₹ in Lakhs

| | As at March 31, 2022 | | | As at March 31, 2021 | | |
|---|---|---|---|---|---|---|
| | No. of Shares | Face Value (₹) | Amount | No. of Shares | Face Value (₹) | Amount |
| **LONG TERM - NON TRADE**<br>**QUOTED Designated at Fair Value Through Other Comprehensive Income** | | | | | | |
| Jindal Stainless Limited | 6,920 | 2 | 14.02 | 6,920 | 2 | 4.67 |
| | 6,920 | | 14.02 | 6,920 | | 4.67 |
| Aggregate amount of quoted investment ( At Market Value) | | | 14.02 | | | 4.67 |

*(This space has been intentionally left blank)*

₹ in Lakhs

| Particulars | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| **5. NON CURRENT FINANCIAL ASSETS - OTHERS** | | |
| Security Deposits | 774.88 | 774.88 |
| Interest Accrued but not due on Security Deposit | 609.14 | 461.40 |
| Bank Deposits (with remaining maturity of more than 12 months)* | 14.44 | 3.95 |
| **Total Non Current Financial Assets - Others** | 1,398.46 | 1,240.23 |
| *Pledged with government authorities. | | |
| **6. DEFERRED TAX ASSETS/(LIABILITIES) (NET)** | | |
| **A. ASSETS** | | |
| (i)Amount allowable in Income tax on payment basis | 285.50 | 755.96 |
| (ii)Amount disallowed as per income tax act 1961 | - | 14.47 |
| (iv) Finacial asset & finacial liabilities measured at amortized cost | 359.70 | 392.27 |
| **Total Deferred Tax Assets** | 645.20 | 1,162.70 |
| **B. LIABILITY** | | |
| (i)Difference between WDV as per books and Income Tax | 6,906.60 | 9,385.35 |
| (iii) Finacial asset & finacial liabilities measured at amortized cost | 150.73 | 88.23 |
| **Total Deferred Tax Liabilities** | 7,057.33 | 9,473.58 |
| **C. Net Assets of Temporary Difference (A-B)** | (6,412.13) | (8,310.88) |
| **D. MAT Credit Entitlement** | - | 3,004.36 |
| **Net Deferred Tax Assets/ (Liability) (C+D)** | (6,412.13) | (5,306.52) |
| Deferred tax asset/(Liability) accounted for in Statement of Profit and Loss account | (1,221.22) | (1,091.36) |
| Deferred tax asset/(Liability) accounted for through OCI | (1.08) | (3.01) |
| | (1,222.30) | (1,094.37) |
| **7. OTHER NON-CURRENT ASSETS** | | |
| Prepaid Expenses* | 8,804.64 | 9,285.48 |
| Capital Advances | 2,325.58 | |
| **TOTAL OTHER NON-CURRENT ASSETS** | 11,130.22 | 9,285.48 |
| *Toward Security deposit paid to JSL for Utilities as per Scheme (refer note no 31) | | |
| **8. INVENTORIES** | | |
| **a) Raw Materials** | | |
| Raw Materials | 6,999.50 | 5,314.18 |
| Materials in Transit | 35,049.6 | 2,136.19 |
| | 42,049.06 | 7,450.37 |
| **b) Finished Goods** | | |
| Finished Goods | 16,796.31 | 1,648.85 |
| **c) Stock in trade** | | |
| Stock in trade(Coal Tar) | 315.77 | 293.34 |
| **d) Inventories - Stores and Spares** | | |
| Stores and Spares | 272.34 | 592.63 |
| **Total Inventories** | 60,333.47 | 9,985.19 |

*(This space has been intentionally left blank)*

# JINDAL COKE LIMITED
## NOTES TO FINANCIAL STATEMENTS

₹ in Lakhs

| Particulars | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| **9. TRADE RECEIVABLES** | | |
| Trade receivables considered good - Unsecured | 10,887.37 | 4,782.84 |
| Trade receivables - credit impaired | 41.41 | 41.41 |
| Total | 10,928.78 | 4,824.25 |
| Less :Loss allowance | (41.41) | (41.41) |
| **Total Trade Receivables** | 10,887.37 | 4,782.84 |

2021-22

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | Morethan 3 years | Total |
| (i) Undisputed Trade receivables - considered good | 10,879.50 | - | - | 11.09 | 38.19 | 10,928.78 |
| (ii) Undisputed Trade Receivables - considered doubtful | - | - | - | (6.00) | (35.41) | (41.41) |
| (iii) Disputed Trade Receivables considered good | | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | | - | - | - | - | - |
| | 10,879.50 | - | - | 5.09 | 2.78 | 10,887.37 |

2020-21

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | Morethan 3 years | Total |
| (i) Undisputed Trade receivables - considered good | 4,777.22 | - | 8.84 | 2.78 | 35.41 | 4,824.25 |
| (ii) Undisputed Trade Receivables - considered doubtful | - | - | - | (6.00) | (35.41) | (41.41) |
| (iii) Disputed Trade Receivables considered good | | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | | - | - | - | - | - |
| | 4,777.22 | - | 8.84 | (3.22) | - | 4,782.84 |

| | | |
|---|---|---|
| **10. CASH AND CASH EQUIVALENTS** | | |
| Balances with Banks | 19,090.15 | 1,102.54 |
| Bank Deposits (with original maturity of less than three months) | 5,150.14 | 600.00 |
| Cheque on hand | - | 2,600.00 |
| Cash on hand | 0.18 | 0.23 |
| **Total Cash and Cash equivalents** | 24,240.47 | 4,302.77 |
| **11. OTHER BANK BALANCES** | | |
| Bank Deposits with remaining maturity of less than twelve months and other than considered in cash and cash equivalents | 579.17 | 549.01 |
| **Total Other Bank Balances** | 579.17 | 549.01 |
| **12. OTHER FINANCIAL ASSETS** | | |
| Security Deposit | 41.97 | 22.45 |
| Other Receivables (Unbilled revenue from services) | 1.89 | 180.05 |
| Interest Accrued but not due on Bank Deposit | 7.09 | 7.80 |
| **Total Other Financial assets** | 50.95 | 210.30 |
| **13. OTHER CURRENT ASSETS** | | |
| Prepaid Expenses* | 491.21 | 493.06 |
| Advances to vendors | 1,311.86 | 1,071.35 |
| Balance with Statutory authorities** | 1,636.68 | 1,389.84 |
| Other receivables | 0.25 | 0.73 |
| **Total Other Current Assets** | 3,440.00 | 2,954.98 |

* Includes security deposit paid to JSL for utilites as per Scheme.(Refer note no-31)

** Includes GST receivable and cenvat credit receivable etc.

*(This space has been intentionally left blank)*

Chartered Accountants

# JINDAL COKE LIMITED
## NOTES TO FINANCIAL STATEMENTS

₹ in Lakhs

| Particulars | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| **14. SHARE CAPITAL** | | |
| **(a) Authorised** | | |
| 3,50,50,000 (3,50,50,000) Equity Shares of ₹ 10/- each | 3,505.00 | 3,505.00 |
| 11,77,00,000 (11,77,00,000) Preference Shares of ₹ 10/- each | 11,770.00 | 11,770.00 |
| | 15,275.00 | 15,275.00 |
| **(b) Issued, Subscribed and Fully Paid-Up** | | |
| 3,24,32,432 (3,24,32,432) Equity Shares of ₹ 10/- each | 3,243.24 | 3,243.24 |
| | 3,243.24 | 3,243.24 |

**(c) Reconciliation of the number of equity shares:**

| | | |
|---|---|---|
| Shares outstanding as at the beginning of the year | 3,24,32,432 | 3,24,32,432 |
| Add: Shares issued during the year | - | - |
| **Shares outstanding as at the end of the year** | 3,24,32,432 | 3,24,32,432 |

**(d) Reconciliation of the number of NCCCPS:**

| | | |
|---|---|---|
| **0.01% Non Cumulative Compulsorily Convertible Preference Shares (NCCCPS)** | | |
| Shares outstanding as at the beginning of the year | - | 1,76,17,568 |
| Add: Shares allotted during the year | - | - |
| Less: Shares converted in to equal number of Non Cumulative Non Convertible Preference Shares during the year | - | 1,76,17,568 |
| NCCCPS outstanding as at the end of the year | - | - |

**(e) Details of Share held by holding company**

| | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| Name of Shareholders | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Four Seasons Investments Limited(FSIL) | 2,40,00,000 | 74 | 2,40,00,000 | 74 |

**(f) (i) Details of equity shareholders holding more than 5% shares in the company:**

| | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| Name of Shareholders | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Four Seasons Investments Limited(FSIL) | 2,40,00,000 | 74 | 2,40,00,000 | 74 |
| Jindal Stainless Limited | 84,32,372 | 26 | 84,32,372 | 26 |
| **Total** | 3,24,32,372 | 100 | 3,24,32,372.00 | 100.00 |

**(f) (ii) Promotors holdings**

| | Shares held by promotors at the end of the year | | | % of change during the year | As At March 31, 2021 |
|---|---|---|---|---|---|
| Sl | Promotors Name | No of shares | % of Total Shares | Total | No of shares |
| 1 | Four Seasons Investment Limited | 2,40,00,000 | 74.00% | 0.00% | 2,40,00,000 |
| 2 | Jindal Stainless Limited | 84,32,372 | 26.00% | 0.00% | 84,32,372 |
| 3 | Rajesh Garg | 20 | 0.00% | 0.00% | 20 |
| 4 | Navneet Raghuvanshi | 10 | 0.00% | 0.00% | - |
| 5 | Sanjay Gupta | - | 0.00% | 0.00% | 10 |
| 6 | Rajeev Garg | 10 | 0.00% | 0.00% | 10 |
| 7 | Mahabir Prasad Gupta | 10 | 0.00% | 0.00% | 10 |
| 8 | Mahabir Prashad Swami | 10 | 0.00% | 0.00% | 10 |
| | | 3,24,32,432 | | | 3,24,32,432 |

**(g) Terms/Rights attached to Equity Shares**

The Company has one class of equity shares having a face value of ₹10/- per equity share. Each equity shareholder is entitled to one vote per share.

Chartered Accountants

# JINDAL COKE LIMITED
## Notes to Financial Statements

### 14A. Other equity

| Particulars | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| | | ₹ in Lakhs |
| **A. 0.01% Non Cumulative Compulsorily Convertible Preference Shares (NCCCPS)** | | |
| Balance at the beginning of the year | - | 17,61,75,680 |
| Add: alloted during the year | - | - |
| Less: Conversion of Non-Cumulative Compulsorily Convertible Preference Shares("NCCPs") into Non-Cumulative Non convertible redemable preference shares("NCNCRPs") | - | 17,61,75,680 |
| **Balance at the end of the year** | - | - |

**B. Retained earnings**

Represents the undistributed surplus of the Company.

| | | |
|---|---|---|
| Balance at the beginning of the year | 14,094.45 | 8,092.15 |
| Add : Profit for the year | 23,874.06 | 5,779.29 |
| Add: Depreciation on Revalued value of Asset (net of taxes) | 256.54 | 223.01 |
| **Balance at the end of the year** | 38,225.05 | 14,094.45 |

**C. Revaluation Reserve**

Represents amounts towards revaluation of Building and Plant & Machinery

| | | |
|---|---|---|
| Balance at the beginning of the year | 5,527.80 | 5,750.81 |
| Less: Depreciation on Revalued value of Asset (net of taxes) | (256.54) | (223.01) |
| **Balance at the end of the year** | 5,271.26 | 5,527.80 |

**D. Re-measurement of the net defined benefit plans**

Represents amounts towards remeasurement of defined benefit plan

| | | |
|---|---|---|
| Balance at the beginning of the year | (3.89) | (9.51) |
| Re-measurement of the net defined benefit plans (net of taxes) | (3.78) | 3.66 |
| Gain / (Loss) on Fair valuation of Investment (net of taxes) | 7.00 | 1.96 |
| **Balance at the end of the year** | (0.67) | (3.89) |

R.S. Agarwal & Co. New Delhi Chartered Accountants

## JINDAL COKE LIMITED
### NOTES TO FINANCIAL STATEMENTS

₹ in Lakhs

| Particulars | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| **15. BORROWINGS - NON CURRENT** | | |
| **Secured** | | |
| **Term Loans** | | |
| Term Loans from Banks | 50,222.88 | 38,780.45 |
| **Unsecured** | | |
| 10% Non-Cumulative Non-Convertible Redeemable Preference Shares Refer Note 31(2)(b) | 9,164.71 | 9,164.71 |
| 10 % Non-Cumulative Non convertible Redemable preference shares Refer Note 31(2)(b) | 1,761.76 | 1,761.76 |
| **Total borrowings** | 61,149.35 | 49,706.92 |

* Term loan is net off processing fees

**Term Loans from Banks include :**
(a)The Term Loan Facility 1 from banks amounting to Rs. 17,696.89 Lakhs (Rs. 39,008.61 Lakhs) are repayable in structured quarterly installments, with repayment for Rs. 49.87 lakhs during FY 2022-23, Rs. 66.50 Lakhs during FY 2023-24, Rs. 919.87 Lakhs during FY 2024-25, Rs. 1,133.11 Lakhs during FY 2025-26, Rs. 1,351.24 Lakhs during FY 2026-27, FY 2027-28 & FY 2028-29, Rs. 1,393.79 Lakhs during FY 2029-30, Rs. 1,534.21 Lakhs during FY 2030-31, Rs 1,633.02 Lakhs during FY 2031-32, Rs. 1,669.77 Lakhs during FY 2032-33, FY 2033-34 & FY 2034-35, Rs. 1,819.40 Lakhs during FY 2035-36 and balance repayable Rs. 34.11 Lakhs in FY 2036-37

(b)The Term Loan Facility 2 from banks amounting to Rs. 33,200.00 Lakhs is repayable in structured quarterly installments, with repayment for Rs. 311.55 lakhs during FY 2022-23, Rs. 335.32 Lakhs during FY 2023-24, Rs. 1,875.80 Lakhs during FY 2024-25, Rs. 2,367.16 Lakhs during FY 2025-26, FY 2026-27 & FY 2027-28, Rs. 2,390.40 Lakhs during FY 2028-29, Rs. 2,539.80 Lakhs during FY 2029-30, Rs. 2,762.24 Lakhs during FY 2030-31, Rs. 2,961.44 Lakhs during FY 2031-32, FY 2032-33 & FY 2033-34, Rs 3,084.28 Lakhs during FY 2034-35, Rs. 3,452.80 Lakhs during FY 2035-36 and balance repayable Rs. 461.01 Lakhs in FY 2036-37

(c)The outstanding long term borrowings include an adjustment of unamortised portion of upfront fees and transaction costs amounting to Rs. 245.69 lakhs.

Facility 1 is secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge by way of hypothecation and/or pledge of current assets including finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable, etc both present and future.
Facility 1 is also secured by the following additional securities :
(i) Unconditional and irrevocable personal guarantee of Mr. Ratan Jindal; and
(ii) Pari-passu pledge of 100% equity shares, as held by promoter (FSIL) in the Company.

Facility 2 is secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge by way of hypothecation and/or pledge of current assets including finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable, etc both present and future.

Facility 2 is also secured by the following additional security :
**Working Capital Facility from Banks :**
Working capital facilities are secured by first pari-passu charge by way of hypothecation and/or pledge of current assets including finished goods, raw material, work in progress, consumable stores and spares, book debts, bill receivable, etc both present and future and by way of second charge in respect of other moveable and immoveable properties, both present and future, of the Company. Working capital facility is repayable on demand.

(a) The Working Capital facility of the company is also secured by the Unconditional and irrevocable personal guarantee of Mr. Ratan Jindal

**9,16,47,073 10% Non-Cumulative Non-Convertible Redeemable Preference Shares (Refer note no. 31(2)(b)**
10% Non - Cumulative Non - Convertible Redeemable Preference Shares ("NCNCRPS") are redeemable on or before 20 (twenty) years from the date of allotment i.e. 13th October, 2016,at the option of the company.

**1,76,17,568 10% Non-Cumulative Non-Convertible Redeemable Preference Shares (Refer note no. 31(2)(b)**
10% Non - Cumulative Non - Convertible Redeemable Preference Shares ("NCNCRPS") are redeemable on or before 20 (twenty) years from the date of allotment i.e. 25th October, 2018,at the option of the company.

| | | |
|---|---|---|
| **16. BORROWINGS - CURRENT** | | |
| Current maturities of Long term Debt | 428.32 | 228.16 |
| | 428.32 | 228.16 |
| **17. PROVISIONS** | | |
| **Provision for Employee benefits** | | |
| Provision for Gratuity | 110.56 | 89.23 |
| Provision for Leave Encashment | 60.65 | 55.29 |
| **Total Provisions** | 171.21 | 144.52 |

# JINDAL COKE LIMITED
## NOTES TO FINANCIAL STATEMENTS

(₹ In Lakhs)

| Particulars | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| **18. TRADE PAYABLES** | | |
| Dues to Micro and Small Enterprises (refer note A below) | 89.54 | 43.62 |
| Due to creditors otherthan micro and small enterprises | 35,516.04 | 1,037.21 |
| Total Trade Payables | 35,605.58 | 1,080.83 |

| Particulars | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | Morethan 3 years | Total |
| (i) MSME | 84.35 | 0.68 | 4.14 | 0.37 | 89.54 |
| (ii) Others | 35,447.63 | 17.17 | 17.82 | 33.42 | 35,516.04 |
| (iii) Disputed dues-MSME and | - | - | - | - | - |
| (iv) Disputed dues-Others | - | - | - | - | - |
| | 35,531.98 | 17.85 | 21.96 | 33.79 | 35,605.58 |

| Particulars | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | Morethan 3 years | Total |
| (i) MSME | 37.20 | 6.05 | - | 0.37 | 43.62 |
| (ii) Others | 985.80 | 49.58 | (167.45) | 169.28 | 1,037.21 |
| (iii) Disputed dues-MSME and | - | - | - | - | - |
| (iv) Disputed dues-Others | - | - | - | - | - |
| | 1,023.00 | 55.63 | (167.45) | 169.65 | 1,080.83 |

A On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, dues disclosed as per the Micro, Small and Medium Enterprise Development Act, 2006 at the year end are below:

| Particulars | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| (i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | |
| Principal amount due | 89.47 | 43.59 |
| Interest amount due | 0.07 | 0.03 |
| (ii) The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| (iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act | - | - |
| (iv) The amount of interest accrued and remaining unpaid at the end of each accounting year | 0.07 | 0.03 |
| (v) 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 | - | - |

| Particulars | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| **19. OTHER FINANCIAL LIABILITIES** | | |
| Interest Accrued but not due | 7.19 | 11.72 |
| **Others:** | | |
| Capital Creditors | 147.04 | 184.21 |
| Security deposits | 2.00 | - |
| Other Outstanding Liabilities | 891.22 | 1,081.45 |
| **Total Other Financial Liabilities** | 1,047.45 | 1,277.38 |
| *Liabilities comprises of expenses payable | | |
| **20. OTHER CURRENT LIABILITIES** | | |
| Advance From Customer | 2,238.13 | 1,909.02 |
| **Others:** | | |
| Statutory Dues | 114.51 | 37.47 |
| **Total Other Current Liabilities** | 2,352.64 | 1,946.49 |
| **21. PROVISIONS** | | |
| **Provision for Employee benefits** | | |
| Provision for Gratuity | 2.57 | 2.00 |
| Provision for Leave Encashment | 2.88 | 2.52 |
| **Total Provisions** | 5.45 | 4.52 |
| **22. CURRENT TAX LIABILITIES (NET)** | | |
| Provision for taxation (net of taxes) | 7,644.43 | 177.78 |
| **Total Current Tax Liabilities(net)** | 7,644.43 | 177.78 |

# JINDAL COKE LIMITED
## NOTES TO FINANCIAL STATEMENTS

(₹ in Lakhs)

| Particulars | Year Ended March 31, 2022 | Year Ended March 31, 2021 |
|---|---|---|
| **23. REVENUE FROM OPERATIONS** | | |
| a) Sale of products | | |
| Finished goods | 1,27,674.50 | 74,066.75 |
| Trading goods | - | 370.94 |
| | 1,27,674.50 | 74,437.69 |
| a) Sale of Services | | |
| Job work Income | 1,073.60 | 1,440.00 |
| | 1,073.60 | 1,440.00 |
| b) Other Operating revenues | | |
| Support service | 468.00 | 468.00 |
| | 468.00 | 468.00 |
| Total Revenue from operations | 1,29,216.10 | 76,345.69 |
| **24. OTHER INCOME** | | |
| Interest income on fair valuation of Security deposit | 147.74 | 131.97 |
| Interest on income tax refund | 2.97 | - |
| Income from Mutual Fund | 0.25 | 4.57 |
| Interest income on fixed deposits with Banks | 25.63 | 94.62 |
| Interest received from Debtors | - | 242.32 |
| Insurance claim received | - | 30.35 |
| Liability written Back | 33.66 | 6.59 |
| Miscellaneous receipt | 1.47 | 3.11 |
| Total Other Income | 211.72 | 519.53 |
| **25. COST OF MATERIALS CONSUMED** | | |
| Raw Material Consumed | 89,585.07 | 49,112.39 |
| Total Cost of Material Consumed | 89,585.07 | 49,112.39 |
| **26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE** | | |
| Opening Stock | | |
| - Finished Goods | 1,648.85 | 5,379.89 |
| - Stock in trade | 293.34 | - |
| | 1,942.19 | 5,379.89 |
| Closing Stock | | |
| - Finished Goods | 16,796.31 | 1,648.85 |
| - Stock in trade | 715.77 | 293.34 |
| | 17,512.08 | 1,942.19 |
| NET (INCREASE)/DECREASE IN STOCK | (15,569.89) | 3,437.66 |
| Total (Increase)/Decrease in Stock | (15,569.89) | 3,437.66 |
| **27. EMPLOYEE BENEFIT EXPENSES** | | |
| a)Salary and Wages | 1,273.20 | 969.44 |
| b)Contribution to Provident and other funds | 51.42 | 47.38 |
| c)Workmen and Staff Welfare | 8.72 | 11.38 |
| Total Employee Benefit Expenses | 1,333.34 | 1,028.20 |
| **28. FINANCE COSTS** | | |
| Interest Expenses | 3,150.14 | 4,779.30 |
| Bank and Finance charges | 340.93 | 317.22 |
| Total Finance Costs | 3,491.07 | 5,096.52 |
| **29. DEPRECIATION AND AMORTISATION** | | |
| (Refer Note 2 and 3a) | | |
| Depreciation | 2,120.93 | 1,996.74 |
| Amortization | - | 3.06 |
| Total Depreciation | 2,120.93 | 1,999.80 |
| **30. OTHER EXPENSES** | | |
| Manufacturing Expenses | | |
| Stores and Spares Consumed | 2,073.71 | 921.82 |
| Power and Fuel | 3,188.56 | 2,909.38 |
| Other Manufacturing Expenses | 1,722.92 | 1,420.28 |
| Repairs to Buildings | 23.06 | 6.59 |
| Repairs to Plant and Machinery | 295.92 | 272.45 |
| Administrative, Selling and Other Expenses | | |
| Rent | 475.96 | 476.61 |
| Rates and Taxes | 10.39 | 3.90 |
| Insurance | 333.73 | 244.50 |
| Travelling and Conveyance | 0.46 | 0.58 |
| Vehicle upkeep and maintenance expenses | 36.10 | 25.37 |
| Postage, Telegrams and Telephones | 12.37 | 6.96 |
| Legal and professional | 39.41 | 34.15 |
| Directors' Meeting Fees | 0.30 | 0.10 |
| Auditors' Remuneration | 3.55 | 3.55 |
| Forwarding charges (net) | 406.82 | 100.92 |
| Other Selling Expenses | 17.71 | 0.21 |
| Allowance for expected credit losses | - | 41.41 |
| Miscellaneous Expenses | 1,210.40 | 839.39 |
| Total Other Expenses | 10,853.37 | 7,318.48 |

31. Composite Scheme of Arrangement

1. Composite Scheme of Arrangement (here in after referred to as 'Scheme') amongst Jindal Stainless Limited (Transferor Company/ JSL), Jindal Stainless (Hisar) limited (JSHL), Jindal United Steel Limited (JUSL) and Jindal Coke Limited (JCL) and their respective shareholders and creditors under the provision of Sec 391-394 read with Sec 100-103 of the Companies Act, 1956 and other relevant provision of Companies Act, 1956 and / or Companies Act, 2013 has been sanctioned by the Hon'ble High Court of Punjab & Haryana, Chandigarh vide its Order dated 21st September 2015, modified by order dated 12th October, 2015.

   Section IV of the Scheme envisaged Transfer of the Business Undertaking 3 (as defined in the Scheme) of the Transferor Company comprising, inter-alia, of the Coke Oven Plant of the Transferor Company Located at Odisha and vesting of the same with Jindal Coke Limited (JCL) on Going Concern basis by way of Slump Sale w.e.f. appointed date, i.e. close of business hours before midnight of March 31, 2015. Section IV of the Scheme has become effective on 24th September 2016 [i.e. on receipt of approvals from the Orissa Industrial Infrastructure Development Corporation (OIIDCO) for the transfer/grant of the right to use in the land on which Coke Oven Plants is located to JCL as specified in the Scheme].

2. Pursuant to the Section IV of the Scheme becoming effective:

a) Business undertaking 3 have been transferred by way of slump sale to and vested in the company with effect from the said appointed date, i.e. close of business hours before midnight of March 31, 2015.

b) Business undertaking 3 has been transferred at a lump sum consideration of ₹ 49,264.71 Lakhs; out of this ₹ 37,500 Lakhs has been paid by the company in cash during the previous year and against the balance amount of ₹ 11,764.71 Lakhs, the company had to issue and allot to the transferor Company 9,16,47,073 nos. 10% non-cumulative non-convertible redeemable preference shares having face value of ₹ 10 at par each which were fully allotted and 2,60,00,000 nos. 0.01% non-cumulative compulsorily convertible preference shares having face value of ₹10 each at par, out of which 83,82,432 no's of shares issued and converted to equal no. of equity share capital during the financial year 2016-17.
   During FY 2020-21, the Company converted the balance 17,617,568 CCPS initially allotted, into equal number of "10% non-cumulative non-convertible redeemable preference shares having face value of ₹ 10 each fully paid at par.

c) On transfer of Business Undertaking 3, the difference between the fair values of assets and liabilities transferred to and vested in the Company and the lump sum consideration paid/to be paid as stated above, amounting to ₹1,166.34 Lakhs has been charged to Goodwill Account.

d) In terms of the Scheme, all the business and activities of Business Undertaking 3 carried on by the transferor company on and after the appointed date, as stated above, are deemed to have been carried on for behalf of the company.

3. IDCO (Vide Letter No IDC:HO:P&A:LA:E:3642(V)/03-16/2073/ Dated 24.09.2016) has given permission for Sub-Lease of 72.46 Acres of Land at Jaipur Odisha by JSL to JCL .Accordingly JSL has entered into long term Sub-Lease of Land to JCL.

32. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹23,437.41 Lakhs (₹416.30 lakhs).

33. Exceptional items include Gain/ (Loss) (net) of ₹ 313.76 Lakhs (₹ 105.77Lakhs) on translation/settlement of foreign currency monetary items.

34. Based on the intimation received from supplier regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the required disclosure is given below *:

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
|---|---|---|---|
| 1. | Principal amount due outstanding | 89.47 | 43.59 |
| 2. | Interest due on (1) above and unpaid | 0.07 | 0.03 |
| 3. | Interest paid to the supplier | - | - |
| 4. | Payments made to the supplier beyond the appointed day during the year. | - | - |
| 5. | Interest due and payable for the period of delay | - | - |
| 6. | Interest accrued and remaining unpaid | 0.07 | 0.03 |
| 7. | Amount of further interest remaining due and payable in succeeding year | - | - |

* To the extent information available with the company.

35. a) Derivative contracts entered into by the company for hedging currency risks and outstanding at year end.

| | As at 31.03.2022 | | As at 31.03.2021 | |
|---|---|---|---|---|
| Nature of Derivative | Foreign Currency (in Millions) | Amount (₹ in Lakhs) | Foreign Currency (in Millions) | Amount (₹ in Lakhs) |
| Forward Covers | | | | |
| USD/INR | Nil | Nil | Nil | Nil |

*Note: INR equivalent values have been calculated at the year-end exchange rates in INR to give an indicative value of the contracts in rupees. Actual hedges however may be in different currency denominations.*

b) Foreign Currency exposure those are not hedged by derivative instruments or otherwise and outstanding at year end.

| Nature | As at 31.03.2022 | | As at 31.03.2021 | |
|---|---|---|---|---|
| | Foreign Currency (in Millions) | Amount (₹ in Lakhs) | Foreign Currency (in Millions) | Amount (₹ in Lakhs) |
| Account Payable | | | | |
| USD / INR | 38.59 | 29,253.31 | 0.14 | 102.00 |
| Account Receivable | | | | |
| USD / INR | 0.00 | 2.72 | - | - |

36. Segment Reporting

Company operates in a Single Primary Segment (Business segment) i.e. Coke and its By Products.

37. Related Party Transactions

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

a. Key Management Personnel (KMP):

| Sl. No. | Name | Designation |
|---|---|---|
| 1. | Mr. Shashibhushan Shobhnath Upadhyay | Whole Time Director |
| 2. | Mr. Nitin Kumar Agarwal | Chief financial officer |
| 3 | Mr. Pradeep Tahiliani | Company secretary |

b. Related Parties:

| Sl. No. | Name of the entity in the Group | Principal place of operation/ Country of Incorporation | Principal Activities/Nature of Business | % Share holding / Voting Power | |
|---|---|---|---|---|---|
| | | | | As at March 31,2022 | As at March 31,2021 |
| (i) | **Holding Company:** | | | | |
| | Four Seasons Investments Limited. (w.e.f. 11th November 2016 ) | India | Investment | 74.00% | 74.00% |
| ii) | **Entity Having significant influence over the company** | | | | |
| | Jindal Stainless Limited | India | Stainless Steel manufacturing | 26.00% | 26.00% |
| | Jindal Stainless (Hisar) Limited | India | Stainless Steel manufacturing | - | - |

| | | | | | |
|---|---|---|---|---|---|
| iii) | Others | | | | |
| | OP Jindal Charitable Trust | India | Charitable Trust | - | - |

c. Related Party Transactions:

(₹ in Lakhs)

| Sl. No. | Particulars | Parents Company | Parents Company |
|---|---|---|---|
| | | 2021-22 | 2020-21 |
| 1 | Purchase of Goods | 5,545.07 | 4,396.27 |
| | Jindal Stainless Limited | 5,545.07 | 4,396.27 |
| 2 | Sales of Goods | 23,159.41 | 10,539.16 |
| | Jindal Stainless Limited | 20,296.06 | 9,139.22 |
| | Jindal Stainless (Hisar) Limited | 2,863.35 | 1,399.94 |
| 3 | Support Service Charges Paid | 1,309.8 | 856.68 |
| | Jindal Stainless Limited | 1,309.8 | 856.68 |
| 4 | Sharing of Exp. Reimbursed/to be Reimbursed | 3.16 | 4.31 |
| | Jindal Stainless Limited | 3.16 | 4.31 |
| Sl. No. | Particulars | Others | Others |
| | | 2021-22 | 2020-21 |
| 1 | Contribution to a trust in relation to CSR expenditure | 82.72 | - |
| | OP Jindal Charitable Trust | 82.72 | - |

d. Related Party balances:

(₹ in lakhs)

| S.No | Particulars | Shareholding Company | |
|---|---|---|---|
| | | As at 31st March,2022 | As at 31st March,2021 |
| | Equity Share Capital/Preference Share Capital | | |
| 1 | Equity Share Capital | 3,243.24 | 3,243.24 |
| (i) | Jindal Stainless Limited | 843.24 | 843.24 |
| (ii) | Four Season Investment Limited | 2400.00 | 2400.00 |
| 2 | 10% NCNCR Preference Share | 10,926.47 | 10,926.47 |
| | Jindal Stainless Limited | 10,926.47 | 10,926.47 |
| 4 | Balance as at the end of the Year Receivables | 7,387.54 | 2,178.15 |
| | Jindal Stainless Limited | 7,193.79 | 2,046.35 |
| | Jindal Stainless (Hisar) Limited | 193.75 | 131.80 |
| 5 | Security Deposit receivable (Including Prepaid amount) | 12,500.00 | 12,500.00 |
| | Jindal Stainless Limited | 12,500.00 | 12,500.00 |

Key Management Personnel (KMP) (₹ in Lakhs)

| Particulars | Year Ended March 31, 2022 | Year Ended March 31, 2021 |
|---|---|---|
| Short-Term benefits | 152.95 | 131.11 |
| Defined contribution plan $ # | 5.48 | 4.49 |
| | 158.43 | 135.60 |

# As the liability for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above.
$ including PF, leave encashment paid and any other benefit.

38. **Earnings per share (EPS):**

(₹ in Lakhs)

| Sl. No. | Description | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| a. | Profit/(Loss) for the year after tax | 23,874.06 | 5,779.29 |
| b. | Weighted Average No. of Equity Shares for Basic EPS | 3,24,32,432 | 3,62,45,549 |
| c. | Weighted Average No. of Equity Shares for Diluted EPS | 3,24,32,432 | 3,62,45,549 |
| | Basic Earnings per share (in ₹) | 73.61 | 15.94 |
| | Diluted Earnings per share (in ₹) | 73.61 | 15.94 |
| | Face Value Per Share (in ₹) | 10.00 | 10.00 |

39. **Financial risk management**

**Financial risk factors**

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has short term current investments only. The Company's activities expose it to a variety of financial risks:
i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as of March 31, 2022 and March 31, 2021.

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

iii) Liquidity risk

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

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

**Market Risk**

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. However, such effect is not material.

**(a) Foreign exchange risk and sensitivity**

The Company transacts business primarily in Indian Rupee and USD. The Company has foreign currency loan, foreign currency trade payables and is therefore, exposed to foreign exchange risk. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies.

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

<u>Foreign Exchange Risk and Sensitivity (Unhedged)</u>

(₹ in Lakhs)

| Particulars | Change in currency exchange rate | Effect on profit before tax For the year ended March 31, 2022 | Effect on profit before tax For the year ended March 31, 2021 |
|---|---|---|---|
| USD Converted into INR | +5% | 1,462.67 | 5.10 |
| USD Converted into INR | -5% | (1,462.67) | (5.10) |

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

**(b) Interest rate risk and sensitivity**

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

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

(₹ in Lakhs)

| Particulars | Increase /Decrease in Basis Points | Effect on profit before tax For the Year ended 31 March 2022 | Effect on profit before tax For the Year ended 31 March 2021 |
|---|---|---|---|
| INR Borrowings | +50 | (253.26) | (195.04) |
| | -50 | 253.26 | 195.04 |
| USD Borrowings | +25 | - | - |
| | -25 | - | - |

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

Currency of borrowings

The below table demonstrates the borrowing of fixed and floating rate of interest:

(₹ in Lakhs)

| Particulars | As of March 31,2022 | | As of March 31,2021 | |
|---|---|---|---|---|
| Borrowing currency | INR | USD | INR | USD |
| Total Borrowings | 61,577.67 | - | 49,935.08 | - |
| Floating Rate Borrowings | 50,651.20 | - | 39,008.61 | - |
| Fixed Rate Borrowings | 10,926.47 | - | 10,926.47 | - |

(c) Commodity price risk and sensitivity

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

Credit risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds and financial institutions and other financial instruments.

Trade Receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The Company has also taken advances and security deposits from its customers &distributors, which mitigate the credit risk to an extent.

The ageing of trade receivable is as below :-

As at 31.03.2022
(Rs. in lakhs)

| Particulars | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| (i) Undisputed Trade receivables – considered good | 20.12 | 10,859.38 | - | - | 11.09 | 38.19 | 10,928.78 |
| (ii)Undisputed Trade Receivables – considered doubtful | - | - | - | - | (6.00) | (35.41) | (41.41) |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - | - |
| Total | 20.12 | 10,859.38 | - | - | 5.09 | 2.78 | 10,887.37 |

As at 31.03.2021
(Rs. in lakhs)

| Particulars | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| (i) Undisputed Trade receivables – considered good | - | 4,777.22 | - | 8.84 | 2.78 | 35.41 | 4,824.25 |
| (ii)Undisputed Trade Receivables – considered doubtful | - | - | - | - | (6.00) | (35.41) | (41.41) |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - | - |
| Total | - | 4,777.22 | | 8.84 | (3.22) | - | 4,782.84 |

Financial instruments and cash deposits

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations.

Liquidity risk

The Company's objective is to; at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

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

As at 31st March 2022 (₹ In Lakhs)

| Particulars | Carrying Amount | Less than 1 Year | 1-2 Year | 2-3 Year | More than 3 years | Total |
|---|---|---|---|---|---|---|
| Interest bearing borrowings | 61,577.67 | 428.32 | - | - | 61,149.35 | 61,577.67 |
| Trade Payable | 35,605.58 | 35,531.97 | 17.85 | 21.96 | 33.80 | 35,605.58 |
| Other financial liabilities | 1,047.45 | 959.31 | 11.27 | 0.57 | 76.30 | 1,047.45 |
| Total | 98,230.70 | 36,919.60 | 29.12 | 22.53 | 61,259.45 | 98,230.70 |

As at 31st March 2021 (₹ In Lakhs)

| Particulars | Carrying Amount | Less than 1 Year | 1-2 Year | 2-3 Year | More than 3 years | Total |
|---|---|---|---|---|---|---|
| Interest bearing borrowings | 49,935.08 | 228.16 | - | - | 49,706.92 | 49,935.08 |
| Trade payable | 1,080.83 | 1.023.00 | 55.63 | - | 2.20 | 1,080.83 |
| Other financial liabilities | 1,277.38 | 1,125.16 | 4.07 | 82.96 | 65.19 | 1,277.38 |
| Total | 52,293.29 | 2,376.32 | 59.70 | 82.96 | 49,774.31 | 52,293.29 |

The Company is required to maintain ratios (including total debt to EBITDA / net worth, EBITDA to gross interest, debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels.

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

**Capital risk management**
The Company aim to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company monitors capital using gearing ratio, which is net debt divided by total capital which is given as under:-

Gearing ratio (₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Loans and borrowings | 61,577.67 | 49,935.08 |
| Less: cash and cash equivalents | 24,240.47 | 4,302.77 |
| Net debt | 37,337.20 | 45,632.31 |
| Total capital (Share Capital+ Other equity) | 41,434.09 | 17,333.79 |
| **Capital and Net debt** | 78,771.29 | 62,966.10 |
| **Gearing ratio (Net debt/ Total Capital)** | 47% | 72% |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches of the financial covenants of any interest bearing loans and borrowing for reported periods.

Chartered Accountants

**40. Fair value of financial assets and liabilities**

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

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | Carrying amount | Fair Value | Carrying amount | Fair Value |
| Financial assets designated at fair value through OCI | 14.02 | 14.02 | 4.67 | 4.67 |
| Investment (In shares - noncurrent) | | | | |
| **Financial assets designated at amortized cost** | | | | |
| Fixed deposits | 593.61 | 593.61 | 552.96 | 552.96 |
| Cash and cash equivalents | 24,240.47 | 24,240.47 | 4,302.77 | 4,302.77 |
| Trade Receivable | 10,887.37 | 10,887.37 | 4,782.84 | 4,782.84 |
| Other Financial Assets | 1,434.97 | 1,434.97 | 1,446.58 | 1,446.58 |
| | 37,170.44 | 37,170.44 | 11,089.82 | 11,089.82 |
| Financial liabilities designated at amortized cost | | | | |
| Borrowings- fixed rate | 10,926.47 | 10,926.47 | 10,926.47 | 10,926.47 |
| Borrowings- floating rate | 50,651.20 | 50,651.20 | 39,008.61 | 39,008.61 |
| Trade payables | 35,605.58 | 35,605.58 | 1,080.83 | 1,080.83 |
| Other financial liabilities | 1,047.45 | 1,047.45 | 1,277.38 | 1,277.38 |
| | 98,230.70 | 98,230.70 | 52,293.29 | 52,293.29 |

Fair Value Hierarchy

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. 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:

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: Inputs which are not based on observable market data. (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## JINDAL COKE LIMITED

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 2 as described below:

Assets / Liabilities measured at fair value (Accounted)

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | | |
|---|---|---|---|
| | Level 1 | Level 2 | Level 3 |
| Financial assets | | | |
| Investment | | | |
| - In shares – Non-current | 14.02 | | |
| - In mutual funds - current | - | - | - |
| Other Financial Assets | | 1,434.97 | |

| Particulars | As at March 31, 2021 | | |
|---|---|---|---|
| | Level 1 | Level 2 | Level 3 |
| Financial assets | | | |
| Investment | | | |
| - In shares – Non-current | 4.67 | | |
| - In mutual funds - current | - | - | - |
| Other Financial Assets | | 1,446.58 | |

Assets / Liabilities for which fair value is disclosed:

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | | |
|---|---|---|---|
| | Level 1 | Level 2 | Level 3 |
| Financial liabilities | | | |
| Borrowings- fixed rate | - | 10,926.47 | - |
| Other financial liabilities | - | 1,047.45 | - |

| Particulars | As at March 31, 2021 | | |
|---|---|---|---|
| | Level 1 | Level 2 | Level 3 |
| Financial liabilities | | | |
| Borrowings- fixed rate | - | 10,926.47 | - |
| Other financial liabilities | - | 1,277.38 | - |

During the year ended March 31, 2022 and March 31, 2021, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements. There is no transaction/balance under level 3.

Following table describes the valuation techniques used and key inputs for valuation under fair value hierarchy as of March 31, 2022 and March 31, 2021 respectively:

a) Assets / Liabilities measured at fair value (Accounted)

| Particulars | Fair value hierarchy | Valuation technique | Inputs used | Quantitative information about significant unobservable inputs |
|---|---|---|---|---|
| Financial assets | | | | |
| Investment in Mutual Funds-Current | Level 1 | Market Valuation techniques | As per NAV of Mutual Fund | - |
| Investment in Shares- Non-Current | Level 1 | Market Valuation techniques | Quoted Price at Stock Exchange | - |
| Other Financial assets | Level 3 | Discounted cash Flow | Prevailing interest rate to discount future cash flows | - |

b) Assets / Liabilities for which fair value is disclosed

| Particulars | Fair value hierarchy | Valuation technique | Inputs Used |
|---|---|---|---|
| Financial Liabilities | | | |
| Other borrowings-fixed rate | Level 3 | Discounted Cash Flow | Prevailing Interest rates in market, Future pay-outs |
| Other financial liabilities | Level 3 | Discounted Cash Flow | Prevailing interest rates to discount future cash flows |

41. Income tax expense

(₹ in Lakhs)

| Particulars | For the year ended March 31,2022 | For the year ended March 31,2021 |
|---|---|---|
| Current Tax | 7,768.07 | 1,591.65 |
| | 7,768.07 | 1,591.65 |
| Deferred Tax | | |
| Relating to Origination and reversal of temporary differences | 1,271.22 | 1,001.36 |
| | 1,271.22 | 1,001.36 |
| Tax Expenses attributable to current year's profit | 9,039.29 | 2,593.01 |
| Adjustments in respect of income tax of previous year | (358.09) | - |
| MAT | | |
| MAT Credit (entitlement)/reversal | - | (83.34) |
| | - | (83.34) |
| Total tax Expenses | 8,681.20 | 2,509.67 |

New Delhi

**Effective Tax Rate (ETR) reconciliation**

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

(₹ in Lakhs)

| Sl. No. | Description | 2021-22 | 2020-21 |
|---|---|---|---|
| | Net Income/(Loss) before taxes | 32,555.26 | 8,288.96 |
| | Enacted tax rate | 25.168% | 34.944% |
| | Computed tax (Income)/Expense | 8,193.51 | 2,896.49 |
| | **Increase/(reduction) in taxes on account of:** | | |
| 1 | Tax related to change of tax rate | (2,325.07) | - |
| 2 | (Income exempted from)/expenses not deductible in tax | 2,812.76 | (386.82) |
| 3 | Permanent Disallowance | - | - |
| | Income tax Expense/(Income) reported | 8,681.20 | 2,509.67 |

**42. Deferred income tax**

The analysis of deferred tax expenses/ (income) is as follows:

(₹ in Lakhs)

| Particulars | For the year ended March 31,2022 | For the year ended March 31,2021 |
|---|---|---|
| Book base and tax base of Fixed Assets | (2,428.75) | 1,019.80 |
| (Disallowance)/ Allowance (net) under Income Tax | 3,655.98 | (769.65) |
| Financial asset and financial liabilities measured at amortized cost(net) | 45.07 | (428.70) |
| Brought forward losses set off | - | 1,182.93 |
| Total | 1,272.30 | 1,004.38 |

(₹ in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Component of OCI | | |
| Deferred tax Gain/ (Loss) on defined benefit plan | 1.27 | (1.96) |
| Deferred tax Gain/ (Loss) on Fair valuation of Investment | (2.35) | (1.05) |
| Total | (1.08) | (3.01) |

43. Retirement benefit obligations

1. Expense recognised for Defined Contribution plan

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Company's contribution to provident fund | 42.88 | 41.65 |
| Company's contribution to ESI | 2.14 | 0.57 |
| Total | 45.02 | 42.22 |

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognized in Balance Sheet as of March 31, 2022 and March 31, 2021, being the respective measurement dates:

1.Movement in obligation

a.) Gratuity

(₹ in Lakhs)

| Particulars | Gratuity (Unfunded) as on 31.03.2022 | Gratuity (unfunded) as on 31.03.2021 |
|---|---|---|
| Present value of the obligation at the beginning of the year | 91.23 | 88.03 |
| Interest cost | 6.20 | 6.00 |
| Current service cost | 13.57 | 11.53 |
| Benefits paid | (2.92) | (9.45) |
| Acquisitions / Transfer in/ Transfer out | - | 0.74 |
| Acquisitions / Transfer out | - | - |
| Re-measurements - actuarial loss/ (gain) | 5.05 | (5.62) |
| Present value of the obligation at the end of the year | 113.13 | 91.23 |

b.) Leave Encashment (Compensated Absence)

(₹ in Lakhs)

| Particulars | Leave Encashment (unfunded) as on 31.03.2022 | Leave Encashment (unfunded) as on 31.03.2021 |
|---|---|---|
| Present value of the obligation at the beginning of the year | 57.81 | 57.90 |
| Interest cost | 3.93 | 3.95 |
| Current service cost | 9.09 | 8.41 |
| Benefits paid | (10.92) | (13.90) |
| Acquisitions / Transfer in | - | 0.23 |
| Acquisitions / Transfer out | - | - |
| Re-measurements - actuarial loss/ (gain) | 3.62 | 1.22 |
| Present value of the obligation at the end of the year | 63.53 | 57.81 |

N.C. Aggarwal & Co. New Delhi Chartered Accountants

2. Movement in Plan Assets – Gratuity

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Fair value of plan assets at beginning of year | - | - |
| Expected return on plan assets | - | - |
| Employer contributions | - | - |
| Benefits paid | - | - |
| Amount received on redemption of plan assets | - | - |
| Acquisitions / Transfer in/ Transfer out | - | - |
| Actuarial gain / (loss) | - | - |
| Fair value of plan assets at end of year | - | - |
| Present value of obligation | 113.13 | 91.23 |
| Net funded status of plan | (113.13) | (91.23) |
| Actual return on plan assets | - | - |

The components of the gratuity &leave encashment cost are as follows:

3.Recognised in profit and loss

a.) Gratuity

(₹ in Lakhs)

| Particulars | For the year ended on 31st March 2022 | For the year ended on 31st March 2021 |
|---|---|---|
| Current Service cost | 13.57 | 11.53 |
| Interest cost | 6.20 | 6.00 |
| Expected return on plan assets | - | - |
| Re-measurement - Actuarial loss/(gain) | - | - |
| Past service cost | - | - |
| Expenses recognized in Profit and Loss A/c | 19.77 | 17.53 |
| Actual return on plan assets | - | - |

b.) Leave Encashment (Compensated Absence)

(₹ in Lakhs)

| Particulars | For the year ended on 31st March 2022 | For the year ended on 31st March 2021 |
|---|---|---|
| Current Service cost | 9.09 | 8.41 |
| Interest cost | 3.93 | 3.95 |
| Expected return on plan assets | - | - |
| Re-measurement - Actuarial loss/(gain) | 3.62 | 1.22 |
| Past service cost | - | - |
| Expenses recognized in Profit and loss A/c | 16.64 | 13.58 |

Recognised in other comprehensive income

(₹ in Lakhs)

| Particulars | Gratuity for the year ended on 31st March 2022 | Gratuity for the year ended on 31st March 2021 |
|---|---|---|
| Re-measurement - Actuarial loss/(gain) | 5.05 | (5.62) |

6. The principal actuarial assumptions used for estimating the Company's defined benefit obligations are set out below:

| Weighted average actuarial assumptions | As of 31st March, 2022 | As of 31st March, 2021 |
|---|---|---|
| Attrition rate | NA | NA |
| Discount Rate | 7.18% | 6.80% |
| Expected Rate of increase in Compensation levels | 5.50% | 5.50% |
| Expected Rate of Return on Plan Assets | NA | NA |
| Mortality rate | 100% of IALM (2012-14) | 100% of IALM (2012-14) |
| Expected Average remaining working lives of employees (years) | 23.87 | 25.22 |

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

7. Sensitivity analysis:

(a) Gratuity

(₹ in Lakhs)

| Particulars | Change in Assumption | Effect for the year ended on 31st March, 2022 | Effect for the year ended on 31st March, 2021 |
|---|---|---|---|
| Discount rate | 0.5% | (6.72) | (5.84) |
| | (0.5)% | 7.33 | 6.40 |
| Salary Growth rate | 0.5% | 7.42 | 6.45 |
| | (0.5)% | (6.85) | (5.94) |

(b) Leave Encashment (Compensated Absence)

(₹ in Lakhs)

| Particulars | Change in Assumption | Effect for the year ended on 31st March, 2022 | Effect for the year ended on 31st March, 2021 |
|---|---|---|---|
| Discount rate | 0.5% | (3.86) | (3.81) |
| | (0.5)% | 4.16 | 4.13 |
| Salary Growth rate | 0.5% | 4.23 | 4.18 |
| | (0.5)% | (3.91) | (3.84) |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

8. History of experience adjustments is as follows:

(₹ in Lakhs)

| Particulars | Gratuity | Leave Encashment |
|---|---|---|
| For the year ended March 31, 2022 | | |
| Plan Liabilities - (loss)/gain | (10.54) | (6.77) |
| Plan Assets - (loss)/gain | - | - |
| For the year ended March 31, 2021 | | |
| Plan Liabilities - (loss)/gain | 5.87 | (1.07) |
| Plan Assets - (loss)/gain | - | - |

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| 0 to 1 Year | 5.45 | 4.52 |
| 1 to 2 Year | 3.48 | 2.89 |
| 2 to 3 Year | 14.54 | 2.84 |
| 3 to 4 Year | 2.88 | 11.71 |
| 4 to 5 Year | 2.91 | 2.41 |
| 5 to 6 Year | 2.77 | 2.36 |
| 6 Year onwards | 144.64 | 122.32 |

9. Statement of Employee benefit provision (₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Gratuity | 113.13 | 91.23 |
| Compensated absences | 63.53 | 57.81 |
| Total | 176.66 | 149.04 |

The following table sets out the funded status of the plan and the amounts recognised in the Company's balance sheet.

10. Current and non-current provision for Gratuity and leave encashment

As at 31st March,2022 (₹ in Lakhs)

| Particulars | Gratuity | Leave Encashment |
|---|---|---|
| Current provision | 2.57 | 2.88 |
| Non current provision | 110.56 | 60.65 |
| Total Provision | 113.13 | 63.53 |

Chartered Accountants

As at 31st March,2021 (₹ in Lakhs)

| Particulars | Gratuity | Leave Encashment |
|---|---|---|
| Current provision | 2.00 | 2.52 |
| Non current provision | 89.23 | 55.29 |
| Total Provision | 91.23 | 57.81 |

11. Employee benefit expenses

(₹ in Lakhs)

| Employee benefit expenses | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Salaries and Wages | 1,223.20 | 969.44 |
| Costs-defined benefit plan | 51.42 | 47.38 |
| Costs-defined contribution plan | - | - |
| Welfare expenses | 8.72 | 11.38 |
| Total | 1,283.34 | 1,028.20 |

(Figures in no.)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Average no of people employed | 140 | 133 |

OCI presentation of defined benefit plan

-Gratuity is in the nature of defined benefit plan, Re-measurement gains/(losses) on defined benefit plans is shown under OCI as Items that will not be reclassified to profit or loss and also the income tax effect on the same.

-Leave encashment cost is in the nature of short-term employee benefits.

Presentation in Statement of Profit and Loss and Balance Sheet

Expense for service cost, net interest on net defined benefit liability (asset) is charged to Statement of Profit & Loss.

IND AS 19 do not require segregation of provision in current and non-current, however net defined liability (Assets) is shown as current and non-current provision in balance sheet as per IND AS 1.

Actuarial liability for short term benefits (leave encashment cost) is shown as current and non-current provision in balance sheet.

When there is surplus in defined benefit plan, company is required to measure the net defined benefit asset at the lower of; the surplus in the defined benefit plan and the assets ceiling, determined using the discount rate specified, i.e. market yield at the end of the reporting period on government bonds, this is applicable for domestic companies, foreign company can use corporate bonds rate.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The mortality rates used are as published by one of the leading life insurance companies in India.

44." Due to outbreak of Coronavirus Disease 2019 (COVID-19) which has been declared as a Pandemic by the World Health Organization and subsequent lock down ordered by the Central and State Government(s) in India, the manufacturing operations of the Company were also affected. Considering the market disruption caused by Covid-19 leading to fall in demand and the 'continuous process plant' nature of Coke Oven Plant, the operations of the Company were scaled down.Thereafter, the Company has been scaling up operations in the phased manner depending upon the market conditions with lifting of lockdown while complying with the necessary instructions/guidelines issued by relevant authorities. "

This Pandemic has disturbed the economic activities in the Country and the Company is closely monitoring the impact on its operations and sustainability. The Company, as on the date of approval of these financial results, believes that this Pandemic may not have a significant adverse impact on the long term operations and performance of the Company. "

45.Other disclosures

(a). Auditors Remuneration

(₹ in Lakhs)

| Particulars | For the year ended 31st March 2022 | For the year ended 31st March 2021 |
|---|---|---|
| Statutory Auditors | | |
| a) Audit Fees | 2.40 | 2.40 |
| b) Tax Audit Fees | 1.15 | 1.15 |
| Total | 3.55 | 3.55 |
| | | |
| Cost Auditor | | |
| a) Audit Fees | 0.55 | 0.55 |
| Total | 0.55 | 0.55 |

(b). The Company has not proposed any dividend to its shareholders during the year.

(c). The Company has not given any loan or given any guarantee with respect to the parties covered under section 186(4) of the Companies Act, 2013.The Company has made investments in one Company covered under section 186(4) of the Companies Act,2013 in one associate as depicted in Long Term Investment Schedule.

(d) During the Financial year 2016-17, the security deposits for leases under Ind As have been recognised at discounted value and the difference between undiscounted and discounted value has been recognised as 'Deferred lease rent' which has been amortised over respective lease term as rent expense under 'other expenses'. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest income under 'other income.

46. Additional Regulatory Information

i. The company does not have any immovable property. Hence the disclosure requirenment is not applicable.
ii. The Company has not revalued its Property, Plant and Equipment as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 during the year 2021-22 and 2020-21.
iii. The company has not granted any loan to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.
iv. Ageing of Capital-Work-in Progress (CWIP) is as below:-

(a) Capital-Work-in Progress (CWIP)

(Amount Rs. in Lakh )

| CWIP | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 161.17 | 0.50 | - | - | 161.67 |

v. The company does not own any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
vi. The Company have loan from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the Company with banks or financial institutions are in agreement with the books of accounts.
vii. Company is not declared wilful defaulter by any bank or financial Institution or other lender.
viii. The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
ix. The company do not have any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.
x. The company has not advanced/ loaned/ invested funds (borrowed/share premium/any other sources of kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries), with the understanding (whether recorded in writing or otherwise) that the intermediary shall (a) directly/ indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (ultimate beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

   The company has not received any funds from any other person(s) or entity(ies), including foreign entities (Funding Party), with the understanding (whether recorded in writing or otherwise) that the company shall (a) directly/ indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Funding Party (Ultimate beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries.
xi. The provisions related to number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 are not applicable on the company.

xii. Financial Ratios:-

| S.No | Ratio | 31-Mar-22 | 31-Mar-21 | % change | Reason for variance |
|---|---|---|---|---|---|
| 1 | Current ratio | 2.11 | 4.83 | -56.25% | Movement in ratio due to increase in raw material |
| 2 | Debt- Equity Ratio | 0.90 | 2.63 | -65.80% | Movement in ratio due to improvement in profitabilty |
| 3 | Debt Service Coverage ratio | 1.52 | 2.64 | -42.27% | Movement in ratio due to loan repayment and improvement in EBITDA |
| 4 | Return on Equity ratio | 0.81 | 0.38 | 113.72% | Increase in ratio is due to increase in profitability of the company. |
| 5 | Inventory Turnover ratio | 2.12 | 4.50 | -52.95% | Movement in ratio due to increase in raw material |
| 6 | Trade Receivable Turnover Ratio | 15.85 | 27.06 | -41.41% | Movement in ratio due to incease in receivable and revenue. |
| 7 | Trade Payable Turnover Ratio | 4.06 | 12.27 | -66.93% | Movement in ratio due to increase Trade payable(MIT) |
| 8 | Net Capital Turnover Ratio | 3.00 | 4.43 | -32.33% | Movement in ratio due to increase in revenue and improvement in profitabilty |
| 9 | Net Profit ratio | 0.19 | 0.08 | 153.90% | Increase in ratio is due to increase in profitability of the company. |
| 10 | Return on Capital Employed | 0.31 | 0.17 | 86.09% | Increase in ratio is due to increase in profitability of the company. |
| 11 | Return on Investment | 0.00 | 0.08 | -94.54% | Movement in ratio due to maturity of Fixed deposit |

***Based on the requirements of Schedule II*

Formulae for computation of ratios are as follows :

(a) Current Ratio : Current assets / Current liabilities

(b) Debt Equity Ratio : Total Debt/ Net Worth
Total Debt : Secured Loans + Unsecured Loans - Liquid Investments
Net Worth : Equity Share Capital + Reserves (Excluding Revaluation Reserve)
(c) Debt Service Coverage Ratio : EBDIT / (Finance costs + Principal repayment of long term debt during the period)
(d)Return on Equity Ratio = Net Income/Shareholder's equity
Net Income : Profit after tax
Shareholder's equity : Equity Share Capital + Reserves (Excluding Revaluation Reserve)

(e) Inventory turnover ratio : (Cost of material consumed + Purchase of stock-in-trade+ Changes in inventories)/(average of opening and closing inventory of RM, SFG, FG and Scrap)

(f)Trade Receivables turnover ratio = Net Credit Sales / (Average of opening and closing trade receivable for the period)
(g) Trade payables turnover ratio : (Cost of material consumed+ Purchase of stock-in-trade+ Changes in inventories )/ (Average of opening and closing trade payable for the year)
(h) Net capital turnover ratio : Total Turnover / Shareholder's equity
Shareholder's equity : Equity Share Capital + Reserves (Excluding Revaluation Reserve)
(i) Net Profit ratio : Net Profit/Net Sales
(j) Return on Capital employed: EBIT/ Capital employed
EBIT : (Profit before tax + finance cost)
Capital employed : (Total Assets - Current Liability)

xiii. At its meeting held on 28 January, 2022, the Board considered and approved a Composite Scheme of Arrangement pursuant to Sections 230 to 232 and other relevant provisions of Companies Act, 2013, amongst the Company and Jindal United Steel Limited ('Scheme'). The aforementioned Scheme is subject to necessary statutory and regulatory approvals under applicable laws, including approval of the Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT").

xiv. No income has been surrendered or disclosed for which transaction was not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

xv. CSR provisions under section 135 of the Companies Act are applicable to this company:-

(Rs. In Lakhs)

| Particulars | Amount |
|---|---|
| (a) amount required to be spent by the company during the year, | 97.12 |
| (b) amount of expenditure incurred, | 97.12 |
| (c) shortfall at the end of the year, | Nil |
| (d) total of previous years shortfall, | Nil |

| | |
|---|---|
| (e) reason for shortfall, | Not applicable |
| (f) nature of CSR activities, | Contribution to OP Jindal charitable trust and supply of cow feeds to Vyasnagar Gaushala |
| (g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard, | 82.72 |
| (h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately. | Not applicable |

xvi. There is no transaction related to Crypto Currency or Virtual Currency. Hence, Not applicable.

47. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

48. Figures in bracket indicate previous year figures.

49. Notes 1 to 48 are annexed to and form an integral part of financial statements.

AUDITOR'S REPORT
In terms of our report of even date annexed hereto

For N.C. Aggarwal & Co.
Chartered Accountants

G.K. Aggarwal

(Partner)
Membership No. 086622
FRN 003273N

For and on behalf of the Board of Directors of
Jindal Coke Limited

Udai Vashisht
(Director)
DIN: 02638165

Shashibhushan Shobhnath Upadhyay
(Whole Time Director)
DIN: 07314313

Nitin Kumar Agarwal
(Chief Financial Officer)

Pradeep Tahiliani
(Company Secretary)
ACS-18570

Place: New Delhi
Date: 29th April, 2022