

DOOGAR & ASSOCIATES

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To The Members of JSL Lifestyle Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **JSL Lifestyle Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the IndAS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind-AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards (IndAS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The financial statements of the Company for the year ended March 31, 2017 were audited by predecessor auditor who vide their report dated May 13, 2017 expressed an unmodified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - 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 Cash Flow and the Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer note 36 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Doogar & Associates**
Chartered Accountants
Firm Registration No. 000561N


Vardhman Doogar
Partner
Membership No. 517347



Place: Gurugram
Date: April 20, 2018

Annexure “A” to the Independent Auditor’s Report

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of JSL Lifestyle Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the Ind AS 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 considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. 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 (“the Act”).

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (‘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. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting



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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Doogar & Associates**

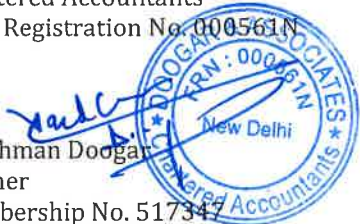
Chartered Accountants

Firm Registration No. 000561N

Vardhman Doogar

Partner

Membership No. 517347



Place: Gurugram

Date: April 20, 2018

Annexure "B" to the Independent Auditor's Report

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

- i. In respect of the Company's property, plant & equipment: -
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - b. The Company has a program of verification to cover all the items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except as stated in **Note 3** to the Ind AS financial statements.
- ii. The inventories were physically verified during the year by the management at reasonable intervals, except for inventories lying with third parties where confirmations have been received by the management, and discrepancies noticed, if any during the physical verification were accounted for in the books of account.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposit and hence reporting under paragraph 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales tax, service tax, customs duty, excise duty, value added tax, goods and service tax, cess and other material statutory dues applicable to it with the appropriate authorities and there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at March 31, 2018.
 - (b) According to the records and information & explanation given to us, there are no dues in respect of service tax that have not been deposited with the appropriate authorities to the extent applicable on account of any dispute and the dues in respect of income tax, duty of custom, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute and the forum where the dispute is pending are given below -



Nature of Statute	Nature of dues	Forum where dispute is pending	Period(s) to which the amount relates*	Amount in (₹)
Excise Duty - Central Excise Act, 1944	Excise duty	CESTAT, New Delhi	FY 2005-06 To FY 2016-17	1,65,52,001
Excise Duty - Central Excise Act, 1944	Excise Duty	Central Excise Commissionerate, Rohtak	FY 2011-12 to FY 2016-17	29,41,237
Sales tax - UP trade tax Act	Sales Tax	Additional Commissioner (Appeals) Commercial Tax, Noida	F.Y. 2006-07	23,17,695
Sales tax - UP trade tax Act	Sales Tax	Additional Commissioner (Appeals) Commercial Tax, Noida	F.Y. 2007-08	3,87,477
Sales Tax - Karnataka VAT (KVAT) Act, 2003	Sales Tax	Deputy Commissioner of Commercial Tax, Bangalore	F.Y. 2008-09	2,08,716

*Period represents the earliest year to the latest year

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- ix. In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised or as per purposes revised with appropriate approvals. The Company has neither raised any moneys by way of initial public offer / further public offer (including debt instruments) nor were such proceeds pending to be applied, during the current year.
- x. According to the information and explanations given to us and to the best of our knowledge, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us the Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanation and records made available by the company, the Company has complied with the provision of Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanation give to us, company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under paragraph 3(xiv) of the Order is not applicable to the Company.



- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For Doogar & Associates
Chartered Accountants
Firm Registration No. 000561N


Vardhman Doogar
Partner
Membership No. 517347



Place: Gurugram
Date: April 20, 2018

		(Amount in ₹)	
	Note No.	As at March 31, 2018	As at March 31, 2017
I. ASSETS			
Non-current Assets			
(a) Property, plant and equipment	3	45,02,12,263	42,13,01,176
(b) Capital work-in-progress		2,58,30,993	86,82,512
(c) Intangible assets	4	57,89,867	77,66,919
(d) Financial assets			
(i) Investments	5	2,30,000	2,30,000
(ii) Other financial assets	6	1,93,62,200	1,55,07,810
(e) Deferred tax assets (net)	7	8,70,94,355	9,73,67,231
(f) Other non-current assets	8	8,00,877	3,05,312
Total Non-current assets		58,93,20,555	55,11,60,960
Current Assets			
(a) Inventories	9	64,67,77,918	64,84,06,557
(b) Financial Assets			
(i) Trade receivables	10	76,78,51,233	69,70,46,122
(ii) Cash and cash equivalents	11	16,08,839	12,43,155
(iii) Bank balances other than (ii) above	12	1,14,98,643	46,94,405
(iv) Other financial assets	13	21,23,959	42,97,079
(c) Current tax assets (net)	14	77,36,009	2,08,48,961
(d) Other current assets	15	26,56,78,690	7,71,31,100
Total Current assets		1,70,32,75,291	1,45,36,67,380
Total Assets		2,29,25,95,846	2,00,48,28,340
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	28,50,17,390	28,50,17,390
(b) Other equity	17	23,79,68,740	2,05,38,985
Total Equity		52,29,86,130	30,55,56,375
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	19,11,59,497	18,74,75,701
(ii) Other financial liabilities	19	23,73,86,042	8,73,86,044
(b) Provisions	20	1,98,70,473	1,32,58,732
Total Non-current Liabilities		44,84,16,012	28,81,20,477
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	21	10,94,19,361	14,77,59,427
(ii) Trade payables	22	98,03,49,230	1,10,24,72,609
(iii) Other financial liabilities	23	10,84,93,774	6,12,79,350
(b) Provisions	24	12,06,086	10,01,897
(c) Other current liabilities	25	8,04,42,014	9,57,69,720
(d) Current tax liabilities	26	4,12,83,239	28,68,485
Total Current liabilities		1,32,11,93,704	1,41,11,51,488
Total Liabilities		1,76,96,09,716	1,69,92,71,965
TOTAL EQUITY AND LIABILITIES		2,29,25,95,846	2,00,48,28,340

See accompanying notes to the financial statements

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As per our report of even date

For Doogar & Associates
Chartered Accountants
Firm's registration No. 000561N
Vardhman Doogar
Partner
M. No. 517347

Place : Delhi
Dated: April 20, 2018

For and on behalf of the Board of Directors

Deepika Jindal
Managing Director
DIN No. 00015188
Bhartendu Harit
Chief Financial Officer

Tony Sebastian
Whole Time Director & CEO
DIN No. 07653463
Bhartendu Harit
Company Secretary
M. No. A15123

JSL Lifestyle Limited
Statement of Profit and Loss for the year ended March 31, 2018

		(Amount in ₹)	
Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I. Revenue from operations	27	3,59,49,17,524	2,04,80,03,072
II. Other income	28	75,99,165	2,58,07,940
III. Total Income (I+II)		<u>3,60,25,16,689</u>	<u>2,07,38,11,012</u>
IV. Expenses :			
Cost of materials consumed	29	1,81,41,16,534	1,05,25,98,384
Purchases of stock-in-trade		4,86,37,875	3,20,11,354
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	12,65,06,856	(95,51,800)
Excise Duty		3,82,23,276	10,33,55,893
Employee benefits expense	31	22,17,28,386	16,94,15,293
Finance costs	32	2,84,30,826	3,67,11,022
Depreciation and amortisation expense	33	5,98,01,656	4,63,28,925
Other expenses	34	98,56,49,452	62,55,38,770
Total expenses (IV)		<u>3,32,30,94,862</u>	<u>2,05,64,07,841</u>
V. Profit before exceptional items and tax (III-IV)		27,94,21,827	1,74,03,171
VI. Exceptional Items	48	(1,14,78,551)	94,790
VII. Profit before tax (V-VI)		<u>29,09,00,378</u>	<u>1,73,08,381</u>
VIII. Tax Expense:			
Current Tax		6,17,80,290	31,80,165
Mat Credit Entitlement		(6,17,80,290)	(31,80,165)
Deferred Tax		7,24,61,961	91,30,681
Total tax expense (VIII)		<u>7,24,61,961</u>	<u>91,30,681</u>
IX. Profit for the year (VII-VIII)		<u>21,84,38,417</u>	<u>81,77,700</u>
X. Other Comprehensive Income			
(A) Items that will not be reclassified to profit or loss			
Re-measurement losses/(Gain) on defined benefit plans		14,17,456	24,07,133
Income tax relating to items that will not be reclassified to profit or loss		(4,08,794)	(7,96,015)
Total Other comprehensive income (X)		<u>10,08,662</u>	<u>16,11,118</u>
XI. Total Comprehensive Income for the year (IX+X)		<u>21,74,29,756</u>	<u>65,66,582</u>
XII. Earnings per equity share of ₹ 10 each	35		
- Basic		7.66	0.29
- Diluted		7.66	0.29

See accompanying notes to the financial statements

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As per our report of even date

For Doogar & Associates
Chartered Accountants
Firm's registration No. 000561N

Vardhiman Doogar
Partner
M. No 517347

Place : Delhi
Dated: April 20, 2018

For and on behalf of the Board of Directors

Deepika Jindal
Managing Director
DIN No. 00015188

Tarun Jain
Chief Financial Officer

Tony Sebastian
Whole Time Director & CEO
DIN No.07653403

Bhartendu Harit
Company Secretary
M. No. A15123

JSL Lifestyle Limited
Statement of Cash flows for the year ended 31st March, 2018

(Amount in ₹)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Cash flow from operating activities		
Net profit before tax	29,09,00,378	1,73,08,381
Adjustments for: Depreciation	5,98,01,656	4,63,28,925
Liability No longer Required written back	-	(2,35,00,000)
Unrealised Foreign Exchange Fluctuation (Net) (Gain)/Loss	(55,81,702)	42,58,215
Bad Debts	7,40,07,590	3,31,35,657
Interest Expense	2,17,59,424	3,25,89,412
Loss/(Profit) on sale of fixed assets	(3,98,581)	5,97,748
Interest Income	(21,00,371)	(5,43,215)
Operating profit before working capital changes	43,83,88,393	11,01,75,123
Adjustments for:-		
Inventories	16,28,639	(4,29,05,799)
Sundry debtors	(13,92,30,999)	(7,71,91,771)
Loans & Advances & Other Assets	(19,77,82,354)	3,04,81,996
Trade & Other Payables	6,53,04,409	15,53,91,744
Cash generated from operations	16,83,08,089	17,59,51,294
Income tax paid	(1,02,52,584)	(41,30,143)
Net cash inflow/(outflow) from operating activities	15,80,55,504	17,18,21,150
B. Cash flow from investing activities		
Capital expenditure	(10,41,22,340)	(1,46,54,893)
Sale proceeds of fixed assets	6,36,749	8,82,269
Interest Received	23,54,062	3,03,339
Net cash inflow / (outflow) from investing activities	(10,11,31,530)	(1,34,69,284)
C. Cash inflow/(outflow) from financing activities		
Increase /(Decrease) in Long-Term Borrowings	36,83,796	(3,54,27,674)
Increase /(Decrease) in Short-Term Borrowings	(3,83,40,066)	(7,33,37,167)
Interest paid	(2,19,02,021)	(5,65,59,488)
Net cash inflow / (outflow) used in financing activities	(5,65,58,291)	(16,53,24,328)
Net changes in cash and cash equivalents	3,65,684	(69,72,464)
Opening Cash and cash equivalents	12,43,155	82,15,619
Closing Cash and cash equivalents	16,08,839	12,43,155

Note:

- (i) Statement of cash flows has been prepared using Indirect method in accordance with Ind AS-7
(ii) Refer note no. 11 for components of cash and cash equivalents

See accompanying notes to the financial statements

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As per our report of even date attached

For Doogar & Associates
Chartered Accountants
Firm's registration No. 000561N

Vardhman Doogar
Partner
M. No 517347



Deepika Jindal
Managing Director
DIN No. 00015188

Tarun Jain
Chief Financial Officer

Tomy Sebastian
Whole Time Director & CEO
DIN No.07653403

Bhartendu Harit
Company Secretary
M. No. A15123

Place : Delhi
Dated : April 20, 2018

JSL Lifestyle Limited
Statement of changes in equity for the year ended March 31, 2018

A. Equity Share Capital

(Amount in ₹)

Balance as at April 1, 2016	Movement during the year 2016-17	Balance as at March 31, 2017	Movement during the year 2017-18	Balance as at March 31, 2019
28,50,17,390		28,50,17,390		28,50,17,390

B. Other Equity

(Amount in ₹)

Particulars	Reserves and Surplus				Other Comprehensive Income	Total
	General Reserve	Capital Reserve	Securities Premium	Retained Earnings	Re-measurement of the net defined benefit plans	
Balance as at 1st April, 2016	1,00,00,000	4,38,68,540	4,83,39,345	(8,77,18,010)	(5,17,473)	1,39,72,402
Profit for the year				81,77,700		81,77,700
Other comprehensive income (loss) for the year (net of income tax)					(16,11,118)	(16,11,118)
Balance as at March 31, 2017	1,00,00,000	4,38,68,540	4,83,39,345	(7,95,40,310)	(21,28,591)	2,05,38,984
Profit for the year				21,84,38,417		21,84,38,417
Other comprehensive income (loss) for the year (net of income tax)					(10,08,662)	(10,08,662)
Balance as at March 31, 2018	1,00,00,000	4,38,68,540	4,83,39,345	13,88,98,108	(31,37,252)	23,79,68,741

Note:

General reserve

General Reserve represents the statutory reserve in accordance with Indian Corporate law wherein a portion of profit is apportioned to general reserve. Under Companies Act, 1956 it was mandatory to transfer amount before a company can declare dividend. However, under Companies Act, 2013 transfer of any amount to General reserve is at the discretion of the Company.

Capital reserve

Capital Reserve represents excess of net assets acquired over consideration paid pursuant to Composite Scheme of Amalgamation.

Security premium

Securities premium represents the amount received in excess of par value of securities. Premium on redemption of securities is accounted in security premium available. Where security premium is not available, premium on redemption of securities is accounted in statement of profit and loss. Section 52 of Companies Act, 2013 specify restriction and utilisation of security premium.

Retained earnings

Retained earnings represents the undistributed profits of the company.

Other comprehensive income

Other comprehensive income represents the balance in equity for items to be accounted in other comprehensive income.

As per our report of even date

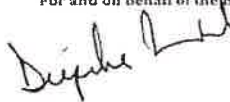
For Doogar & Associates
Chartered Accountants
Firm's registration No. 800561N

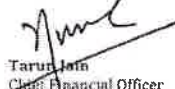

Vardiman Dhanraj
Partner
M. No. 517347





Place : Delhi
Dated: April 20, 2018

For and on behalf of the Board of Directors


Deepika Jindal
Managing Director
DIN No. 00015188


Tarun Jain
Chief Financial Officer


Tomy Sebastian
Whole Time Director & CEO
DIN No. 07653403


Bhartendu Harit
Company Secretary
M. No. A15123

JSL Lifestyle Limited
Notes forming part of the financial statements for the year ended March 31, 2018

3. Property, plant and equipments

Particulars	Freehold Land	Leasehold Improvement	Factory Shed and Building	Office Equipments	Electric Installations	Plant and Machinery	Dies & Tools	Computers	Furniture and Fixtures	Vehicles	Total
Gross carrying amount											
As at April 1, 2016	21,584,430	43,069,536	183,493,778	11,928,937	20,778,553	354,813,780	27,165,971	19,957,478	66,552,537	7,772,537	757,117,537
Additions	-	-	1,289,150	-	20,471	8,372,963	494,182	2,218,835	466,754	1,290,000	14,152,355
Disposals/Adjustments	-	-	-	17,500	-	-	-	-	-	2,760,412	2,777,912
As at March 31, 2017	21,584,430	43,069,536	184,782,928	11,911,437	20,799,024	363,186,743	27,660,153	22,176,313	67,019,291	6,302,125	768,491,980
Additions	-	-	-	2,856,162	-	73,309,439	242,727	4,016,387	601,000	5,948,144	86,973,859
Disposals/Adjustments	-	-	-	-	-	1,041,502	-	-	-	635,000	1,676,502
As at March 31, 2018	21,584,430	43,069,536	184,782,928	14,767,599	20,799,024	435,454,680	27,902,880	26,192,700	67,620,291	11,615,269	853,789,337
Accumulated Depreciation											
As at April 1, 2016	-	1,877,861	49,647,678	8,055,553	14,050,673	158,419,280	19,577,092	18,001,231	30,394,441	4,517,557	304,541,366
Additions	-	4,092,191	4,944,945	1,249,946	1,356,852	24,194,490	797,930	546,639	6,152,243	612,097	43,947,333
Disposals/Adjustments	-	-	-	404	-	-	-	-	-	1,297,491	1,297,895
As at March 31, 2017	-	5,970,052	54,592,623	9,305,095	15,407,525	182,613,770	20,375,022	18,547,870	36,546,684	3,832,163	347,190,804
Additions	-	4,092,284	5,067,415	937,671	975,029	38,788,291	849,595	804,659	5,537,487	772,173	57,824,604
Disposals/Adjustments	-	-	-	-	-	835,084	-	-	-	603,250	1,438,334
As at March 31, 2018	-	10,062,336	59,660,038	10,242,766	16,382,554	220,566,977	21,224,617	19,352,529	42,084,171	4,001,086	403,577,074
Net Carrying amount											
As at March 31, 2017	21,584,430	37,099,484	130,190,305	2,606,342	5,391,499	180,572,973	7,285,131	3,628,443	30,472,607	2,469,962	421,301,176
As at March 31, 2018	21,584,430	33,007,200	125,122,890	4,524,833	4,416,470	214,887,703	6,678,263	6,840,171	25,536,120	7,614,183	450,212,263

Pursuant to the scheme of amalgamation between JSL Architecture Limited and JSL Lifestyle limited, the title deeds of freehold land of JSL Architecture Limited is pending to be transferred in the name of the company.



JSL Lifestyle Limited
Notes forming part of the financial statements for the year ended March 31, 2018

4. Intangible assets

Particulars	(Amount in ₹)			
	Trade Marks	Patents	Computer Softwares	Total
Gross carrying amount				
As at April 1, 2016	411,054	138,000	13,588,607	14,137,661
Additions	-	-	8,887,368	8,887,368
Disposal/Adjustments	-	-	-	-
As at March 31, 2017	411,054	138,000	22,475,975	23,025,029
Additions	-	-	-	-
Disposal/Adjustments	-	-	-	-
As at March 31, 2018	411,054	138,000	22,475,975	23,025,029
Accumulated amortisation				
As at April 1, 2016	408,554	64,734	12,403,230	12,876,518
Additions	-	29,274	2,351,868	2,381,142
Disposal/Adjustments	-	-	-	-
As at March 31, 2017	408,554	94,458	14,755,098	15,258,110
Additions	-	29,724	1,947,328	1,977,052
Disposal/Adjustments	-	-	-	-
As at March 31, 2018	408,554	124,182	16,702,426	17,235,162
Net Carrying amount				
As at March 31, 2017	2,500	43,542	7,720,877	7,766,919
As at March 31, 2018	2,500	13,818	5,773,549	5,789,867



5 Non-current investments

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Investments in Equity instruments (Unquoted)		
Equity Shares fully paid up of associate company - at cost Green Delhi BQS Limited* (23,000 as at March 31, 2018 (23,000, March 31, 2017) equity shares fully paid up of ₹ 10 each)	230,000	230,000
Total	230,000	230,000

* refer Note No-39

6 Other non-current financial assets

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
Security deposits	19,362,200	15,507,810
Total	19,362,200	15,507,810

7 Deferred tax assets (net)

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Deferred tax assets	18,984,272	97,377,379
Deferred tax liabilities	(35,391,123)	(41,731,063)
Net deferred tax assets/(Liabilities)	(16,406,850)	55,646,316
MAT credit entitlement	103,501,205	41,720,915
Total	87,094,355	97,367,231

8 Other non-current assets

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Prepaid expenses	800,877	305,312
Total	800,877	305,312

9 Inventories
(lower of cost and net realisable value)

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Raw Materials {Including material-in-transit Rs. 80,56,362/- (As at 31st March, 2017: Rs. 1,05,77,487/-)}	368,031,584	255,197,020
Work-in-progress	94,575,891	208,109,442
Finished goods	123,650,892	138,243,076
Stores and Spares	56,354,126	44,310,473
Scrap	4,165,425	2,546,546
Total	646,777,918	648,406,557



10 Trade Receivables

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Unsecured		
Considered Good #	767,851,233	697,046,122
Considered Doubtful	39,011,840	39,011,840
Less: Provision for doubtful debts	(39,011,840)	(39,011,840)
Total	767,851,233	697,046,122

#Includes Retention Money ₹. 16,54,316/- (As at 31st March, 2017: ₹. 62,36,802/)

11 Cash and cash equivalents

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Cash on hand	209,044	102,195
Balances with banks		
- in current accounts	1,399,794	890,960
- In term deposit accounts with maturity less than three months at inception	-	250,000
Total	1,608,839	1,243,155

12 Bank balances other than cash and cash equivalents

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Term deposit accounts held as margin money*	11,498,643	4,694,405
Total	11,498,643	4,694,405

* Margin money for security against the gurantees

13 Other current financials assets

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
Interest accrued but not due on term deposits	334,206	587,897
Advance to employees	1,789,753	3,709,182
Total	2,123,959	4,297,079

14 Current tax assets (net)

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Direct taxes refundable including TDS receivable (Net of provision for tax)	7,736,009	20,848,961
Total	7,736,009	20,848,961

15 Other current assets

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
Advance to suppliers	30,496,292	3,440,673
Balance with Govt. Authorities	227,599,002	66,217,718
Duty drawback receivables	4,133,413	3,319,561
Prepaid expenses	3,449,983	4,153,148
Total	265,678,690	77,131,100



16 Equity share capital

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
Authorised Equity shares of ₹ 10 each	30,000,000	300,000,000	30,000,000	300,000,000
Total	30,000,000	300,000,000	30,000,000	300,000,000
Issued, subscribed and fully paid up Equity shares of ₹ 10 each	28,501,739	285,017,390	28,501,739	285,017,390
Total	28,501,739	285,017,390	28,501,739	285,017,390

(a) Reconciliation of the number of Shares outstanding at the beginning and at the end of the reporting period :

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares		Number of shares	
Shares at the beginning of the year	2,85,01,739		2,85,01,739	
Add: Shares issued during the year	-		-	
Shares outstanding at the end of the year	2,85,01,739		2,85,01,739	

(b) Rights, preferences and restrictions attached to equity shares

The company has one class of equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share.

(c) Shares held by holding company

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
Jindal Stainless (Hisar) Limited	20,911,676	209,116,760	20,911,676	209,116,760
Total	20,911,676	209,116,760	20,911,676	209,116,760

(d) Detail of shareholders holding more than 5% shares in the Company

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
Jindal Stainless (Hisar) Limited*	20,911,676	73.37	20,911,676	73.37
Mrs. Deepika Jindal	2,932,800	10.29	2,932,800	10.29
Pankaj Continental Limited	1,969,524	6.91	1,969,524	6.91
Jindal Stainless Steelway Limited	1,520,000	5.33	1,520,000	5.333
Total	27,334,000	95.90	27,334,000	95.90

* Jindal Stainless (Hisar) Limited has been demerged from Jindal Stainless limited w.e.f. appointed date 1st April, 2014, pursuant to Composite Scheme of Amalgamation

As per the records of the company, the above shareholding represent both legal and beneficial ownership of shares.



JSL Lifestyle Limited
Notes forming part of the financial statements for the year ended March 31, 2018

17 Other equity

Particulars	Reserves and Surplus				Total
	General Reserve	Capital Reserve	Securities Premium	Retained Earnings	
Balance as at April 1, 2016	10,000,000	43,868,540	48,339,345	(87,718,010)	13,972,402
Profit for the year	-	-	-	8,177,700	8,177,700
Re-measurement gains (losses) on defined benefits plans (Net of tax)	-	-	-	-	(1,611,118)
Balance as at March 31, 2017	10,000,000	43,868,540	48,339,345	(79,540,310)	20,538,984
Profit for the year	-	-	-	218,438,417	218,438,417
Re-measurement gains (losses) on defined benefits plans (Net of tax)	-	-	-	-	(1,008,662)
Balance as at March 31, 2018	10,000,000	43,868,540	48,339,345	138,898,108	237,968,740

Note:

(i) General reserve

General Reserve represents the statutory reserve in accordance with Indian Corporate law wherein a portion of profit is apportioned to general reserve. Under Companies Act, 1956 it was mandatory to transfer amount before a company can declare dividend. However, under Companies Act, 2013 transfer of any amount to General reserve is at the discretion of the Company.

(ii) Capital reserve

Capital Reserve represents excess of net assets acquired over consideration paid pursuant to Composite Scheme of Amalgamation.

(iii) Security premium

Securities premium represents the amount received in excess of par value of securities. Premium on redemption of securities is accounted in security premium available. Where security premium is not available, premium on redemption of securities is accounted in statement of profit and loss. Section 52 of Companies Act, 2013 specify restriction and utilisation of security premium.

(iv) Retained earnings

Retained earnings represents the undistributed profits of the company.

(v) Other comprehensive income

Other comprehensive income represents the balance in equity for items to be accounted in other comprehensive income.



18 Non-current borrowings

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Secured		
Term loans from banks*	-	9,119,976
Unsecured		
Inter-corporate loans		
- from related parties#	188,415,458	184,853,162
- from others##	2,744,039	2,622,539
Less: Current maturities of long term borrowings	-	(9,119,976)
Total	191,159,497	187,475,701

*Secured by way of mortgage of Land situated at Village pathreri, Gurgaon & hypothecation of fixed assets of the company and extension of charge by way of hypothecation of current assets of the company, (Interest @ 5 years MCLR + 3.70% p.a.)

ICD carries rate of interest 10.50% p.a.

ICD carries rate of interest 7.50% p.a.

19 Other non current financial liabilities

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Interest accrued but not due	87,386,042	87,386,044
Other financial liability (towards related party)	150,000,000	-
Total	237,386,042	87,386,044

20 Non-current provisions

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits		
- Leave encashment	8,868,748	5,873,317
- Gratuity	11,001,725	7,385,415
Total	19,870,473	13,258,732

21 Current borrowings

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Secured		
Working Capital loans from banks	109,419,361	147,759,427
Total	109,419,361	147,759,427

Working Capital loans are secured by way of hypothecation of company's current assets (present and future) including / interalia stock of raw materials, stores, spares, stock in process, finished goods etc. lying in the factory, shop, godowns, elsewhere and including goods in transit, book debts, bill receivable and second charge by way of collateral in respect of PPE of the company.

Above working capital loans carries interest rate around 6 month LIBOR+3.50% p.a.

22 Trade payables

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
(a) Due to micro and small enterprises *	619,316	1,346,656
(b) Due to others		
(i) Payable to related parties	662,182,231	795,450,208
(ii) Payable to others	317,547,684	305,675,745
Total	980,349,230	1,102,472,609

* Refer Note -37



23 Other Current financial liabilities

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Current Maturities of Long Term Borrowings (refer note no. 18)	-	8,977,381
Interest accrued but not due		142,595
Others:		
- Due to employees	10,213,616	10,625,192
- Other liabilities	98,280,158	41,534,182
Total	108,493,774	61,279,350

24 Non-current provisions

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits		
- Leave encashment	530,939	411,794
- Gratuity	675,147	590,103
Total	1,206,086	1,001,897

25 Other Current liabilities

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Advances from customers	34,732,546	53,881,382
Statutory dues payable	7,885,084	14,209,476
Other liabilities	37,824,384	27,678,862
Total	80,442,014	95,769,720

26 Current tax liabilities

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Current tax liabilities (net of advance tax and TDS receivable)	41,283,239	2,868,485
Total	41,283,239	2,868,485



27 Revenue from operations

(Amount in ₹)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Sale of goods		
- Finished goods	3,221,469,440	1,841,096,094
- Trading goods	44,078,371	64,848,992
(b) Sale of services		
- Job work charges	130,338,422	29,929,857
(c) Other operating revenue		
- Export incentives	36,517,552	11,501,725
- Sale of scrap	162,513,737	100,626,404
Total	3,594,917,524	2,048,003,072

28 Other income

(Amount in ₹)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income from financial assets carried at amortised cost		
Bank Deposits	2,100,371	543,215
Interest on income tax refund	4,001,757	
Interest on fair value of security deposit given	507,169	765,733
Liabilities no longer required written back	-	23,500,000
Gain on disposal of property, plant and equipment (net)	398,581	-
Miscellaneous income	591,287	998,992
Total	7,599,165	25,807,940

29 Cost of materials consumed

(Amount in ₹)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw material consumed	1,814,116,534	1,052,598,384
Total	1,814,116,534	1,052,598,384

30 Changes in inventories of finished goods, work-in-progress and stock-in-trade

(Amount in ₹)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening balance		
Work in progress	208,109,442	181,729,505
Finished goods-Manufactured	128,033,534	110,782,313
Finished goods-Trading	10,209,542	40,176,470
Scrap	2,546,546	4,347,300
Total Opening balance	348,899,064	337,035,588
Closing balance		
Work in progress	94,575,891	208,109,442
Finished goods - Manufactured	104,132,703	128,033,534
Finished goods - Trading	19,518,189	10,209,542
Scrap	4,165,425	2,546,546
Total Closing balance	222,392,208	348,899,064
Total changes in inventories of work in progress, stock in trade and finished goods	126,506,856	(11,863,476)
Excise duty on account of increase in stock of finished goods & scrap	-	2,311,676
Total	126,506,856	(9,551,800)



31 Employee Benefit Expense

Particulars	(Amount in ₹)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries & wages including bonus*	203,511,534	156,062,447
Contribution to provident and other funds	9,379,845	7,496,158
Staff welfare expenses	8,837,007	5,856,688
Total	221,728,386	169,415,293

* Refer Note no. 40

32 Finance costs

Particulars	(Amount in ₹)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on Inter Corporate Loan	13,050,496	15,266,051
Interest on Term Loan	483,290	2,490,065
Interest on Working Capital Loans	8,225,638	14,833,296
Bank and Finance charges	6,671,402	4,121,610
Total	28,430,826	36,711,022

33 Depreciation and amortisation expense

Particulars	(Amount in Rs.)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of property, plant and equipment	57,824,604	43,947,333
Amortisation of intangible assets	1,977,052	2,381,592
Total	59,801,656	46,328,925

34 Other Expenses

Particulars	(Amount in Rs.)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Office and Administration Expenses		
Rent	42,449,948	37,450,766
Rates and Taxes	91,136	17,200
Other Repair and Maintenance	9,243,822	9,825,620
Insurance	4,388,934	4,727,596
Printing and Stationery	803,585	702,263
Postage, Telegrams and Telephones	4,925,510	4,363,737
Security Services	3,588,237	2,588,849
Vehicle Upkeep and Maintenance	2,387,671	3,028,307
Travelling and Conveyance	39,376,984	27,917,463
Legal and Professional	34,590,181	21,285,950
Auditor's Remuneration*	730,000	983,371
Donation	4,805	515,800
Directors' Sitting Fees	102,222	45,000
Loss on disposal of property, plant and equipment (Net)	-	597,748
Miscellaneous Expenses	11,925,042	13,392,163
	154,608,076	127,441,833
Selling and distribution expenses		
Freight and Forwarding Expenses	34,742,048	47,336,512
Commission on Sales	48,647,401	19,239,980
Business Promotion Expenses	5,344,849	911,416
Bad Debts/ Liquidated Damage	89,080,071	33,135,657
Advertisement and Publicity	20,614,217	19,630,624
Other Selling Expenses	514,308	231,050
	198,942,895	120,485,239
Manufacturing Expenses		
Stores and Spares Consumed	113,484,338	82,749,965
Power and Fuel	33,243,969	31,539,905
Other Manufacturing Expenses:-		
Processing Charges	318,656,217	203,654,020
Job Work Charges	96,251,220	35,893,289
Installation & Site Expenses	61,091,046	21,512,821
Repair and Maintenance:		
Plant and Machinery	6,108,034	1,879,267
Factory Shed and Building	3,263,657	382,431
	632,098,481	377,611,698
Total	985,649,452	625,538,770



JSL Lifestyle Limited
Notes forming part of the financial statements for the year ended March 31, 2018

* Details of payment to auditors

Particulars	(Amount in ₹)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
1 As Auditor		
Audit fees	580,000	580,000
Tax audit fees	-	220,000
In other capacities		
Taxation matters	-	131,641
Company law matters	-	-
Reimbursement of expenditure	-	51,730
2 Cost Audit fee	150,000	125,000
Total payment to auditors	730,000	1,108,371



35 Earning Per Share (EPS)

The calculation of Earning Per Share (EPS) as disclosed in the statement of profit and loss has been made in accordance with Indian Accounting Standard (Ind AS)-33 on "Earning Per Share" given as under: -

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit/(Loss) attributable to equity shareholders (₹) (A)	218,438,417	8,177,700
Weighted average number of outstanding equity shares (B)	28,501,739	28,501,739
Nominal value per equity share (₹)	10	10
Basic EPS (Amount in ₹) (A/B)	7.66	0.29
Diluted EPS (Amount in ₹) (A/B)	7.66	0.29

36 Contingent liabilities and commitments

(i) Contingent liabilities

Particulars	(Amount in ₹)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Guarantee issued by bank on behalf of the Company	12,287,695	15,666,644
(b) letter of credit outstanding	51,165,036	-
(c) Disputed liability in respect of :-		
- Excise duty	19,493,238	19,353,830
- Sales tax	4,628,888	4,628,888

(ii) Commitments

Particulars	(Amount in ₹)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for	47,171,495	-

37 The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

The information regarding micro, small and medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.

S.N.	Particulars	(Amount in ₹)	
		For the year ended March 31, 2018	For the year ended March 31, 2017
1	Principal amount due outstanding	619,316	1,346,656
2	Interest due on (1) above and unpaid	-	-
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	-	-
7	Amount of further interest remaining due and payable in succeeding year	-	-



38 a) Income tax expense

(Amount in ₹)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax	6,17,80,290	31,80,165
Deferred tax	7,28,70,755	99,26,695
MAT credit entitlement	(6,17,80,290)	(31,80,165)
Total	7,28,70,755	99,26,695

b) Income tax expense

A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

(Amount in ₹)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax (A)	29,09,00,378	1,73,08,381
Enacted tax rate in India (B)	28.840%	33.063%
Expected income tax expense at statutory tax rate (A*B)	8,38,95,669	57,22,670
Increase/(reduction) in taxes on account of:		
Expenses not deductible in determining taxable profits	30,34,593	5,36,705
Utilization/credit of unrecognised tax losses and unabsorbed depreciation	(1,44,68,301)	28,71,306
Tax expense	7,24,61,961	91,30,681

c) Deferred tax

The significant component of deferred tax assets / (liabilities) and movement during the year are as under:

(Amount in ₹)				
Particulars	Deferred tax Liability/(Asset) as at March 31, 2017	Recognised/ (reversed) in statement of profit & loss	Recognised/ (reversed) in OCI	Deferred tax Liability/(Asset) as at March 31, 2018
Property, plant and equipment	4,17,25,440	(63,34,317)	-	3,53,91,123
Carried forward business loss	(7,83,29,456)	7,83,29,456	-	-
Carried forward capital loss	(14,34,447)	(2,20,331)	-	(16,54,778)
Disallowances under Income tax	(47,09,370)	(9,60,315)	(4,08,794)	(60,78,479)
Provision for doubtful debts	(1,28,98,485)	16,47,470	-	(1,12,51,015)
Minimum alternate tax (MAT) credit	(4,17,20,915)	(6,17,80,290)	-	(10,35,01,205)
Total	(9,73,67,233)	1,06,81,672	(4,08,794)	(8,70,94,355)

39 a) Although the book value of unquoted investments in associate company Green Delhi BQS Limited amounting to ₹ 2,30,000 (Previous Year : ₹ 2,30,000), as reflected in Note no 5, is lower than its fair value, considering the strategic and long term nature of the investment, future prospectus and assets base of the investee company, such decline, in the opinion of the management, has been considered to be of temporary in nature and hence no provision for the same at this stage is considered necessary.

b) Certain balances of trade receivable, loan & advances (including MAT credit), trade payable and other liabilities are subject to confirmation and/or reconciliation.

c) In the opinion of board of directors, assets have a realizable value, in the ordinary course of business at least equal to the amount at which they are stated.



40 Employee benefits

a) Defined contribution plans: -

The Company has recognized following expense in respect of the defined contribution plans during the year 2017-18: -

Particulars	(Amount in ₹)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Contribution to provident fund	8,799,181	7,164,579
Contribution to ESI	580,664	331,579
Total	9,379,845	7,496,158

b) Defined benefit plans: -

Below tables sets forth the changes in the projected benefit obligation and amounts recognised in the balance sheet as at March 31, 2018 and March 31, 2017, being the respective measurement dates

(i) Movement in defined benefit obligation

Particulars	(Amount in ₹)	
	Gratuity (unfunded)	Leave encashment (unfunded)
Present value of obligation as at April 1, 2016		
Current service cost	643,677	5,906,347
Interest cost	1,429,402	1,674,957
Benefits paid	482,751	442,976
Remeasurement- Actuarial loss/(gains) on obligation	(2,780,445)	(4,924,608)
Present value of obligation as at March 31, 2017	7,975,518	6,285,111
Current service cost	1,841,680	2,331,433
Past service cost	1,037,618	-
Interest cost	618,103	487,096
Benefits paid	(1,213,503)	(2,357,986)
Remeasurement- Actuarial loss/(gains) on obligation	1,417,456	2,653,993
Present value of obligation as at March 31, 2018	11,676,872	9,399,647

(ii) Expenses recognised in the Statement of profit & loss

Particulars	(Amount in ₹)	
	Gratuity (unfunded)	Leave encashment (unfunded)
Current service cost	1,429,402	1,674,957
Interest cost	482,751	442,976
Expected return on plan assets	-	-
Remeasurement - Actuarial loss/(gain)	-	2,865,494
Past service cost	-	-
For the year ended March 31, 2017	1,912,153	4,983,427
Current service cost	1,841,680	2,331,433
Interest cost	618,103	487,096
Expected return on plan assets	-	-
Remeasurement - Actuarial loss/(gain)	-	2,653,993
Past service cost	1,037,618	-
For the year ended March 31, 2018	3,497,401	5,472,522



(iii) Expenses recognised in the Other Comprehensive Income

Particulars	(Amount in ₹)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Remeasurement - Actuarial Gain/(loss) on gratuity	1,417,456	2,407,133

(iv) The principal actuarial assumptions used for estimating the Company's defined benefit obligations are set out below: -

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Discount rate	7.75%	7.50%
Expected rate of increase in compensation levels	5.00%	5.00%
Expected rate of return on plan assets	NA	NA
Mortality Rate	IALM(2006-08) Ultimate	IALM(2006-08) Ultimate
Withdrawal Rate		
18 to 30 years	5% p.a.	2% p.a.
30 to 44 years	3% p.a.	-
44 to 58 years	2% p.a.	-

(v) Experience Adjustments

Particulars	(Amount in ₹)	
	Gratuity (unfunded)	Leave encashment (unfunded)
For the financial year 2016-17		
Experience adjustments (Gain)/Loss for plan liabilities	2,006,098	1,414,614
Experience adjustments (Gain)/Loss for plan assets	-	-
For the financial year 2017-18		
Experience adjustments (Gain)/Loss for plan liabilities	2,611,092	2,750,259
Experience adjustments (Gain)/Loss for plan assets	-	-

(vi) The Company' best estimate of contribution during the next year

Particulars	(Amount in ₹)	
	Gratuity (unfunded)	Leave encashment (unfunded)
For the financial year 2017-18	2,444,239	111,449

(vii) Sensitivity Analysis

Particulars	(Amount in ₹)		
	Change in assumption	Effect on gratuity	Effect on leave encashment
Discount Rate	+ 1%	(1,222,211)	(921,848)
	- 1%	1,228,207	1,078,511
Salary growth rate	+ 1%	1,186,061	1,098,073
	- 1%	(1,196,052)	(952,518)
Withdrawal rate	+ 1%	146,321	238,694
	- 1%	(363,749)	(267,811)

(viii) Estimate of expected benefit payments (in absolute terms i.e. undiscounted)

Particulars	(Amount in ₹)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
1 April 2017 to 31 March 2018		584,855
1 April 2018 to 31 March 2019	685,055	461,927
1 April 2019 to 31 March 2020	416,681	208,881
1 April 2020 to 31 March 2021	437,196	217,149
1 April 2021 to 31 March 2022	525,381	281,583
1 April 2022 to 31 March 2023	2,420,931	9,303,441
1 April 2023 onwards	12,039,030	



JSL Lifestyle Limited
Notes forming part of the financial statements for the year ended March 31, 2018

41 Leases

The Company has leased facilities under cancellable operating lease arrangements with a lease term ranging from one to five years, which are subject to renewal at mutual consent thereafter. The cancellable arrangements can be terminated by either party after giving due notice. The lease rent expenses recognised during the year amounts to ₹ 4,24,49,949 (March 31, 2017: ₹ 3,74,50,766)

42 Segment Information as required by Ind AS - 108 'Operating Segments'

The Company is in the business of manufacturing stainless steel products having similar economic characteristics which is regularly reviewed by the Chief Operating Decision Maker for assessment of Company's performance and resource allocation. Hence, the Company has only one reportable segment under Ind-AS 108 'Operating Segments' i.e. 'STAINLESS STEEL'. The entity wide disclosures required by Ind-AS 108 are made as follows: -

Particulars	(Amount in ₹)			
	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Within India	Outside India	Within India	Outside India
Revenue	2,67,94,40,365	91,54,77,159	1,40,91,15,805	63,88,87,267
Non-current assets	49,93,36,360	-	43,77,50,607	-

(ii) Details about the major customers

Revenue from two major customers represented 87% (previous years 84%) of the total sales of the company.

43 Disclosures of related parties as required by Ind AS-24

(a) List of related parties

(i) Parent Entity

Jindal Stainless (Hisar) Limited

(ii) Fellow Subsidiaries

Jindal Stainless Steelway Limited
Green Delhi BQS Limited
JSL Media Limited
JSL Logistics limited

(iii) Key Management Personnel

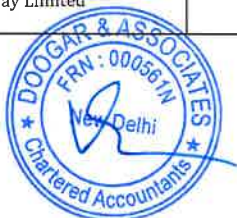
Mrs. Deepika Jindal	Managing Director
Mr. Tomy Sebastian	Whole Time Director
Mr. Bhartendu Harit	Company Secretary
Mr. Tarun Jain	Chief Financial Officer

(iv) Other Related Parties where Key Managerial Personnels or their relatives exercise significant influence.

Jindal Stainless Limited
Jindal Stainless Corporate Management Services Pvt. Ltd.
Cinennamou Boutique Private Limited

(b) The following transactions were carried out with related parties in the ordinary course of business:

Particulars	Holding Company	Associate Company	Fellow Subsidiary Company	Enterprises over which KMP and their relatives exercise significant influence	(Amount in ₹)
					Total
1 Sales of finished goods/scrap					
Jindal Stainless (Hisar) Limited	19,25,83,182 (11,38,54,783)	- -	- -	- -	19,25,83,182 (11,38,54,783)
Jindal Stainless Limited	-	-	-	90,41,680 (1,21,789)	90,41,680 (1,21,789)
Jindal Stainless Corporate Management Services Private Limited	-	-	-	19,33,427 (72,67,374)	19,33,427 (72,67,374)
Jindal Stainless Steelway Limited	-	-	2,78,486 (7,79,043)	- -	2,78,486 (7,79,043)
2 Job work charges received					
Jindal Stainless (Hisar) Limited	11,19,119 (38,97,664)	- -	- -	- -	11,19,119 (38,97,664)
Jindal Stainless Steelway Limited	-	-	2,85,189 (46,605)	- -	2,85,189 (46,605)



3 Purchase of raw material					
Jindal Stainless (Hisar) Limited	1,710,132,608 (800,431,052)	-	-	-	1,710,132,608 (800,431,052)
Jindal Stainless Limited	-	-	-	(31,683,932)	- (31,683,932)
Jindal Stainless Steelway Limited	-	-	1,991,674 (5,818,779)	-	- 1,991,674 (5,818,779)
4 Reimbursement of expenses paid on our behalf					
Jindal Stainless Limited	-	-	-	3,032,435 (2,182,124)	3,032,435 (2,182,124)
Jindal Stainless Corporate Management Services Private Limited	-	-	-	(352,873)	- (352,873)
Jindal Stainless Steelway Limited	-	-	94,467 (120,358)	-	- 94,467 (120,358)
5 Expenses recovered					
Jindal Stainless (Hisar) Limited	721,379 (63,860)	-	-	-	721,379 (63,860)
Jindal Stainless Steelway Limited	-	-	492,450 (482,650)	-	- 492,450 (482,650)
Green Delhi BQS Limited	-	460,400 (244,781)	-	-	- 460,400 (244,781)
JSL Media Limited	-	-	3,391,358 (86,154)	-	- 3,391,358 (86,154)
6 Interest paid on loan					
Jindal Stainless (Hisar) Limited	12,870,006 (12,870,006)	-	-	-	12,870,006 (12,870,006)
7 Job work charges paid					
Jindal Stainless (Hisar) Limited	1,119,119	-	-	-	1,119,119
Jindal Stainless Steelway Limited	-	-	981,260	-	- 981,260
8 Rent Paid					
Jindal Stainless (Hisar) Limited	7,918,996	-	-	-	7,918,996
Cinennamon Boutique Private Limited	-	-	-	4,755,047	- 4,755,047

Compensation to Key Managerial Personnel

Particulars	(Amount in ₹)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Short-term employee benefits		
Post-employment benefits	32,268,637	30,134,669
Other long-term benefits	-	1,761,853
Termination benefits	-	-
Employee share based payment	-	-
Total Compensation	32,268,637	31,896,522



JSL Lifestyle Limited

Notes forming part of the financial statements for the year ended March 31, 2018

Notes: -

- 1 As the future liability for gratuity is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

c) Balances due to/from related parties

(Amount in ₹)					
Particulars	Holding Company	Associate Company	Fellow Subsidiary Company	Enterprises over which KMP and their relatives exercise significant influence	Total
1 Loans taken					
Jindal Stainless (Hisar) Limited	188,415,458 (176,832,453)	- -	- -	- -	188,415,458 (176,832,453)
2 Interest & other payables					
Jindal Stainless (Hisar) Limited	237,386,042 (87,386,044)	- -	- -	- -	237,386,042 (87,386,044)
3 Amount receivables					
Green Delhi BQS Limited	-	39,893,266 (39,432,866)	-	-	39,893,266 (39,432,866)
JSL Media Limited	-	-	7,563,438 (4,172,080)	-	7,563,438 (4,172,080)
Jindal Stainless Steelway Limited	-	-	45,449	-	45,449
Jindal Stainless Corporate Management Services Pvt. Ltd.	-	-	-	1,379,695 (6,914,501)	1,379,695 (6,914,501)
Jindal Stainless Limited	-	-	-	7,013,006	7,013,006
4 Amount payable					
Jindal Stainless (Hisar) Limited	662,182,231 (795,450,208)	-	-	-	662,182,231 (795,450,208)
Jindal Stainless Steelway Limited	-	-	(1,780,075)	-	(1,780,075)
Jindal Stainless Limited	-	-	-	(47,505,385)	(47,505,385)

Figures in brackets represents previous year figures



44 Financial risk management

Financial risk factors

The Company's principal financial liabilities, comprise borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. 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 commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, 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.

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 risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. As a risk management exercise, working capital borrowing in foreign currency is used as a natural hedge to certain extent against foreign currency receivables.

I. Market Risk

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Company uses derivative financial instruments such as foreign exchange forward contracts and interest rate swaps of varying maturity depending upon the underlying contract and risk management strategy to manage its exposures to foreign exchange fluctuations and interest rate.

(a) Foreign exchange risk sensitivity

The functional currency of the Company is Indian Rupee (INR). The Company is exposed to foreign exchange risk through its sales in international markets. The Company has obtained foreign currency working capital loans and has foreign currency receivables and is therefore, exposed to foreign exchange risk. The following table analyses foreign currency risk from financial instruments as of March 31, 2018 and March 31, 2017: -

Particulars	Currency	(Amount in ₹)	
		As at March 31, 2018	As at March 31, 2017
Financial assets			
Trade receivables	USD	4,141,791	3,757,614
Financial liabilities			
Working capital loans	USD	2,474,841	1,139,921
Net assets/ (liabilities)		1,666,950	2,617,693

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 due to changes in the fair value of monetary assets and liabilities are given below:

Particulars	Change in currency exchange rate	(Amount in ₹)	
		Effect on profit before tax for the year ended March 31, 2018	Effect on profit before tax for the year ended March 31, 2017
USD	5%	5,431,756	8,487,215
	-5%	(5,431,756)	(8,487,215)

(b) Interest rate risk and sensitivity

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings are linked to MCLR/LIBOR rate which is fixed for the borrowing period, hence the company is not exposed to interest rate sensitivity.



Particulars	(Amount in ₹)			
	Total borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted Average Rate (%)
For the year ended March 31, 2018				
INR	191,159,497		191,159,497	10.44%
USD (Equivalent INR)	109,419,361	109,419,361		5.00%
Total	300,578,858	109,419,361	191,159,497	
For the year ended March 31, 2017				
INR	270,444,194	73,848,517	196,595,677	11.46%
USD (Equivalent INR)	73,910,910	73,910,910		4.60%
Total	344,355,104	147,759,427	196,595,677	

(c)Commodity price risk and sensitivity

The Company is exposed to the movement in price of key raw materials in domestic markets. The Company enters into contracts for procurement of material, most of the transactions are short term fixed price contract.

II. Credit Risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and 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 overseas/domestic jurisdictions and industries and operate in largely independent markets. The Company has also taken advances and security deposits from its customers, which mitigate the credit risk to an extent.

The ageing of trade receivable is as below:

	Neither due nor impaired	Past due		Total
		Up to 6 Months	Above 6 Month	
As at March 31, 2018				
Secured				
Unsecured	716,631,029	5,092,366	85,139,678	806,863,073
Total trade receivables				
Provision for doubtful receivables			(39,011,840)	(39,011,840)
Net Total	716,631,029	5,092,366	46,127,838	767,851,233
As at March 31, 2017				
Secured				
Unsecured	572,898,097	68,179,391	94,980,474	736,057,962
Total trade receivables				
Provision for doubtful receivables			(39,011,840)	(39,011,840)
Net Total	572,898,097	68,179,391	55,968,634	697,046,122

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

III. Liquidity Risk

The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet date to the contractual maturity date.

Particulars	Carrying Amount				Total
		< 1 Years	1 - 3 Years	> 3 Years	
As at March 31, 2018					
Interest rate borrowings	109,419,361	109,419,361		191,159,497	109,419,361
Other liabilities	345,879,816	108,493,774	237,386,042		345,879,816
Trade and other payables	980,349,230	980,349,230			980,349,230
Total	1,435,648,408	1,198,262,366	237,386,042	191,159,497	1,435,648,408
As at March 31, 2017					
Interest rate borrowings	156,736,808	156,736,808		187,475,701	156,736,808
Other liabilities	139,688,013	52,301,969	87,386,044		139,688,013
Trade and other payables	1,102,472,609	1,102,472,609			1,102,472,609
Total	1,398,897,430	1,311,511,386	87,386,044	187,475,701	1,398,897,430

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.



45 Capital risk management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued equity share capital, security premium reserve and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short term deposits. The Company monitors capital using gearing ratio, which is net debt divided by total capital.

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Loans and borrowings	300,578,858	344,212,509
Less : cash and cash equivalents	1,608,839	1,243,155
Net debt	298,970,019	342,969,354
Total capital	522,986,130	305,556,375
Capital and net debt	821,956,149	648,525,728
Gearing ratio	36.37%	52.88%

46 Fair value of financial assets and liabilities and 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: -

The following methods and assumptions were used to estimate the fair values: -

- The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values due to their short term nature.
- The fair value of security deposit given was calculated based on cash flows discounted using the discount rate that reflects the issuer's borrowings rate. They are classified as Level 2 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.
- For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of Company's financial asset and financial liabilities, grouped into Level 1 to Level 1- Quoted price/ 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 observable market data

Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Measured at amortised cost				
(a) Financial assets				
Investments				
Other financial assets	2,123,959	2,123,959	4,297,079	4,297,079
Trade receivables	767,851,233	767,851,233	697,046,122	697,046,122
Cash & cash equivalents	1,608,839	1,608,839	1,243,155	1,243,155
Bank balances other than cash and cash equivalents	11,498,643	11,498,643	4,694,405	4,694,405
Total financial assets	783,082,673.70	783,082,673.70	707,280,761.48	707,280,761.48
(b) Financial Liabilities				
Borrowings	300,578,858	300,578,858	344,212,509	344,212,510
Trade payables	980,349,230	980,349,230	1,102,472,609	1,102,472,609
Other financial liabilities	345,879,816	345,879,816	139,688,013	139,688,013
Total financial liabilities	1,626,807,904	1,626,807,904	1,586,373,131	1,586,373,132



Amount spent towards Corporate Social Responsibility (CSR) as per the provisions of section 135 of Companies Act, 2013 for the year amounting to
47 ₹ 18,81,184 (March 31, 2017: ₹ 16,23,858)

48 Exceptional items represents gain/(loss) (net) of ₹ 1,14,78,551.(March 31, 2017: ₹ (94,790)) on translation of currency monetary items i.e. working capital loans and trade receivables at the date of Balance sheet.


49 **Amendment to Ind AS 7**

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements

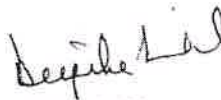

50 Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

See accompanying notes to the financial statements

As per our report of even date


For Doogar & Associates
Chartered Accountants
Firm's registration No. 1007561N

Vardhaman D. D.
Partner
M. No. 517377

For and on behalf of the Board of Directors


Deepika Jindal
Managing Director
DIN No. 00015188

Tarun Jain
Chief Financial Officer


Tomy Sebastian
Whole Time Director & CEO
DIN No. 07653403

Place : Delhi
Dated : April 20, 2018


Bhartendu Harit
Company Secretary
M. No. A15123

1. Corporate Information

JSL Lifestyle Limited ("the Company") is domiciled and incorporated in India. The registered office of the company is located at 48th k.m. Stone, Delhi Rohtak Road, Village Rohad, Tehsil Bahadurgarh, Jhajjar (Haryana).

The Company is engaged in selling stainless steel modular kitchen, cookware and tableware products & operates through its premium brand 'Arttdinox' and manufactures and sells architectural products through its brand 'Arc'. The professionally qualified in-house design team is dedicated in exploring the frontiers of design and the product range is a celebration of both form and function.

2. a) Basis of preparation

These financial statements have been prepared in accordance with the accounting standards notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013.

The Financial Statements correspond to the classification provisions contained in Ind-AS 1 (Presentation of Financial Statements).

The significant accounting policies used in preparing the financial statements are set out in Note No. 2 of the Notes to Financial Statements.

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an 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. 4 on critical accounting estimates, assumptions and judgements).

b) Significant accounting policies

2.1 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.

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

2.2 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 April 1, 2015 (transition date) and use that carrying value as its deemed cost on transition date.

b) Depreciation on Property, plant & equipment is provided on Straight Line Method over their useful lives and in the manner specified in Schedule II of the Companies Act, 2013.

2.3 Intangible Assets

Identifiable intangible assets are recognised:

- a) When the Company controls the asset,
- b) It is probable that future economic benefits attributed to the asset will flow to the Company and
- c) The cost of the asset can be reliably measured.



Computer Software, Trade Mark and Patents 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.

2.4 Research and development cost:

Research Cost:

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

Development Cost:

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

2.5 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.

2.6 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.

2.7 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.

2.8 Employee benefits

- a) 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.
- b) 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.
- c) 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.
- d) 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.

e) The Company's liability towards employee benefits such as gratuity, leave encashment 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.

2.9 Foreign currency reinstatement and translation

(a) Functional and presentation currency

The financial statements have been presented in Indian Rupees (Rs.), which is the Company's functional and presentation currency.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at exchange 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 is 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.

2.10 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 through 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.

2.11 Borrowing costs

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

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.

2.12 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.

Minimum Alternative Tax (MAT) is applicable to the Company. Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.13 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 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.

Sale of Services

Revenue from services is accounted for on the basis of work performed and rendering of services 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.

2.14 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, if any 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.

2.15 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.

2.16 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.

2.17 Critical accounting estimates, assumptions and judgements

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the financial statement:

(a) **Income taxes**

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.



(b) 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.

(c) Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

(d) Liquidated damages

Liquidated damages payable are estimated and recorded as per contractual terms; estimate may vary from actuals as levy by customer.

(e) 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 inputs 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.

(f) 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.

2.18 Recent Accounting Pronouncements

a) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018.

b) Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new standard will be effective from April 1, 2018.

