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## Independent Auditor's Report

To the Members of Jindal Stainless Limited

Report on the Audit of the Standalone Financial Statements

### Opinion

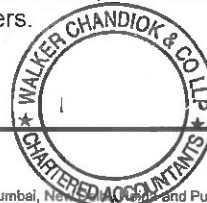
1. We have audited the accompanying standalone financial statements of Jindal Stainless Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

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



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## Independent Auditor's Report to the members of Jindal Stainless Limited on the standalone financial statements for the year ended 31 March 2021 (cont'd)

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Valuation of investment in associate and subsidiary company</b></p> <p>We draw reference to note 4 to the standalone financial statements.</p> <p>The Company has investment in equity instruments of its associate, Jindal United Steel Limited and subsidiary company, PT. Jindal Stainless Indonesia amounting to ₹ 175.05 crores and ₹ 54.68 crores, respectively. Such investments in the aforesaid associate and subsidiary company are accounted for at cost in accordance with Ind AS 27, Separate Financial Statements. The Company assesses the recoverability of these investments when impairment indicators exist, by comparing the fair value (less costs of disposal) and carrying amount of the investment as on the reporting date in accordance with Ind AS 36, Impairment of Assets.</p> <p>The aforesaid investments are not traded in any recognized stock exchange(s). The fair values of the investments are determined by a management-appointed independent valuation specialist based on discounted cash flow ('DCF') method. The process of computation of fair valuation for such investments using DCF method is complex. Management's assessment of the fair valuation of investment requires estimation and judgement around assumptions used. The key assumptions underpinning management's assessment of the fair valuation include, but are not limited to, projections of future cash flows, growth rates, discount rates, estimated future operating and capital expenditure.</p> <p>The application of significant judgment in this matter required substantial involvement of internal and external valuation experts on the audit engagement.</p> <p>Accordingly, assessment of impairment loss to be recognised, if any, on the carrying value of investment made in the associate and subsidiary company has been considered to be a key audit matter for current year's audit.</p>	<p>Our audit procedures were focused on obtaining sufficient appropriate audit evidence that the carrying value of investments in the associate, Jindal United Steel Limited and subsidiary, PT. Jindal Stainless Indonesia are not materially misstated. These procedures included, but were not limited to, the following:</p> <p>We obtained an understanding of management's processes and controls for determining the fair valuation of investments. The understanding was obtained by performance of walkthroughs which included inspection of documents produced by the Company and discussion with those involved in the process of valuation.</p> <p>In addition to the evaluation of design and testing the operating effectiveness of controls implemented for identification of impairment indicators and measurement of impairment provisions, we also performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Assessed the qualification and objectivity of the management-appointed independent valuation specialist to determine the fair value of investments;</li> <li>• Assessed the appropriateness of valuation methodology used for the fair valuation computation with the help of an auditor's expert, and tested the mathematical accuracy of management's model;</li> <li>• Reconciled the cash flow projections to the business plans approved by the Company's management;</li> <li>• Challenged the management's assessment of underlying assumptions used for the cash flow projections including the implied growth rates, considering evidence available, including the impact of COVID-19 pandemic, where appropriate to support these assumptions and our understanding of the business;</li> <li>• Tested the discount rate and long-term growth rates used in the forecast including comparison to economic and industry forecasts, where appropriate;</li> <li>• Evaluated the sensitivity analysis performed by management in respect of the key assumptions such as discount and growth rates to ensure there was sufficient headroom with respect to the estimation uncertainty impact of such assumptions on the fair value calculation;</li> <li>• Engaged internal and external valuation</li> </ul>



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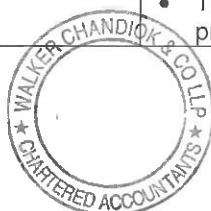
## Independent Auditor's Report to the members of Jindal Stainless Limited on the standalone financial statements for the year ended 31 March 2021 (cont'd)

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Valuation of investment in associate and subsidiary company</b></p> <p>We draw reference to note 4 to the standalone financial statements.</p> <p>The Company has investment in equity instruments of its associate, Jindal United Steel Limited and subsidiary company, PT. Jindal Stainless Indonesia amounting to ₹ 175.05 crores and ₹ 54.68 crores, respectively. Such investments in the aforesaid associate and subsidiary company are accounted for at cost in accordance with Ind AS 27, Separate Financial Statements. The Company assesses the recoverability of these investments when impairment indicators exist, by comparing the fair value (less costs of disposal) and carrying amount of the investment as on the reporting date in accordance with Ind AS 36, Impairment of Assets.</p> <p>The aforesaid investments are not traded in any recognized stock exchange(s). The fair values of the investments are determined by a management-appointed independent valuation specialist based on discounted cash flow ('DCF') method. The process of computation of fair valuation for such investments using DCF method is complex. Management's assessment of the fair valuation of investment requires estimation and judgement around assumptions used. The key assumptions underpinning management's assessment of the fair valuation include, but are not limited to, projections of future cash flows, growth rates, discount rates, estimated future operating and capital expenditure.</p> <p>The application of significant judgment in this matter required substantial involvement of internal and external valuation experts on the audit engagement.</p> <p>Accordingly, assessment of impairment loss to be recognised, if any, on the carrying value of investment made in the associate and subsidiary company has been considered to be a key audit matter for current year's audit.</p>	<p>Our audit procedures were focused on obtaining sufficient appropriate audit evidence that the carrying value of investments in the associate, Jindal United Steel Limited and subsidiary, PT. Jindal Stainless Indonesia are not materially misstated. These procedures included, but were not limited to, the following:</p> <p>We obtained an understanding of management's processes and controls for determining the fair valuation of investments. The understanding was obtained by performance of walkthroughs which included inspection of documents produced by the Company and discussion with those involved in the process of valuation.</p> <p>In addition to the evaluation of design and testing the operating effectiveness of controls implemented for identification of impairment indicators and measurement of impairment provisions, we also performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Assessed the qualification and objectivity of the management-appointed independent valuation specialist to determine the fair value of investments;</li> <li>• Assessed the appropriateness of valuation methodology used for the fair valuation computation with the help of an auditor's expert, and tested the mathematical accuracy of management's model;</li> <li>• Reconciled the cash flow projections to the business plans approved by the Company's management;</li> <li>• Challenged the management's assessment of underlying assumptions used for the cash flow projections including the implied growth rates, considering evidence available, including the impact of COVID-19 pandemic, where appropriate to support these assumptions and our understanding of the business;</li> <li>• Tested the discount rate and long-term growth rates used in the forecast including comparison to economic and industry forecasts, where appropriate;</li> <li>• Evaluated the sensitivity analysis performed by management in respect of the key assumptions such as discount and growth rates to ensure there was sufficient headroom with respect to the estimation uncertainty impact of such assumptions on the fair value calculation;</li> <li>• Engaged internal and external valuation</li> </ul>



	<p>experts to obtain additional comfort on the valuation technique used by management's valuation expert;</p> <ul style="list-style-type: none"> <li>• Obtained written representations from management and those charged with governance on whether the significant assumptions used in valuation of the investments in the associate company and subsidiary company are considered reasonable;</li> <li>• Evaluated the adequacy and appropriateness of disclosures in relation to the investments in associate company and subsidiary company, in the standalone financial statements including the related impairment indicators.</li> </ul>
<p><b>Recoverability of Minimum Alternate Tax (MAT) Credit</b></p> <p>As at 31 March 2021, the Company has recognised Minimum Alternate Tax (MAT) credit amounting to ₹ 77.65 crores, within deferred tax assets. On that date, the Company also has unabsorbed depreciation amounting to ₹ 1,662.15 crores.</p> <p>The recognition of a deferred tax asset in the form of MAT credit is based on the management's estimate of taxable and accounting profits in future, which are underpinned by the Company's price assumptions and business plans, and tax adjustments required to be made in the taxable profit computations, as per the provisions of Income-tax Act, 1961 (IT Act). Estimating recoverability of MAT credit also requires significant judgments, including the timing of reversals of unabsorbed depreciation.</p> <p>Considering the materiality of the amounts involved and inherent subjectivity requiring significant judgment involved in the determination of utilization of MAT credit through estimation of future taxable profits, this area was considered to be of most significance to the audit and determined to be a key audit matter for current year's audit.</p>	<p>Our procedures in relation to assessment of MAT credit recognised as at reporting date included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Obtained and updated our understanding of the management's process of computation of future accounting and taxable profits of the Company, and expected utilization of available MAT credit within specified time period as per provisions of the IT Act;</li> <li>• Evaluated the design of and tested the operating effectiveness of controls around the preparation of underlying business plans, future taxable profit computation, and assessment of recognition of MAT credit at year end;</li> <li>• Reconciled the business results projections to the future business plans approved by the Company's board of directors;</li> <li>• Challenged the management's assessment of underlying assumptions used for the business results projections including expected capacity expansion and utilisation, implied growth rates and expected prices considering evidence available to support these assumptions and our understanding of the business;</li> <li>• Tested the growth rates used in the forecast by comparing them to past trends and to economic and industry forecasts, including the impact of COVID-19 pandemic, where appropriate;</li> <li>• Performed independent sensitivity analysis in respect of the key assumptions such as growth rates to ensure there was sufficient headroom with respect to the estimation uncertainty impact of such assumptions on the timing of reversal of unabsorbed depreciation and utilisation of MAT credit;</li> <li>• Tested the computations of future taxable profits, including testing of the adjustments</li> </ul>



	<p>made in such computations with respect to tax-allowed and tax-disallowed items, other tax rebates and deductions available to the Company, and tested the computation of MAT liability in such future years, in accordance with the provisions of the IT Act.</p> <ul style="list-style-type: none"><li>• Evaluated the historical accuracy of the estimates made in the prior periods with respect to business projections and aforesaid tax computations;</li><li>• Tested the mathematical accuracy of management's projections and tax computations;</li><li>• Based on aforesaid computations, assessed the appropriateness of management's estimate of likelihood of utilization of MAT credit within the time period specified and in accordance with the provisions of the IT Act;</li><li>• Engaged the internal tax experts to assess the accuracy of MAT credit recognized in the financial statements;</li><li>• Evaluated the appropriateness and adequacy of the disclosures related to MAT credit in the standalone financial statements in accordance with the applicable accounting standards.</li></ul>
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## Information other than the Financial Statements and Auditor's Report thereon

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

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

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

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

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

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making



## Independent Auditor's Report to the members of Jindal Stainless Limited on the standalone financial statements for the year ended 31 March 2021 (cont'd)

judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



## Independent Auditor's Report to the members of Jindal Stainless Limited on the standalone financial statements for the year ended 31 March 2021 (cont'd)

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.
17. Further to our comments in Annexure I, 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 purpose of our audit of the accompanying standalone financial statements;
  - 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 standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
  - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
  - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 14 May 2021 as per Annexure II expressed unmodified opinion; and
  - 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, as detailed in note 36 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and



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Independent Auditor's Report to the members of Jindal Stainless Limited on the standalone financial statements for the year ended 31 March 2021 (cont'd)

- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

*Rajni Mundra*

**Rajni Mundra**  
Partner  
Membership No.: 058644  
UDIN: 21058644AAAACH9635



Place: New Delhi  
Date: 14 May 2021



## Annexure I to the Independent Auditor's Report of even date to the members of Jindal Stainless Limited, on the standalone financial statements for the year ended 31 March 2021

### Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (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 regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of section 186 in respect of investments, guarantees and loans. Further, in our opinion, the Company has not entered into any transaction covered under section 185 of the Act in respect of loans, guarantees and security and any transaction covered under section 186 of the Act in respect of security.
- (v) In our opinion, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act in respect of Company's products and services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.



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Annexure I to the Independent Auditor's Report of even date to the members of Jindal Stainless Limited, on the standalone financial statements for the year ended 31 March 2021 (cont'd)

- (b) The dues outstanding in respect of income-tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

## Statement of Disputed Dues

Name of Statute	Nature of dues	Amount (₹ crores)	Amount paid under protest (₹ crores)	Period to which the amount relates	Forum where dispute is pending
The Central Sales Tax Act, 1956	Central sales tax	2.35	0.47	Financial year 2013-2014 and 2014-2015	Additional Commissioner of Commercial Tax
The Central Sales Tax Act, 1956	Central sales tax	0.43	0.09	October 2015 to March 2016	Additional Commissioner of Commercial Tax
The Central Sales Tax Act, 1956	Central sales tax	1.64	0.16	April 2016 to June 2017	Additional Commissioner of Commercial Tax
The Odisha Value Added Tax Act, 2004	Value added tax	22.92	-	Financial year 2013-2014 and 2014-2015	Hon'ble High Court of Odisha
The Orissa Entry Tax Act, 1999	Entry tax	97.43	19.96	October 2006 to September 2010	Hon'ble High Court of Odisha
The Orissa Entry Tax Act, 1999	Entry tax	57.18	20.96	Financial year 2013-14 and 2014-15	Hon'ble High Court of Odisha
The Orissa Entry Tax Act, 1999	Entry tax	78.24	53.26	October 2010 to March 2013 and April 2015 to March 2017	Hon'ble High Court of Odisha
The Orissa Entry Tax Act, 1999	Entry tax	0.10	0.10	April 2006 to September 2006	Additional Commissioner of Commercial Tax
The Customs Tariff Act, 1975	Customs duty	7.97	0.60	Financial year 2012-2013	Customs Excise and Service Tax Appellate Tribunal
The Customs Act, 1962	Customs duty	1.70	0.13	Financial year 2014-2015	Customs Excise and Service Tax Appellate Tribunal
The Customs Act, 1962	Customs duty	0.90	0.84	Financial year 2014-2015 and 2015-2016	Commissioner of Customs
The Central Excise Act, 1944	Central excise duty	1.30	1.30	Financial year 2006-2007, 2007-2008 and 2008-2009	Customs Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1944	Central excise duty	0.50	0.05	September 2006 to August 2011	Customs Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1944	Central excise duty	0.26	0.02	June 2007 to December 2007	Commissioner (Appeal) of CGST, Central Excise and Customs



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Annexure I to the Independent Auditor's Report of even date to the members of Jindal Stainless Limited, on the standalone financial statements for the year ended 31 March 2021 (cont'd)

Name of Statute	Nature of dues	Amount (₹ crores)	Amount paid under protest (₹ crores)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Central excise duty	0.30	0.03	May 2008 to March 2009	Customs Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1944	Central excise duty	0.22	0.02	Financial year 2012-2013 to 2013-2014	Commissioner (Appeal) of Central GST, Central Excise and Customs
The Central Excise Act, 1944	Central excise duty	20.33		December 2012 to February 2014	Customs Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1944	Central excise duty	0.22	-	April 2014 to June 2017	Assistant Commissioner of Central GST and Central Excise
The Central Excise Act, 1944	Central excise duty	3.25	0.24	January 2013 to January 2014	Customs Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1944	Central excise duty	0.08	-	April 2011 to October 2016	Commissioner(Appeal) of Central Excise & Service Tax
The Central Excise Act, 1944	Central excise duty	0.10	-	Financial year 2012-2013 and 2013-2014	Commissioner(Appeal) of Central Excise & Service Tax
The Central Excise Act, 1944	Central excise duty	0.05	-	May 2008 to March 2013	Commissioner(Appeal) of Central Excise & Service Tax
The Central Excise Act, 1944	Central excise duty	0.02	0.02	Financial year 2013-2014	Customs Excise and Service Tax Appellate Tribunal
The Central Goods and Services Tax Act, 2017	Goods and service tax	7.48	-	Financial year 2017-2018	Joint Commissioner of Commercial Tax
Income-tax Act, 1961	Income-tax	0.97	-	Assessment year 2003-2004	Hon'ble High Court of Delhi
Income-tax Act, 1961	Income-tax	3.01	-	Assessment year 2004-2005	Hon'ble High Court of Delhi
Income-tax Act, 1961	Income-tax	7.26	-	Assessment year 2005-2006	Hon'ble High Court of Delhi
Income-tax Act, 1961	Income-tax	8.69	-	Assessment year 2006-2007	Hon'ble High Court of Delhi
Income-tax Act, 1961	Income-tax	3.59	-	Assessment year 2007-2008	Hon'ble High Court of Delhi
Income-tax Act, 1961	Income-tax	0.83	-	Assessment year 2007-2008	Assessing officer
Income-tax Act, 1961	Income-tax	2.08	-	Assessment year 2007-2008	Disposed off by Income tax Appellate Tribunal during the year. Further appeal yet not done.
Income-tax Act, 1961	Income-tax	4.47	-	Assessment year 2008-2009	Hon'ble High Court of Delhi
Income-tax Act, 1961	Income-tax	0.09	-	Assessment year 2009-2010	Assessing officer
Income-tax Act, 1961	Income-tax	3.23	-	Assessment year 2009-2010	Disposed off by Income tax Appellate Tribunal during the year. Further appeal yet not done.



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Annexure I to the Independent Auditor's Report of even date to the members of Jindal Stainless Limited, on the standalone financial statements for the year ended 31 March 2021 (cont'd)

Name of Statute	Nature of dues	Amount (₹ crores)	Amount paid under protest (₹ crores)	Period which amount relates to	Forum where dispute is pending
Income-tax Act, 1961	Income-tax	0.06	-	Assessment year 2010-2011	Assessing officer
Income-tax Act, 1961	Income-tax	0.46	-	Assessment year 2010-2011	Disposed off by Income tax Appellate Tribunal during the year. Further appeal yet not done.
Income-tax Act, 1961	Income-tax	0.21	-	Assessment year 2010-2011	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Income-tax	19.47	-	Assessment year 2011-2012	Income-tax Appellate Tribunal
Income-tax Act, 1961	Income-tax	18.20	-	Assessment year 2012-2013	Income-tax Appellate Tribunal
Income-tax Act, 1961	Income-tax	14.34	-	Assessment year 2013-2014	Income-tax Appellate Tribunal
Income-tax Act, 1961	Income-tax	12.99	-	Assessment year 2014-2015	Income-tax Appellate Tribunal

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or any dues to debenture-holders during the year. The Company has no loans or borrowings payable to government during the year.
- (ix) In our opinion, the Company has applied moneys raised by way of term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer/ further public offer (including debt instruments) during the year.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has made preferential allotment of share warrants. In respect of the same, in our opinion, the Company has complied with the requirement of section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. During the year, the Company did not make preferential allotment/ private placement of fully/partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under section 192 of the Act.



## **Annexure II to the Independent Auditor's Report of even date to the members of Jindal Stainless Limited on the standalone financial statements for the year ended 31 March 2021**

### **Annexure II**

#### **Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the standalone financial statements of Jindal Stainless Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

#### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

#### **Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting



Annexure II to the Independent Auditor's Report of even date to the members of Jindal Stainless Limited on the standalone financial statements for the year ended 31 March 2021 (cont'd)

principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

#### **Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

*Rajni Mundra*  
**Rajni Mundra**  
Partner  
Membership No.: 058644  
UDIN: 21058644AAAACH9635



**Place:** New Delhi  
**Date:** 14 May 2021

JINDAL STAINLESS LIMITED  
Balance Sheet as at 31 March 2021  
(All amounts in ₹ crores, unless otherwise stated)

	Note	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	5,652.72	5,938.28
Capital work-in-progress	2A	49.22	9.13
Intangible assets	3	26.01	31.12
Intangible assets under development	3A	5.50	2.40
<b>Financial assets</b>			
Investments	4	490.56	486.93
Loans	5	110.98	110.08
Other financial assets	6	0.76	2.24
Income-tax assets (net)	7	14.86	25.41
Other non-current assets	8	104.30	50.69
<b>Current assets</b>			
Inventories	9	2,466.91	2,330.41
<b>Financial assets</b>			
Investments	4	0.58	2.53
Trade receivables	10	981.66	779.41
Cash and cash equivalents	11	50.25	15.93
Bank balances other than cash and cash equivalents	12	38.95	28.45
Loans	5	11.40	11.27
Other financial assets	6	68.32	76.48
Other current assets	8	191.69	207.20
<b>Total</b>		<b>10,264.67</b>	<b>10,107.96</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	13	97.45	97.45
Other equity	14	3,055.33	2,559.87
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	15	2,545.90	2,715.57
Other financial liabilities	16	110.75	102.40
Provisions	17	10.72	9.59
Deferred tax liabilities (net)	18	490.60	217.87
Other non-current liabilities	19	279.19	324.05
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	20	319.02	397.56
Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		117.73	87.28
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,357.49	2,345.29
Other financial liabilities	16	700.48	1,038.60
Other current liabilities	19	179.46	211.78
Provisions	17	0.55	0.65
<b>Total</b>		<b>10,264.67</b>	<b>10,107.96</b>

Summary of significant accounting policies

The summary of significant accounting policies and other explanatory information are an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date.

For Walker Chandio & Co LLP  
Chartered Accountants  
FRN 001076N/N500013

Rajni Mandra  
Partner  
Membership No.: 058644

Place: New Delhi  
Date: 14 May 2021



For and on behalf of the Board of Directors

Abhyuday Jindal  
Managing Director  
DIN: 07290474

Tarun Kumar Khulbe  
Whole Time Director  
DIN: 07302532

Anurag Mahtiri  
Chief Financial Officer

Navneet Raghuvanshi  
Company Secretary



JINDAL STAINLESS LIMITED  
Statement of Profit and Loss for the year ended 31 March 2021  
(All amounts in ₹ crores, unless otherwise stated)

	Note	Year ended 31 March 2021	Year ended 31 March 2020
<b>INCOME</b>			
Revenue from operations	22	11,679.14	12,320.11
Other income	23	42.30	36.98
<b>Total</b>		<b>11,721.44</b>	<b>12,357.09</b>
<b>EXPENSES</b>			
Cost of materials consumed		7,293.69	7,643.88
Purchases of stock-in-trade		236.95	487.86
Changes in inventories of finished goods, work in progress and stock-in-trade	24	(98.81)	(70.05)
Employee benefits expense	25	148.79	147.57
Finance costs	26	463.70	566.89
Depreciation and amortisation expenses	27	373.42	408.86
Other expenses	28	2,702.67	2,936.03
<b>Total</b>		<b>11,120.41</b>	<b>12,121.04</b>
<b>Profit before exceptional items and tax</b>		<b>601.03</b>	<b>236.05</b>
Exceptional items	37	99.39	8.31
<b>Profit before tax</b>		<b>700.42</b>	<b>244.36</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax	29	272.50	91.48
<b>Total tax expense</b>		<b>272.50</b>	<b>91.48</b>
<b>Profit for the year</b>		<b>427.92</b>	<b>152.88</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Re-measurements of defined employee benefit plans		0.66	(1.55)
Income tax effect on above		(0.23)	0.54
<b>Total other comprehensive income</b>		<b>0.43</b>	<b>(1.01)</b>
<b>Total comprehensive income for the year</b>		<b>428.35</b>	<b>151.87</b>
<b>Earnings per share (in ₹)</b>			
Basic	30	8.78	3.16
Diluted		8.65	3.16

**Summary of significant accounting policies**

The summary of significant accounting policies and other explanatory information are an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For and on behalf of the Board of Directors

For Walker Chandiook & Co LLP  
Chartered Accountants  
FRN 001076N/N500013

*Rajni Mundra*  
Rajni Mundra  
Partner  
Membership No.: 058644



*Abhyuday Jindal*  
Abhyuday Jindal  
Managing Director  
DIN: 07290474

*Anurag Mantri*  
Anurag Mantri  
Chief Financial Officer

*Tarun Kumar Khurbe*  
Tarun Kumar Khurbe  
Whole Time Director  
DIN: 07302532

*Navneet Raghuvanshi*  
Navneet Raghuvanshi  
Company Secretary

Place: New Delhi  
Date: 14 May 2021





JINDAL STAINLESS LIMITED  
Statement of changes in equity for the year ended 31 March 2021  
(All amounts in ₹ crores, unless otherwise stated)

A. Equity share capital	
Particulars	Amount
As at 1 April 2019	95.84
Changes in equity share capital	1.61
As at 31 March 2020	97.45
Changes in equity share capital	-
As at 31 March 2021	97.45

B. Other equity

Particulars	Reserves and Surplus							Total
	Amalgamation reserve	Foreign currency monetary items translation difference account	Debtore redemption reserve	Securities premium	Capital redemption reserve	Retained earnings	Money received against share warrants	
<b>Balance as at 01 April 2019</b>	1.22	(15.75)	32.07	1,053.91	20.00	1,287.22	-	2,378.67
Profit for the year	-	-	-	-	-	152.88	-	152.88
Issue of equity shares and securities premium thereon	-	-	-	26.97	-	-	-	26.97
Other comprehensive income for the year (net of tax)	-	-	-	-	-	(1.01)	-	(1.01)
Accumulation of translation difference on long term foreign currency monetary items (net of amortisation)	-	2.56	-	-	-	-	-	2.56
Transfer from debenture redemption reserve	-	-	(7.65)	-	-	7.65	-	-
<b>Balance as at 31 March 2020</b>	1.22	(13.39)	24.42	1,080.88	20.00	1,446.74	-	2,559.87
Profit for the year	-	-	-	-	-	427.92	-	427.92
Other comprehensive income for the year (net of tax)	-	-	-	-	-	0.43	-	0.43
Subscription amount towards share warrants	-	-	-	-	-	-	53.72	53.72
Accumulation of translation difference on long term foreign currency monetary items (net of amortisation)	-	13.39	-	-	-	-	-	13.39
Transfer from debenture redemption reserve	-	-	(24.42)	-	-	24.42	-	-
<b>Balance as at 31 March 2021</b>	1.22	-	-	1,080.88	20.00	1,895.51	53.72	3,055.33

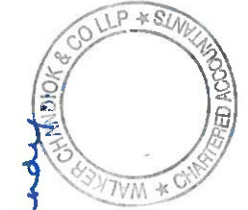
Summary of significant accounting policies

The summary of significant accounting policies and other explanatory information are an integral part of these financial statements.

This is the Statement of Changes in Equity referred to in our report of even date.

For and on behalf of the Board of Directors

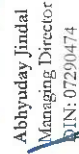
For Walker Chandiook & Co LLP  
Chartered Accountants  
FRN 001076N/N500013



Rajni Munday  
Partner  
Membership No.: 058644

Place: New Delhi  
Date: 14 May 2021

  
Abhyuday Jindal  
Managing Director  
DIN: 07290474

  
Anubha Martri  
Chief Financial Officer

  
Navneet Raghuvanshi  
Whole Time Director  
DIN: 07302532

  
Navneet Raghuvanshi  
Company Secretary



**JINDAL STAINLESS LIMITED**  
Cash Flow Statement for the year ended 31 March 2021  
(All amounts in ₹ crores, unless otherwise stated)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>A Cash flow from operating activities</b>		
Profit before tax	700.42	244.36
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	373.42	408.86
Profit on disposal of property, plant and equipment (net)	(0.47)	(0.28)
Interest income on investments	(3.97)	(2.88)
Liability no longer required, written back	(2.76)	(63.67)
Amortisation of deferred revenue	(12.63)	(12.66)
Interest income on financial assets measured at amortised cost	(1.27)	(1.21)
Unwinding of discount on financial asset measured at amortised cost	1.49	1.61
Bad debts written off and allowance for expected credit losses	16.52	1.16
Interest income on fixed deposits, receivables and income tax refund	(16.48)	(18.79)
Dividend income	(1.67)	-
Net unrealised foreign exchange (gain)/loss	(71.68)	82.79
Finance costs	463.70	566.89
<b>Operating profit before working capital changes</b>	<b>1,444.62</b>	<b>1,206.18</b>
<b>Movement in working capital</b>		
Trade receivables	(237.35)	93.90
Inventories	(136.50)	(286.25)
Other financial assets	105.51	(101.05)
Other assets	9.95	(5.13)
Trade payables	80.04	88.29
Other financial liabilities	77.99	115.85
Other liabilities	(61.90)	10.39
Provisions	1.69	2.09
<b>Cash flow from operating activities post working capital changes</b>	<b>1,284.05</b>	<b>1,124.27</b>
Income-tax paid (net of refund)	10.56	(1.23)
<b>Net cash generated from operating activities (A)</b>	<b>1,294.61</b>	<b>1,123.04</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including capital work in progress and intangible assets under development)	(170.43)	(170.64)
Proceeds from disposal of property, plant and equipment	4.30	21.59
Dividend received	1.67	-
Interest received	17.52	8.85
Proceeds from sale of investment	2.31	-
Investment in deposits with banks (net)	(9.02)	(21.83)
<b>Net cash used in investing activities (B)</b>	<b>(153.65)</b>	<b>(162.03)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issue of shares/warrants	53.72	28.58
Repayment of short term borrowing (net)	(78.07)	(79.10)
Repayment of long-term borrowings	(1,004.86)	(1,212.87)
Proceeds from long-term borrowings	250.00	800.00
Payment of lease liability	(3.27)	(4.01)
Interest paid	(324.16)	(483.57)
<b>Net cash used in financing activities (C)</b>	<b>(1,106.64)</b>	<b>(950.97)</b>
<b>Net changes in cash and cash equivalents (A+B+C)</b>	<b>34.32</b>	<b>10.04</b>
Cash and cash equivalents at the beginning of the year (refer note 11)	15.93	5.89
<b>Cash and cash equivalents at the end of the year (refer note 11)</b>	<b>50.25</b>	<b>15.93</b>

**Summary of significant accounting policies**

The summary of significant accounting policies and other explanatory information are an integral part of these financial statements.

This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of the Board of Directors

For Walker Chandiook & Co LLP  
Chartered Accountants  
FRN 001076N/N500013

*Rajni Mundra*

Rajni Mundra  
Partner  
Membership No.: 058644



Abhyuday Jindal  
Managing Director  
DIN: 07290474

Anurag Mantri  
Chief Financial Officer

Arjun Kumar Khulbe  
Whole Time Director  
DIN: 07302532

Navneet Raghuvanshi  
Company Secretary

Place: New Delhi  
Date: 14 May 2021



## Jindal Stainless Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹crores, unless stated otherwise)

#### 1. Corporate information, basis of preparation and summary of significant accounting policies

##### i) Corporate information

Jindal Stainless Limited (“the Company”) is domiciled and incorporated in India. Its equity shares are listed at the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) and its Global Depository Shares are listed at the Luxemburg Stock Exchange (LSE). The registered office of the Company is located at O. P. Jindal Marg, Hisar, Haryana, India. The Company is engaged in the business of manufacturing of stainless steel flat products in Austenitic, Ferritic, Martensitic and Duplex grades. The product range includes Ferro Alloys, Stainless Steel Slabs, Hot Rolled Coils, Plates and Sheets, and Cold Rolled Coils and Sheets.

##### ii) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 (‘the Act’) read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

These financial statements are separate financial statements of the Company. The Company has also prepared consolidated financial statements for the year ended 31 March 2021 in accordance with Ind AS 110 and the same were also approved for issue by the Board of Directors, along with these financial statements on 14 May 2021.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Defined benefit plans – plan assets measured at fair value.

##### iii) Significant accounting policies

###### a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- 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 current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.



## Jindal Stainless Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹crores, unless stated otherwise)

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

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

#### b) Property, plant and equipment

##### *Recognition and initial measurement*

Property, plant and equipment are stated at their cost of acquisition. The cost comprises the purchase price, borrowing cost (if capitalisation criteria are met) and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

##### *Subsequent measurement (depreciation and useful lives)*

Depreciation on property, plant and equipment is provided on the straight-line method prescribed under Schedule II of the Act, computed on the basis of useful lives prescribed under Schedule II of the Act or technical evaluation of the property, plant and equipment by the management which are mentioned below:

Tangible assets	Useful life (years)
Buildings	2-60
Electrical installations	1-35
Continuous process plant and equipment	1-35
Railway sidings	15
Power line and bay extension	15-20
Furniture and fixtures	1-10
Vehicles	3-10
Office equipment	1-15

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

##### *De-recognition*

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated



## Jindal Stainless Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹crores, unless stated otherwise)

as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

#### c) Intangible assets

##### *Recognition and initial measurement*

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

##### *Subsequent measurement (amortisation and useful lives)*

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Residual values and useful lives are reviewed at each reporting date. The following useful lives are applied:

Asset category	Estimated useful life (in years)
Mine development expenses (stripping costs)	Over the period of expected duration of benefits
Software	5

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

##### *De-recognition*

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

#### d) Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists then the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

To determine value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future re-organisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessment of the time value of money and asset-specific risk factors.



## Jindal Stainless Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹crores, unless stated otherwise)

#### e) Borrowing costs

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

Eligible transaction/ancillary costs incurred in connection with the arrangement of borrowings are adjusted with the proceeds of the borrowings.

#### f) Inventories

Inventories are stated at lower of cost or net realisable value. The cost in respect of the various items of inventory is computed as under:

- Raw material cost includes direct expenses and is determined based on weighted average method.
- Stores and spares cost includes direct expenses and is determined on the basis of weighted average method.
- In case of finished goods, cost includes raw material cost plus conversion costs and other overheads incurred to bring the goods to their present location and condition.
- In case of stock-in-trade, cost includes direct expenses and is determined on the basis of weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Provision for obsolescence and slow moving inventory is made based on management's best estimates of net realisable value of such inventories.

#### g) Foreign currency translation

##### *Functional and presentation currency*

The financial statements are presented in Indian Rupees (INR or ₹) and are rounded to two decimal places of crores, which is also the Company's functional currency.

##### *Transactions and balances*

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items as at reporting date are 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 initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income ("OCI") or profit or loss are also recognised in OCI or profit or loss, respectively).



## Jindal Stainless Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹crores, unless stated otherwise)

#### *Exchange differences*

As per the generally accepted accounting principles followed by the Company till 31 March 2016, exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset were adjusted to the cost of the asset. Exchange differences arising on other long-term foreign currency monetary items existing as on 31 March 2016 are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned monetary item. The Company has elected to continue with the said policy on exchange differences arising on long term foreign currency monetary items existing on 31 March 2016, as allowed under Ind AS 101.

For this purpose, the Company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.

#### **h) Right-of-use assets and lease liabilities**

##### **As a lessee**

##### *Classification of lease*

The Company's leased asset classes primarily consist of leases for land and plant and machinery. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

##### *Recognition and initial measurement of right-of-use assets*

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

##### *Subsequent measurement of right-of-use asset*

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

##### **Lease liabilities**

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.



## Jindal Stainless Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹crores, unless stated otherwise)

#### i) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial results are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### j) Revenue recognition from sale of products and services

##### *Recognition*

Sales (including scrap sales) are recognised when control of products is transferred to the buyer as per the terms of the contract and are accounted for net of returns and rebates. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods. Sales, as disclosed, are exclusive of goods and services tax.

To determine if it is acting as a principal or as an agent, the Company assesses whether it has exposure to the significant risks and rewards associated with the rendering of logistics services. Revenue from rendering of logistic services provided to its customer after the transfer of control of underlying goods is recognized on net basis i.e. after deducting the amount contractually payable to transporters out of the total consideration received and is recognized once the facilitation of such service is done as the Company does not assume any performance obligation.

Income in respect of service contracts, which are generally in the nature of providing infrastructure and support services, are recognised in statement of profit and loss when such services are rendered. Customers are invoiced periodically (generally on monthly basis).





## Jindal Stainless Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

*(All amounts in ₹crores, unless stated otherwise)*

For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If the Company does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time. A receivable is recognised when the goods are delivered as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the balance sheet. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its balance sheet, depending on whether something other than the passage of time is required before the consideration is due.

#### *Measurement*

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both. The sale of goods is typically made under credit payment terms differing from customer to customer and ranges between 0-90 days. No element of financing is deemed present as the sales are largely made on advance payment terms or with credit term of not more than one year.

The transaction price is allocated by the Company to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to the customer.

Periodically, the Company enters into volume or other rebate programs where once a certain volume or other conditions are met, it refunds the customer some portion of the amounts previously billed or paid. For such arrangements, the Company only recognizes revenue for the amounts it ultimately expects to realize from the customer. The Company estimates the variable consideration for these programs using the most likely amount method or the expected value method, whichever approach best predicts the amount of the consideration based on the terms of the contract and available information and updates its estimates in each reporting period.

#### **k) Income recognition**

##### **Interest income**

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

##### **Dividends**

Dividends are received from financial assets at fair value through profit or loss and at FVOCI. Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of the investment.

#### **l) Financial instruments**

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.



## Jindal Stainless Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹crores, unless stated otherwise)

If the Company determines that the fair value at initial recognition differs from the transaction price, the Company accounts for that instrument at that date as follows:

- at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below.

#### Financial assets

##### *Classification and subsequent measurement*

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- Financial assets at amortised cost** – a financial instrument is measured at amortised cost if both the following conditions are met:
  - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method. Effective interest rate (EIR) is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

- Investments in equity instruments of subsidiaries and associates** - Investments in equity instruments of subsidiaries, joint ventures and associates are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements. On disposal of these investments, the difference between net disposal proceeds and the carrying amount are recognised in the statement of profit and loss.
- Financial assets at fair value**
  - **Investments in equity instruments other than above** – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in profit or loss.

- Derivative assets** - All derivative assets are measured at fair value through profit and loss (FVTPL).



## Jindal Stainless Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹crores, unless stated otherwise)

#### *De-recognition of financial assets*

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

#### *Reclassification of financial assets*

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

#### **Financial liabilities**

##### *Subsequent measurement*

After initial recognition, the financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortisation is included as finance costs in the statement of profit and loss.

All derivative liabilities are measured at fair value through profit and loss (FVTPL).

##### *De-recognition of financial liabilities*

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

#### **Offsetting of financial instruments**

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

#### **m) Impairment of financial assets**

All financial assets except for those at FVTPL are subject to review for impairment at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised cost.

ECL is the weighted average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider –



## Jindal Stainless Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹crores, unless stated otherwise)

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

#### *Trade receivables*

- i. For debtors that are not past due – The Company applies approach required by Ind AS 109 'Financial Instruments', which requires lifetime expected credit losses to be recognised upon initial recognition of receivables. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

Life time expected credit losses are assessed and accounted based on company's historical counter party default rates and forecast of macro-economic factors, by dividing receivables that are not considered to be individually significant by reference to the business segment of the counter party and other shared credit risk characteristics to evaluate the expected credit loss. The expected credit loss estimate is then based on recent historical counter party default rates. The Company defines default as an event when the financial asset is past due for more than 365 days. This definition is based on management's expectation of the time period beyond which if a receivable is outstanding, it is an objective evidence of impairment.

- ii. For debtors considered past due – any enhancement in the accrual done for expected credit loss on individually significant receivables is made to recognise any additional expected credit loss on amount recoverable. The Company writes off trade receivables when there is objective evidence that such amounts would not be recovered. Financial assets that are written-off are still subject to enforcement activity by the Company.

#### *Other financial assets*

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12 month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

#### **n) Post- employment and other employee benefits**

##### *Defined contribution plans*

A defined contribution plan is a plan under which the Company pays fixed contributions into an independent fund administered by the government, for example, contribution towards Employees' Provident Fund Scheme and Employees' State Insurance Scheme. The Company has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution, which are recognised as an expense in the year that related employee services are received.

##### *Defined benefit plans*

The Company operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined on the basis of actuarial valuation using the projected unit credit method. Gratuity fund is administered through Life Insurance Corporation of India.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.



## Jindal Stainless Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

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#### Other employee benefits

##### *Long-term employee benefits: Compensated absences*

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated based on an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

##### *Other short-term benefits*

Expense in respect of other short-term benefits is recognized on the basis of amount paid or payable for the period during which services are rendered by the employees.

#### o) Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When provisions are discounted, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed except when realization of income is virtually certain, related asset is disclosed.

#### p) Earnings per share

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

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

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.



## Jindal Stainless Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹crores, unless stated otherwise)

#### q) Taxes

##### *Current income-tax*

Current income-tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income-tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### *Deferred tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. The carrying amount of deferred tax assets are reviewed at each balance sheet date and derecognized to the extent it is no longer probable that sufficient future taxable profits will be available against which such deferred tax assets can be realized.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax ("MAT") credit is recognized as an asset only when and to the extent it is probable that the Company will pay normal income-tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss 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 it is not probable that the Company will pay normal income tax during the specified period.

#### r) Government grants and subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.



## Jindal Stainless Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

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#### s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

##### *Identification of segments:*

In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified based on information reviewed by the Company’s management to allocate resources to the segments and assess their performance. An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company’s other components. Results of the operating segments are reviewed regularly by the management team which has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

#### t) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits with banks/corporations and short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

#### u) Exceptional items

On certain occasions, the size, type, or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly, disclosed in the notes to the financial statements.

#### (iv) Significant management judgement in applying accounting policies and estimation uncertainty

The following are the critical judgments and the key estimates concerning the future that management has made in the process of applying the Company’s accounting policies and that may have the most significant effect on the amounts recognized in the financial statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**Allowance for expected credit losses** – The allowance for expected credit losses reflects management’s estimate of losses inherent in its credit portfolio. This allowance is based on Company’s estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, dealer termination rates, write-offs and collections, the monitoring of portfolio credit quality and current and projected economic and market conditions.

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Provisions** – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

**Useful lives of depreciable/ amortisable assets** – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.



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### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

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**Defined benefit obligation (DBO)** – Management’s estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

**Contingent liabilities** – The Company is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

#### (v) Standards issued but not yet effective

On 24 March 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Act. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Some of the key amendments relating to Division II which relate to the Company are:

##### Balance Sheet:

- Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If the Company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of the Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

##### Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the standalone financial statements.
- The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



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**JINDAL STAINLESS LIMITED**  
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
(All amounts in ₹ crores, unless otherwise stated)

**2 Property, plant and equipment**

Particulars	Owned assets				Right-of-use assets#				Total			
	Leasehold land*	Freehold land*	Buildings**	Plant and machinery***	Railway siding	Electric installations	Vehicles	Furniture and fixtures		Office equipment	Power line and bay extension	Leasehold land
<b>Gross carrying amount</b>												
As at 01 April 2019	440.01	238.62	1,099.12	5,238.54	118.24	139.12	8.28	5.90	3.40	9.19	-	-
Additions	-	0.05	5.79	154.38	-	1.61	1.66	0.53	0.78	-	-	-
Re-classification impact of Ind AS 116	(440.01)	-	-	-	-	-	-	-	-	-	40.01	-
Transition impact of Ind AS 116	-	-	-	-	-	-	-	-	-	-	5.65	76.00
Disposal	-	-	(43.62)	-	-	-	-	-	-	-	-	-
<b>As at 31 March 2020</b>	-	238.67	1,104.91	5,340.30	118.24	140.73	9.94	6.43	4.18	9.19	445.66	76.00
Additions	-	-	5.02	73.78	-	0.76	(0.38)	0.28	0.21	-	-	0.45
Disposal	-	-	(23.66)	-	-	-	-	-	-	-	-	-
<b>As at 31 March 2021</b>	-	238.67	1,109.93	5,399.42	118.24	141.49	9.56	6.71	4.39	9.19	445.66	76.43
<b>Accumulated depreciation</b>												
As at 01 April 2019	21.31	-	122.53	985.75	22.48	28.35	3.82	1.09	1.53	2.19	-	-
Depreciation charge	-	-	32.06	336.87	7.54	8.70	1.04	0.58	0.44	0.55	5.44	7.05
Disposal	-	-	-	(22.35)	-	-	-	-	-	-	-	-
Re-classification impact of Ind AS 116	(21.31)	-	-	-	-	-	-	-	-	-	21.31	-
<b>As at 31 March 2020</b>	-	-	154.59	1,298.27	30.02	37.05	4.86	1.67	1.97	2.74	26.75	7.05
Depreciation charge	-	-	31.19	299.74	7.54	8.75	0.91	0.52	0.48	0.55	5.44	7.09
Disposal	-	-	(19.89)	-	-	-	(0.32)	-	-	-	-	-
<b>As at 31 March 2021</b>	-	-	185.78	1,578.12	37.56	45.80	5.45	2.19	2.45	3.29	32.19	14.14
<b>Net carrying amount</b>												
As at 31 March 2020	-	238.67	950.32	4,051.03	88.22	103.68	5.08	4.76	2.21	6.45	418.91	68.95
As at 31 March 2021	-	238.67	924.15	3,821.30	80.68	95.69	4.11	4.52	1.94	5.90	413.47	62.29

\* Gross carrying amount, *inter alia*, includes ₹ 16.78 crores (previous year ₹ 16.78 crores) jointly owned with other body corporate with 50% share of the Company.

\*\* Gross carrying amount, *inter alia*, includes ₹ 1.17 crores (previous year ₹ 1.17 crores) jointly owned with other body corporate with 50% share of the Company.

\*\*\* Additions include ₹ nil crores (previous year ₹ 17.40 crores) on account of exchange differences on foreign currency loans.

# Refer note-41 for disclosure pertaining to leases.

**(i) Contractual obligations**

Refer note 34 for disclosures of contractual commitments for the acquisition of property, plant and equipment.

**(ii) Property, plant and equipment pledged as security**

Refer note-45 and 15 for information on property, plant and equipment pledged as security by the Company.

2A The Company has capital work-in-progress amounting to ₹ 49.22 crores as at 31 March 2021 (previous year: ₹ 9.13 crores).



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JINDAL STAINLESS LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless otherwise stated)

3 Intangible assets

Particulars	Computer software	Mine development expense (stripping cost)	Total
<b>Gross carrying amount</b>			
As at 01 April 2019	48.61	14.38	62.99
Additions	10.30	-	10.30
<b>As at 31 March 2020</b>	<b>58.91</b>	<b>14.38</b>	<b>73.29</b>
Additions	6.10	-	6.10
<b>As at 31 March 2021</b>	<b>65.01</b>	<b>14.38</b>	<b>79.39</b>
<b>Accumulated amortisation</b>			
As at 01 April 2019	21.25	12.33	33.58
Amortisation charge	7.85	0.74	8.59
<b>As at 31 March 2020</b>	<b>29.10</b>	<b>13.07</b>	<b>42.17</b>
Amortisation charge	10.47	0.74	11.21
<b>As at 31 March 2021</b>	<b>39.57</b>	<b>13.81</b>	<b>53.38</b>
<b>Net carrying amount</b>			
<b>As at 31 March 2020</b>	<b>29.81</b>	<b>1.31</b>	<b>31.12</b>
<b>As at 31 March 2021</b>	<b>25.44</b>	<b>0.57</b>	<b>26.01</b>

3A The Company has intangible assets under development amounting to ₹ 5.50 crores as at 31 March 2021 (previous year: ₹ 2.40 crores)



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4 Investments

I Non-current investments

A Investment in equity instruments

(i) Investment in subsidiaries carried at cost (unquoted)

	Nov.	As at 31 March 2021 Face value (₹ unless otherwise stated)	None.	As at 31 March 2020 Face value (₹ unless otherwise stated)	Amount
Jindal Stainless Indonesia <sup>(*)</sup>	12,499,000	USD 1	12,499,000	USD 1	54.68
JSL Group Holdings Pte. Limited	6,657,565	SGD 1	6,657,565	SGD 1	23.01
Jindal Stainless PZC	6	AED 100/000	6	AED 100/000	7.24
Jeeprathi S.L.	650,000	EURO 1	650,000	EURO 1	4.36
Jindal Stainless Park Limited	50,000	10	50,000	10	0.05
					<u>88.28</u>

(ii) Investment in associate companies carried at cost (unquoted)

Jindal Stainless Corporate Management Services Private Limited	5,000	10	5,000	10	0.01
Jindal United Steel Limited #	111,305,877	10	99,098,377	10	11.39
Jindal Coke Limited	8,432,372	10	8,432,372	10	8.44
					<u>192.84</u>

(iii) Investment in 10% Non-cumulative non-convertible redeemable preference shares (equity portion) of associate companies carried at cost (unquoted)<sup>(\*)</sup>

Jindal United Steel Limited	75,888		75,888		75.88
Jindal Coke Limited	94.02		94.02		79.31
					<u>155.19</u>

(iv)

Investment in other companies carried at fair value through other comprehensive income (unquoted)

M/S Gail Limited	8,357,000	10	8,347	10	8.47
Jindal Synthetics Limited	100,000	10	100,000	10	0.10
Axien Resources Corporation	111,302		111,302		0.01
					<u>8.58</u>
Total (A)					<u>367.16</u>

B Investment in preference shares of associate companies

(i) 0.01% Non-cumulative compulsorily convertible preference shares carried at cost

Jindal Coke Limited	65,653,665	10	17,617,508	10	17.62
Jindal United Steel Limited #			75,951,365	10	75.95
					<u>93.57</u>

(ii) 10% Non-cumulative non-convertible redeemable preference shares carried at amortised cost\*\*

Jindal Coke Limited	109,264,641	10	91,647,073	10	17.06
Jindal United Steel Limited	87,673,311	10	87,673,311	10	16.74
					<u>33.80</u>

Total (B)

103.40

Total (A+B)

490.56

II Current investments

A Investment in equity instruments - carried at fair value through profit or loss (quoted)

Hotel Leela Ventures Limited	90,000	2	0.05	2	0.05
Central Bank of India	7,247	10	7,247	10	0.01
Adani Ports and Special Economic Zone Limited	7,355	2	7,355	2	0.18
					<u>0.22</u>
Total (A)					<u>0.22</u>

B Investment in government securities carried at amortised cost

8.57% Arundha Pradesh SIDL 2020	220,000	100	220,000	100	2.31
					<u>2.31</u>

Total (A+B)

0.58

Aggregate amount of unquoted investments

490.56

Aggregate amount and market value of quoted investments

0.58

Aggregate amount of impairment in the value of investments

0.22

\* Underlying for non disposal of investment by way of letter of comfort given to banks against credit facilities/financial assistance availed by the said subsidiary.

\*\* In terms of Corporate Scheme of Arrangement (refer note 32(i)), Jindal Coke Limited and Jindal United Steel Limited listed 10% non-cumulative non-convertible redeemable preference shares to the Company. The difference between the fair value of such preference shares upon initial recognition and the amount of settlement as per the said scheme, has been accounted as deemed equity contribution and has been classified as investment in equity instrument.

(\*) The Board of Directors of the Company at its meeting held on 6 June 2020, has approved the request received from Jindal Coke Limited, an associate of the Company, to buy the terms and conditions of 1,76,17,568 numbers of 0.01% Non-Cumulative Compulsorily Convertible Preference Shares ("NCCPS") held by the Company in Jindal Coke Limited ("JCL") to make them at par with existing 10% Non-Cumulative Non-Convertible Redeemable Preference Shares, held by the Company in JCL. The variation in the terms of the existing NCCPS were made effective from 19 June 2020, i.e. the date when the shareholders of JCL, has approved the variation in these extra-ordinary general meeting.

# The management of the Company compared the carrying amount of its investment in its associate company, Jindal United Steel Limited ("JUSL") and subsidiary company, Jindal Stainless Indonesia ("PTISI") as at 31 March 2021, with the carrying amounts of net assets of JUSL and PTISI. The management observed the existence of certain indicators of impairment and accordingly appointed an independent valuation specialist to assess the recoverable amount of the investments by comparing the value in use and carrying amount of the investments as on the reporting date. Based on the report of independent valuation specialist and internal evaluation, the management has concluded that there is no impairment in the carrying amount of investments.



**JINDAL STAINLESS LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless otherwise stated)

5 Loans	Non-current		Current	
	As at	As at	As at	As at
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Loans receivables considered good, unsecured				
Security deposits	25.70	24.19	3.04	3.16
Loan to related party	85.28	85.89	8.36	8.11
<b>Total</b>	<b>110.98</b>	<b>110.08</b>	<b>11.40</b>	<b>11.27</b>

Refer note 46 for disclosure of fair values in respect of financial assets measured at amortised cost and assessment of expected credit losses.

6 Other financial assets	Non-current		Current	
	As at	As at	As at	As at
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Considered good, unsecured				
Derivative asset (foreign exchange forward contracts)	-	-	41.51	30.83
Bank deposits with remaining maturity of more than 12 months*	0.76	2.24	-	-
Export benefit receivables	-	-	25.07	26.03
Other receivables	-	-	1.74	19.62
<b>Total</b>	<b>0.76</b>	<b>2.24</b>	<b>68.32</b>	<b>76.48</b>

\* ₹ 0.76 crores (previous year: ₹ 2.24 crores) is under lien with banks.

Refer note 46 for disclosure of fair values in respect of financial assets measured at amortised cost and assessment of expected credit losses.

7 Income-tax assets (net)	Non-current	
	As at	As at
	31 March 2021	31 March 2020
Prepaid taxes [net of provision for tax]	14.86	25.41
<b>Total</b>	<b>14.86</b>	<b>25.41</b>

8 Other assets	Non-current		Current	
	As at	As at	As at	As at
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Capital advances	68.44	18.90	-	-
Prepaid expenses	6.49	7.98	11.18	12.38
Advances to vendors	10.00	-	125.76	98.79
Balances with statutory authorities	19.37	23.81	54.14	93.65
Other assets	-	-	0.61	2.38
<b>Total</b>	<b>104.30</b>	<b>50.69</b>	<b>191.69</b>	<b>207.20</b>

9 Inventories	As at	As at
	31 March 2021	31 March 2020
	Raw materials [including goods-in-transit ₹ 361.46 crores (previous year ₹ 401.61 crores)]	832.88
Work in progress	976.97	766.26
Finished goods	485.54	593.53
Stock-in-trade	1.45	5.36
Store and spares [including goods-in-transit ₹ 10.23 crores (previous year ₹ 18.37 crores)]	170.07	237.26
<b>Total</b>	<b>2,466.91</b>	<b>2,330.41</b>

Refer note 45 and 15 for information on inventories pledged as security by the Company.

10 Trade receivables	As at	As at
	31 March 2021	31 March 2020
	Trade receivables considered good, unsecured	981.66
Trade receivables - credit impaired	23.32	9.25
<b>Total</b>	<b>1,004.98</b>	<b>788.66</b>
Less : Loss allowance	(23.32)	(9.25)
<b>Total</b>	<b>981.66</b>	<b>779.41</b>

Refer note 46(C.1)(b)(i) for details of expected credit loss for trade receivables under simplified approach

Refer note 46 for disclosure of fair values in respect of financial assets measured at amortised cost and assessment of expected credit losses.

Refer note 45 and 15 for information on trade receivables pledged as security by the Company.

11 Cash and cash equivalents	As at	As at
	31 March 2021	31 March 2020
	Balances with banks	24.97
Balances with banks in foreign currency	0.35	0.02
Bank deposits with original maturity of less than three months*	9.36	5.52
Cheques on hand	15.52	7.40
Cash on hand	0.05	0.08
<b>Total</b>	<b>50.25</b>	<b>15.93</b>

\* ₹ 8.45 crores (previous year ₹ 4.49 crores) is under lien with banks. The Company has also created bank deposit of ₹ nil (previous year ₹ 0.80 crores) for Debenture Redemption Reserve.

Refer note 46 for disclosure of fair values in respect of financial assets measured at amortised cost and assessment of expected credit losses.

Refer note 45 for information on cash and cash equivalents pledged as security by the Company.

12 Bank balances other than cash and cash equivalents	As at	As at
	31 March 2021	31 March 2020
	Bank deposits with original maturity of more than three month but residual maturity of less than twelve months*	38.95
<b>Total</b>	<b>38.95</b>	<b>28.45</b>

\* ₹ 32.16 crores (previous year ₹ 22.05 crores) is under lien with banks. The Company has also created bank deposit of ₹ nil (previous year ₹ 6.40 crores) for Debenture Redemption Reserve.

Refer note 46 for disclosure of fair values in respect of financial assets measured at amortised cost and assessment of expected credit losses.



**JINDAL STAINLESS LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
(All amounts in ₹ crores, unless otherwise stated)

**13 Equity share capital**

	As at 31 March 2021	As at 31 March 2020
<b>Authorised</b>		
605,000,000 (previous year 605,000,000) Equity shares of ₹ 2 each	121.00	121.00
170,000,000 (previous year 170,000,000) Preference shares of ₹ 2 each	34.00	34.00
	<u>155.00</u>	<u>155.00</u>
<b>Issued, subscribed and paid up</b>		
487,234,600 (previous year 487,234,600) Equity shares of ₹ 2 each fully paid up	97.45	97.45
	<u>97.45</u>	<u>97.45</u>

**A Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year**

	As at 31 March 2021 No. of Shares	As at 31 March 2020 No. of Shares
Shares outstanding at the beginning of the year	487,234,600	479,221,660
<b>Shares issued during the year</b>		
Allotment of equity shares on preferential basis (refer note (i) below)	-	8,012,940
<b>Shares outstanding at the end of the year</b>	<u>487,234,600</u>	<u>487,234,600</u>

- (i) During the year ended 31 March 2021, the Company allotted nil equity shares (previous year 8,012,940) having face value of ₹ 2 each to a promoter group entity (JSL Limited) on preferential basis at a price of ₹ nil (previous year ₹ 35.65, including premium of ₹ 33.65 per share), aggregating to ₹ nil (previous year ₹ 28.57 crores).
- (ii) As on 31 March 2021, 8,802,167 Global Depository Shares ('GDSs') (previous year 8,802,167 GDSs) with 17,604,334 underlying equity shares (previous year 17,604,334 equity shares) were outstanding. Each GDS represents 2 underlying equity shares of the Company.

**B Terms/rights attached to equity shares**

The Company has only one class of equity shares having a face value of ₹ 2 per share. Each shareholder is eligible for one vote per equity share held [other than the shares represented by Regulation S Global Depository Shares issued by the Company whose voting rights are subject to certain conditions and procedure as prescribed under the Regulation S Deposit Agreement]. The Company declares and pays dividends in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and also has equal right in distribution of profit/surplus in proportions to the number of equity shares held by the shareholders.

**C Equity shares in the Company held by each shareholder holding more than 5% equity shares are as under :**

Name of the shareholder	As at 31 March 2021		As at 31 March 2020	
	No. of Equity Shares	% holding	No. of Equity Shares	% holding
Jindal Stainless (Hisar) Limited	168,284,309	34.54	168,284,309	34.54
JSL Overseas Holding Limited	70,995,424	14.57	70,995,424	14.57
Kotak Special Situations Fund	28,376,673	5.82	27,481,027	5.64

- D During the five years immediately preceding 31 March 2021, in the year ended 31 March 2017, the Company issued 168,284,309 equity shares to Jindal Stainless (Hisar) Limited pursuant to the composite scheme of arrangement referred to in note 32(f). In the aforementioned period of five years, the Company has neither allotted any bonus shares nor have any shares been bought back.

**E Optionally convertible redeemable preference shares**

During the year ended 31 March 2018, the Company had allotted 142,830,637 0.01% Optionally Convertible Redeemable Preference Shares having face value of ₹ 2 each ("OCRPS") to the lenders of the Company upon conversion of the Funded Interest Term Loan I and the Funded Interest Term Loan II at a price of ₹ 39.10 (including premium of ₹ 37.10) per OCRPS aggregating to ₹ 558.47 crores, on the terms as approved by the Board of Directors of the Company (Refer note 15 and 38).

During the year ended 31 March 2020, the Company had redeemed the aforementioned OCRPS issued to the lenders at a price of ₹ 39.10/- per share (including premium of ₹ 37.10/- per share) aggregating to ₹ 558.47 crores.



**JINDAL STAINLESS LIMITED**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**

(All amounts in ₹ crores, unless otherwise stated)

**14 Other equity**

**A Amalgamation reserve**

This reserve was created in accordance with an approved scheme of amalgamation between Jindal Stainless Limited, Austenitic Creations Pvt Limited and J-Inox Creations Pvt Limited with effect from 1 April 2003.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning of the year	1.22	1.22
<b>Balance at the end of the year</b>	<b>1.22</b>	<b>1.22</b>

**B Foreign currency monetary items translation difference account**

This reserve represents unamortised foreign exchange differences arising on translation of long-term foreign currency monetary items.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning of the year	(13.39)	(15.75)
Add: Accumulated during the year	1.82	(12.15)
Less: Amortised during the year	11.57	14.51
<b>Balance at the end of the year</b>	<b>-</b>	<b>(13.39)</b>

**C Debenture redemption reserve**

During the year ended 31 March 2021, the amount standing to the credit of Debenture Redemption Reserve has been transferred to retained earnings since the debentures have been redeemed

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning of the year	24.42	32.07
Less : Transferred during the year to retained earnings	24.42	7.65
<b>Balance at the end of the year</b>	<b>-</b>	<b>24.42</b>

**D Securities premium**

Represents the amount received in excess of par value of securities.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning of the year	1,080.88	1,053.91
Add : Securities premium received on issue of equity shares on preferential basis	-	26.97
<b>Balance at the end of the year</b>	<b>1,080.88</b>	<b>1,080.88</b>

**E Capital redemption reserve**

Capital redemption reserve represents reserves created as per provisions of section 80 of Companies Act, 1956 on redemption of 10.5% Redeemable Cumulative Non Convertible Preference Shares in the financial year 2003-04.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning of the year	20.00	20.00
<b>Balance at the end of the year</b>	<b>20.00</b>	<b>20.00</b>

**F Retained earnings**

Represents the undistributed surplus of the Company.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning of the year	1,446.74	1,287.22
Add : Profit for the year	427.92	152.88
Add : Re-measurements of defined employee benefit plans (net of tax)	0.43	(1.01)
Add : Transfer from debenture redemption reserve	24.42	7.65
<b>Balance at the end of the year</b>	<b>1,899.51</b>	<b>1,446.74</b>

**G Money received against share warrants**

Represents amounts received towards subscription of compulsorily convertible warrants\*

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning of the year	-	-
Add : Subscription of compulsorily convertible share warrants*	53.72	-
<b>Balance at the end of the year</b>	<b>53.72</b>	<b>-</b>

\* On 29 September 2020, the Company has issued and allotted 38,260,868 number of Convertible Equity Warrants of ₹ 2 each, at a price of ₹ 42.55, which includes a premium of ₹ 40.55 per convertible equity warrants, as determined in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, after receipt of subscription money @ 33% of the issue price i.e. ₹ 14.04 per warrant (including paid up amount of ₹ 0.66 per warrant) to Virtuous Tradecorp Private Limited, a promoter group entity and Kotak Special Situations Fund, an Alternate Investment Fund and a non-promoter entity, on preferential basis, to augment the cash flows of the Company for utilization towards meeting its liabilities, strengthening long term working capital and other general corporate purposes. The Relevant Date for the purpose of determination of minimum price for the issue and allotment of convertible equity warrants as mentioned above was 18 August 2020, being the date 30 days prior to the date of this extra-ordinary general meeting.



JINDAL STAINLESS LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless otherwise stated)

15 Borrowings	Non-current	
	As at 31 March 2021	As at 31 March 2020
<b>I Secured</b>		
<b>A Debentures</b>		
(i) Redeemable non-convertible debentures	400.00	497.68
	<u>400.00</u>	<u>497.68</u>
<b>B Term loans</b>		
(i) <b>From banks</b>		
Rupee term loans	1,030.75	1,468.22
Foreign currency loans	-	276.34
(ii) <b>From others (Financial institution)</b>		
Rupee term loans	99.53	98.30
	<u>1,130.28</u>	<u>1,842.86</u>
<b>C Funded interest term loans</b>		
From others	-	16.63
	<u>-</u>	<u>16.63</u>
<b>Total</b>	<u>1,530.28</u>	<u>2,357.17</u>
<b>II Unsecured</b>		
Inter corporate deposits from related party	1,050.00	900.00
<b>Total</b>	<u>1,050.00</u>	<u>900.00</u>
Less : Amount disclosed under the head Other financial liabilities - current (Refer note 16)	34.38	541.60
<b>Total</b>	<u>2,545.90</u>	<u>2,715.57</u>

Refer note 46 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profile.

**III Reconciliation of liabilities arising from financing activities**

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
	Long-term borrowings	Short-term borrowings (Refer note 20)*	Long-term borrowings	Short-term borrowings (Refer note 20)*
<b>Opening balance</b>	3,257.17	397.56	3,644.73	472.97
<b>Cash flows</b>				
Repayment	(1,004.86)	(78.07)	(1,212.87)	(79.10)
Proceeds	250.00	-	800.00	-
<b>Non cash:</b>				
Moratorium interest converted into loan	78.11	-	-	-
Foreign exchange (gain)/loss on foreign currency loans	(4.54)	(0.47)	21.61	3.70
Amortisation of transaction costs in respect of financial liabilities carried at amortised cost	4.40	-	3.70	-
<b>Closing balance</b>	<u>2,580.28</u>	<u>319.02</u>	<u>3,257.17</u>	<u>397.56</u>

\* Movement in short term borrowings is presented on net basis



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**JINDAL STAINLESS LIMITED**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>IV Secured borrowings</b>		
<b>A Debentures</b>		
(i) Redeemable non-convertible debentures	400.00	400.00
Redeemable in quarterly installments of:		
- Ranging from ₹ 13.30 crores to ₹ 13.40 crores during 2022-23 (three installments, first installment falling due on 31 July 2022)		
- ₹ 15.00 crores each during 2023-24 (four installments)		
- ₹ 20.00 crores each during 2024-25 (four installments)		
- ₹ 25.00 crores each during 2025-26 (four installments)		
- ₹ 30.00 crores each during 2026-27 (four installments, last installment falling due on 31 January 2027)		
Secured by:		
- first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of movable fixed assets both present and future		
- second pari-passu charge by way of hypothecation and/ or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts and bills receivable, both present and future. Also, refer note V for details of additional securities.		
(ii) Redeemable non-convertible debentures *	-	97.68
Fully redeemed during the current financial year		
<b>Total - Debentures</b>	<b>400.00</b>	<b>497.68</b>
* At its meeting held on 21 January 2021, the sub-committee of the Board of Directors had considered and approved early redemption of 2,500 Redeemable non- convertible debentures (secured) of face value ₹ 0.10 crores each, which were listed on BSE Limited, having an outstanding balance of ₹ 52.08 crores which has been duly remitted and fully redeemed within the quarter ended 31 March 2021.		
<b>B Term loans</b>		
(i) Rupee term loan	633.74	851.50
Repayable in quarterly installments of:		
- Ranging from ₹ 0.22 crores to ₹ 0.33 crores each during 2021-22 (four installments)		
- Ranging from ₹ 0.33 crores to ₹ 0.44 crores each during 2022-23 (four installments)		
- ₹ 19.46 crores each during 2023-24 (four installments)		
- Ranging from ₹ 28.99 crores to ₹ 40.50 crores each during 2024-25 (four installments)		
- Ranging from ₹ 40.50 crores to ₹ 45.56 crores each during 2025-26 (four installments)		
- Ranging from ₹ 43.23 crores to ₹ 47.07 crores each during 2026-27 (four installments)		
- Thereafter ₹ 37.20 crores on 30 June 2027 and ₹ 28.47 crores on 30 September 2027		
Secured by:		
- first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of movable fixed assets both present and future and		
- second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts and bills receivable, both present and future. Also, refer note V for details of additional securities.		
(ii) Rupee term loan	415.66	400.00
Redeemable in quarterly installments of:		
- ₹ 10.39 crores during 2021-22 (two installments)		
- Ranging from ₹ 10.39 crores to ₹ 20.78 crores each during 2022-23 (four installments)		
- ₹ 20.78 crores each during 2023-24 (four installments)		
- Ranging from ₹ 18.70 crores to ₹ 20.78 crores each during 2024-25 (four installments)		
- Ranging from ₹ 17.67 crores to ₹ 18.70 crores each during 2025-26 (four installments)		
- Ranging from ₹ 17.67 crores to ₹ 31.17 crores each during 2026-27 (four installments)		
Secured by:		
- first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of movable fixed assets both present and future		
- second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts and bills receivable, both present and future. Also, refer note V for details of additional securities.		
(iii) Rupee term loan		327.48
Fully repaid during the current financial year		





**JINDAL STAINLESS LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
(iv) Rupee term loan	100.00	-
Repayable in quarterly installments of		
- ₹ 4.17 crores each first installment falling due on 30 September 2022 and last installment falling due on 30 June 2027 (24 equal installments)		
Secured by:		
- first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of movable fixed assets both present and future and		
- second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts and bills receivable, both present and future. Also, refer note V for details of additional securities.		
(v) Foreign currency loan	-	276.54
Fully repaid during the current financial year		
<b>Total</b>	<b>1,149.40</b>	<b>1,855.32</b>
Less: Unamortised portion of upfront fees and transaction costs	19.12	12.46
<b>Total - Rupee term loans</b>	<b>1,130.28</b>	<b>1,842.86</b>
<b>C Funded interest term loans</b>		
Funded interest term loans	-	16.63
Fully repaid during the current financial year		
<b>Total - Funded interest term loans</b>	<b>-</b>	<b>16.63</b>
<b>Total - Secured</b>	<b>1,530.28</b>	<b>2,357.17</b>
<b>D Inter corporate deposits from related party</b>		
Repayable in	1,050.00	900.00
one or more installments by 31 March 2023 or such other terms as may be mutually agreed between the Company and Jindal Stainless (Hisar) Limited.		
<b>Total - Unsecured</b>	<b>1,050.00</b>	<b>900.00</b>

The above term loans bear a floating rate of interest linked with State bank of India marginal cost of funds based lending rate or benchmark of respective banks plus applicable spread ranging from 20 basis points to 305 basis points.

The inter corporate deposit from the related party is also a variable rate facility which is subject to changes as notified by lender from time to time in accordance with prevailing market interest rates. As at 31 March 2021, the aforementioned deposits carry rate of interest of 10%.

**V Additional securities**

Certain credit facilities / loans are also secured by the following as well as also cross referred in IV(A,B and C) respectively:

- Unconditional and irrevocable personal guarantee of Mr. Ratan Jindal;
- Unconditional and irrevocable corporate guarantee of Jindal Stainless (Hisar) Limited;
- Pari-passu pledge of 197,701,936 equity shares held in the Company by promoter group companies;
- Unconditional and irrevocable corporate guarantee of promoter group companies to the extent of equity shares (93,384,215 equity shares);
- Pledge over shares of the entities as listed below:
  - PT. Jindal Stainless Indonesia
  - JSL Stainless FZE
  - JSL Group Holdings Pte. Limited
  - Iberjindal S.L.
  - Jindal Coke Limited
  - Jindal United Steel Limited



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**JINDAL STAINLESS LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless otherwise stated)

16 Other financial liabilities	Non-current		Current	
	As at	As at	As at	As at
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Current maturities of long term borrowings	-	-	34.38	541.60
Interest accrued	-	-	247.14	182.11
Capital creditors	-	-	31.57	19.97
Security deposits	32.60	29.12	15.03	13.47
Unpaid matured deposits and interest accrued thereon	-	-	0.19	0.20
Derivative liability	-	-	7.22	61.79
Lease liability	69.28	73.28	5.52	4.36
Other outstanding financial liabilities	8.87	-	359.43	215.10
<b>Total</b>	<b>110.75</b>	<b>102.40</b>	<b>700.48</b>	<b>1,038.60</b>

Refer note 46 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

17 Provisions	Non-current		Current	
	As at	As at	As at	As at
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Provision for employee benefits (refer note 40)	10.72	9.59	0.55	0.65
<b>Total</b>	<b>10.72</b>	<b>9.59</b>	<b>0.55</b>	<b>0.65</b>

18 Deferred tax liabilities (net)	As at		As at	
	31 March 2021		31 March 2020	
	<b>A Deferred tax liability arising on account of</b>			
Property, plant and equipment and intangible assets			1,236.97	1,240.21
Financial assets and financial liabilities measured at amortised cost			26.63	11.49
<b>Total deferred tax liability</b>			<b>1,263.60</b>	<b>1,251.70</b>
<b>B Deferred tax assets arising on account of</b>				
Expenses deductible on payment			47.84	32.72
Allowance for expected credit losses			33.03	26.65
Lease liability			26.14	27.13
Brought forward loss/unabsorbed depreciation			588.34	869.68
Minimum alternate tax credit entitlement			77.65	77.65
<b>Total deferred tax assets</b>			<b>773.00</b>	<b>1,033.83</b>
<b>Deferred tax liabilities (net)</b>			<b>490.60</b>	<b>217.87</b>

19 Other liabilities	Non-current		Current	
	As at	As at	As at	As at
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Advance from customers	-	-	73.77	125.78
Deferred revenue	246.23	258.86	12.63	12.63
Other outstanding liabilities *	32.96	65.19	93.06	73.37
<b>Total</b>	<b>279.19</b>	<b>324.05</b>	<b>179.46</b>	<b>211.78</b>

\* Includes statutory dues

20 Borrowings (current)	As at		As at	
	31 March 2021		31 March 2020	
	Working capital facilities from banks			319.02
<b>Total</b>			<b>319.02</b>	<b>397.56</b>

Working capital facilities are secured by first pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw material, work in progress, consumable stores and spares, book debts, bill receivable both present and future and second pari-passu charge by way of mortgage and/or hypothecation in respect of other movable and immovable properties both present and future of the Company.

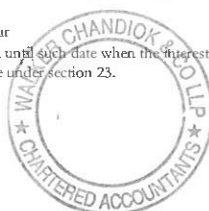
Working capital facility from bank includes cash credit facility and working capital demand loan amounting to ₹ 319.02 crores (previous year ₹ 397.44 crores) also secured by additional securities as mentioned in note 15(V).

Refer note 46 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

21 Trade payables	As at		As at	
	31 March 2021		31 March 2020	
	Total outstanding dues of micro enterprises and small enterprises (refer note A below)			117.73
Total outstanding dues of creditors other than micro enterprises and small enterprises			2,357.49	2,345.29
<b>Total</b>			<b>2,475.22</b>	<b>2,432.57</b>

A On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, dues disclosed as per the Micro, Small and Medium Enterprise Development Act, 2006 at the year end are below:

Particulars	31 March 2021	31 March 2020
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due	117.69	87.26
Interest amount due	0.04	0.02
(ii) The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.04	0.02
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-



JINDAL STAINLESS LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
(All amounts in ₹ crores, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>22 Revenue from operations</b>		
<b>Sale of products</b>		
Manufactured goods	11,165.06	11,301.04
Trading goods	259.36	509.72
	<u>11,424.42</u>	<u>11,810.76</u>
<b>Sale of services</b>		
Job charges received	125.98	242.25
Business support services	66.08	77.30
	<u>192.06</u>	<u>319.55</u>
<b>Other operating revenue</b>		
Export benefits	46.44	98.72
Sale of gases	6.57	10.63
Liability no longer required, written back	2.76	63.67
Others	6.89	16.78
	<u>62.66</u>	<u>189.80</u>
<b>Total</b>	<u>11,679.14</u>	<u>12,320.11</u>
<b>23 Other income</b>		
	Year ended 31 March 2021	Year ended 31 March 2020
Interest income on:		
Investments	3.97	2.88
Fixed deposits and other receivables	9.57	5.46
Trade receivables	5.21	9.89
Income-tax refund	1.70	3.44
Financial assets measured at amortised cost	1.27	1.21
Dividend income	1.67	-
Profit on disposal of property, plant and equipment (net)	0.47	-
Insurance claim received	6.86	5.98
Others	11.58	8.12
<b>Total</b>	<u>42.30</u>	<u>36.98</u>
<b>24 Changes in inventories of finished goods, work in progress and stock-in-trade</b>		
	Year ended 31 March 2021	Year ended 31 March 2020
<b>Opening stock</b>		
Finished goods	593.53	467.05
Work in progress	766.26	816.24
Stock-in-trade	5.36	11.81
	<u>1,365.15</u>	<u>1,295.10</u>
<b>Closing stock</b>		
Finished goods	485.54	593.53
Work in progress	976.97	766.26
Stock-in-trade	1.45	5.36
	<u>1,463.96</u>	<u>1,365.15</u>
<b>Total</b>	<u>(98.81)</u>	<u>(70.05)</u>
<b>25 Employee benefits expense</b>		
	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages, bonus and other benefits	135.49	131.53
Contribution to provident and other funds	6.69	6.95
Staff welfare expenses	6.61	9.09
<b>Total</b>	<u>148.79</u>	<u>147.57</u>
<b>26 Finance cost</b>		
	Year ended 31 March 2021	Year ended 31 March 2020
Interest on borrowing	389.67	478.42
Interest on lease liabilities	8.00	8.40
Other borrowing costs	66.03	80.07
<b>Total</b>	<u>463.70</u>	<u>566.89</u>
<b>27 Depreciation and amortisation expenses</b>		
	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on property, plant and equipment	349.68	387.78
Depreciation on right-of-use assets	12.53	12.49
Amortisation of intangible assets	11.21	8.59
<b>Total</b>	<u>373.42</u>	<u>408.86</u>



JINDAL STAINLESS LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
(All amounts in ₹ crores, unless otherwise stated)

28 Other expenses	Year ended 31 March 2021	Year ended 31 March 2020
Consumption of stores and spare parts	563.45	684.19
Power and fuel	618.24	768.93
Labour processing and transportation charges	172.48	193.40
Repairs to buildings	3.23	8.82
Repairs to plant and machinery	28.35	26.62
Job work expenses	808.86	761.83
Other manufacturing expenses	149.75	159.88
Insurance	14.21	10.45
Rent	19.28	18.91
Rates and taxes	1.74	1.17
Legal and professional	76.57	53.50
Communication	2.17	2.19
Printing and stationery	4.00	5.18
Travelling and conveyance	1.21	3.77
Director's meeting fees	0.25	0.22
Vehicle upkeep and maintenance	9.99	11.75
Auditor's remuneration (refer note a below)	0.61	0.67
Freight and forwarding expenses	155.67	142.12
Commission on sales	15.61	45.72
Other selling expenses	23.61	23.97
Allowance for expected credit losses	14.07	1.08
Bad debts written off	2.45	0.08
Advertisement and publicity	0.10	0.93
Miscellaneous expenses	16.77	10.65
<b>Total</b>	<b>2,702.67</b>	<b>2,936.03</b>
<b>a. Payment to auditors (excluding applicable taxes)</b>		
As statutory auditor	0.46	0.46
For other services	0.12	0.13
For reimbursement of expenses	0.03	0.08
<b>Total</b>	<b>0.61</b>	<b>0.67</b>

- b. Pursuant to section 135 of the Act, the Company has constituted a Corporate Social Responsibility (CSR) Committee which is required to formulate and recommend to the Board of Directors a Corporate Social Responsibility Policy indicating the CSR activities to be undertaken by the Company as specified in Schedule VII to the Act. The gross amount to be spent by the Company as per the limits of section 135 is ₹ nil (previous year ₹ nil)

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JINDAL STAINLESS LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
(All amounts in ₹ crores, unless otherwise stated)

29 Income-tax

The income tax expense consists of the following:

Current tax

Deferred tax

Relating to origination and reversal of temporary differences

Total tax expense

	Year ended 31 March 2021	Year ended 31 March 2020
Current tax	-	-
Deferred tax	272.50	91.48
<b>Total tax expense</b>	<b>272.50</b>	<b>91.48</b>

Reconciliation of tax expense applicable to profit before tax at the latest statutory enacted tax rate in India to income-tax expense reported is as follows:

Profit before tax

Applicable tax rate for the Company

Expected income-tax expense (A)

	Year ended 31 March 2021	Year ended 31 March 2020
Profit before tax	700.42	244.36
Applicable tax rate for the Company	34.94%	34.94%
<b>Expected income-tax expense (A)</b>	<b>244.75</b>	<b>85.39</b>

Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense

(Income exempted from) / expenses not deductible in tax

Income taxable at different rate

Others

Total adjustments (B)

Total tax expense (A+B)

(Income exempted from) / expenses not deductible in tax	17.86	15.98
Income taxable at different rate	(0.44)	(0.34)
Others	10.33	(9.55)
<b>Total adjustments (B)</b>	<b>27.75</b>	<b>6.09</b>
<b>Total tax expense (A+B)</b>	<b>272.50</b>	<b>91.48</b>

Movement in deferred tax assets and liabilities for the year ended 31 March 2021 :-

Particulars	Opening deferred tax asset / (liability)	Income tax (expense) / credit recognized in profit or loss	Income tax (expense) / credit recognized in other comprehensive income	Movement through other equity	Closing deferred tax asset / (liability)
Property, plant and equipment and intangible assets	(1,240.21)	3.24	-	-	(1,236.97)
Financial assets and financial liabilities measured at amortised cost	(11.49)	(15.14)	-	-	(26.63)
Lease liability	27.13	(0.99)	-	-	26.14
Brought forward tax losses and unabsorbed depreciation	869.68	(281.34)	-	-	588.34
Items deductible on actual payment or settlement	32.72	15.35	(0.23)	-	47.84
Allowance for expected credit losses	26.65	6.38	-	-	33.03
Minimum alternate tax credit entitlement	77.65	-	-	-	77.65
<b>Net deferred tax asset / (liability)</b>	<b>(217.87)</b>	<b>(272.50)</b>	<b>(0.23)</b>	<b>-</b>	<b>(490.60)</b>

Movement in deferred tax assets and liabilities for the year ended 31 March 2020 :-

Particulars	Opening deferred tax asset / (liability)	Income tax (expense) / credit recognized in profit or loss	Income tax (expense) / credit recognized in other comprehensive income	Movement through other equity	Closing deferred tax asset / (liability)
Property, plant and equipment and intangible assets	(1,220.11)	(20.10)	-	-	(1,240.21)
Financial assets and financial liabilities measured at amortised cost	(3.95)	(7.54)	-	-	(11.49)
Lease liability	-	27.13	-	-	27.13
Brought forward tax losses and unabsorbed depreciation	708.19	161.49	-	-	869.68
Items deductible on actual payment or settlement	287.01	(254.29)	0.54	(0.54)	32.72
Allowance for expected credit losses	24.82	1.83	-	-	26.65
Minimum alternate tax credit entitlement	77.65	-	-	-	77.65
<b>Net deferred tax asset / (liability)</b>	<b>(126.39)</b>	<b>(91.48)</b>	<b>0.54</b>	<b>(0.54)</b>	<b>(217.87)</b>

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**JINDAL STAINLESS LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
(All amounts in ₹ crores, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>30 Earnings per share (EPS)</b>		
Net profit for the year (in ₹ crores) for basic EPS	427.92	152.88
Add: Interest expenses on potential equity shares (in ₹ crores)	-	55.01
Net profit for the year (in ₹ crores) for diluted EPS	427.92	207.89
<b>Total shares outstanding at the beginning of the year (in numbers)</b>	487,234,600	479,221,660
Add: Weighted average number of shares issued during the year	-	4,291,083
Weighted-average number of equity shares for basic EPS	487,234,600	483,512,743
<b>Effect of dilution:</b>		
Add: Weighted average number of shares outstanding on account of Optionally Convertible Redeemable Preference Shares (OCRPS)*	-	131,123,208
Add: Weighted average number of shares outstanding on account of share warrant	7,320,781	-
Weighted-average number of equity shares for diluted EPS	494,555,381	614,635,951
Basic EPS (Amount in ₹)	8.78	3.16
Diluted EPS (Amount in ₹)	8.65	3.16

\* OCRPS are anti-dilutive in nature

**31 Disclosure as per Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186(4) of the Companies Act, 2013:**

Particulars	31 March 2021		31 March 2020	
	Amount outstanding	Maximum amount outstanding during the year	Amount outstanding	Maximum amount outstanding during the year
<b>Loans and advances in the nature of loans for business purpose to subsidiary company</b>				
a) PT. Jindal Stainless Indonesia	26.64	26.64	27.00	27.00
<b>Loans and advances in the nature of loans for business purpose to associate company</b>				
b) Jindal United Steel Limited	67.00	67.00	67.00	67.00
<b>Total</b>	<b>93.64</b>	<b>93.64</b>	<b>94.00</b>	<b>94.00</b>

Details of investments made are given in note 4.

**32 Composite scheme of arrangement**

**I Demerger**

A The Composite Scheme of Arrangement (hereinafter referred to as the 'Scheme') amongst the Company (transferor company) and its three wholly owned subsidiaries, namely, Jindal Stainless (Hisar) Limited (JSHL), Jindal United Steel Limited (JUSL) and Jindal Coke Limited (JCL) (resultant companies) under the provisions of section 391-394 read with section 100-103 of the erstwhile Companies Act, 1956 and other relevant provision of the Companies Act, 1956 and / or the Companies Act, 2013 was sanctioned by the Hon'ble High Court of Punjab and Haryana, Chandigarh vide its order dated 21 September 2015, amended vide order dated 12 October 2015.

Section I and section II of the Scheme became effective on 1 November 2015, operative from the appointed date i.e. close of business hours before midnight of 31 March 2014. Section III and section IV of the Scheme became effective on 24 September 2016 [i.e. on receipt of approvals from the Orissa Industrial Infrastructure Development Corporation (OIIDCO) for the transfer/grant of the right to use of the land on which Hot Strip Mill (HSM) Plant and Coke Oven Plants are located, to JUSL and JCL respectively as specified in the Scheme], operative from the appointed date i.e. close of business hours before midnight of 31 March 2015.

**B Pursuant to the Section III and Section IV of the Scheme becoming effective:**

- (i) Business undertaking 2, comprising, inter alia, of the HSM plant of the Company, was transferred to JUSL at a lump sum consideration of ₹ 2,412.67 crores, out of this ₹ 2,150.00 crores was received, and against the balance amount of ₹ 262.67 crores, JUSL issued and allotted to the Company:
- 175,000,000 0.01% non-cumulative compulsorily convertible preference shares (CCPS) having face value of ₹ 10 each upto the year ended 31 March 2020
  - 99,048,637 CCPS were allotted to the Company and converted into equal number of equity shares of ₹ 10 each as fully paid at par and the balance 63,654,068 CCPS have been presented as "Investment in 0.01% Non-cumulative compulsorily convertible preference shares" (Refer note 4), and
  - 87,673,311 10% non-cumulative non-convertible redeemable preference shares having face value of ₹ 10 each, which have been allotted to the Company.
- (ii) Business undertaking 3, comprising, inter alia, of the Coke Oven plant of the Company, was transferred to JCL at a lump sum consideration of ₹ 492.65 crores; out of this ₹ 375.00 crores was received and against the balance amount of ₹ 117.65 crores, JCL issued and allotted to the Company:
- 26,000,000 0.01% non-cumulative CCPS having face value of ₹ 10 each upto the year ended 31 March 2020,
  - 8,382,432 CCPS were allotted to the Company and converted into equal number of equity shares of ₹ 10 each fully paid at par. During the year, the Company converted the balance 17,617,568 CCPS initially allotted, into equal number of "10% non-cumulative non-convertible redeemable preference shares having face value of ₹ 10 each fully paid at par" (Refer note 4), and
  - 91,647,073 10% non-cumulative non-convertible redeemable preference shares having face value of ₹ 10 each, which have been allotted to the Company.

**II Merger**

At its meeting held on 29 December 2020, the Board of Directors of the Company considered and approved a Composite Scheme of Arrangement ('Scheme') pursuant to Sections 230 to 232 and other relevant provisions of Companies Act, 2013, amongst the Company (Amalgamated Company), Jindal Stainless (Hisar) Limited, JSL Lifestyle Limited, JSL Media Limited, Jindal Stainless Corporate Management Services Private Limited (amalgamating companies) and Jindal Lifestyle Limited (resulting company). The aforementioned scheme is subject to necessary statutory and regulatory approvals under applicable laws, including approval of the National Company Law Tribunal in India which is currently awaited.

**33** Due to outbreak of Coronavirus Disease 2019 (COVID-19) which has been declared as a pandemic by the World Health Organization and subsequent lock down ordered by the Central and State Government(s) in India, the manufacturing facilities of the Company remained suspended from 25 March 2020 till 04 May 2020. The Company in compliance with the necessary instructions/guidelines, resumed its operations from 05 May 2020 in a phased manner, while ensuring health and safety of all the stakeholders.

This situation resulted in temporary disturbance in the economic activities through interruption in manufacturing process, disruption in supply chain, etc. for the Company during the year ended 31 March 2021. Further, the recent second wave of COVID-19 has resulted in partial lockdown/restriction in various states. However, the Company is closely monitoring the impact of the aforementioned pandemic and believes that there will not be any adverse impact on the long term operations, financial position and performance of the Company.

**34** Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 734.84 crores (previous year ₹ 54.18 crores).



**JINDAL STAINLESS LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
(All amounts in ₹ crores, unless otherwise stated)

**35 Revenue from contracts with customers**

**A Disaggregation of revenue**

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

Revenue from operations	Year ended 31 March 2021			
	Goods	Services	Other operating revenue*	Total
<b>Revenue by geography</b>				
Domestic	9,238.12	192.06	13.46	9,443.64
Export	2,186.30	-	-	2,186.30
<b>Total</b>	<b>11,424.42</b>	<b>192.06</b>	<b>13.46</b>	<b>11,629.94</b>
<b>Revenue by time</b>				
Revenue recognised at point in time				11,437.88
Revenue recognised over time				192.06
<b>Total</b>				<b>11,629.94</b>

\* Other operating revenue amounting to ₹ 49.20 crores in the nature of export incentives and liabilities no longer required written back is not in the scope of Ind AS 115 'Revenue from contracts with customers'. Hence, not included in the table.

Revenue from operations	Year ended 31 March 2020			
	Goods	Services	Other operating revenue*	Total
<b>Revenue by geography</b>				
Domestic	9,085.96	319.55	27.41	9,432.92
Export	2,724.80	-	-	2,724.80
<b>Total</b>	<b>11,810.76</b>	<b>319.55</b>	<b>27.41</b>	<b>12,157.72</b>
<b>Revenue by time</b>				
Revenue recognised at point in time				11,838.17
Revenue recognised over time				319.55
<b>Total</b>				<b>12,157.72</b>

\* Other operating revenue amounting to ₹ 162.39 crores in the nature of export incentives and liabilities no longer required written back is not in the scope of Ind AS 115 'Revenue from contracts with customers'. Hence, not included in the table.

**B. Revenue recognised in relation to contract liabilities**

Description	Year ended 31 March 2021	Year ended 31 March 2020
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	125.78	111.92
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-

**C. Assets and liabilities related to contracts with customers**

Description	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
<b>Contract liabilities related to sale of goods</b>				
Advance from customers	-	73.77	-	125.78

**D. Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price**

Description	Year ended 31 March 2021	Year ended 31 March 2020
Contract price	11,890.08	12,353.77
Less: Discount, rebates, credits etc.	260.14	196.05
<b>Revenue from operations as per Statement of Profit and Loss</b>	<b>11,629.94</b>	<b>12,157.72</b>

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**JINDAL STAINLESS LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless otherwise stated)

36 Contingent liabilities	As at 31 March 2021	As at 31 March 2020
<b>A Demands from statutory and regulatory authorities</b>		
(i) - Sales tax, value added tax and entry tax*#	110.79	110.79
- Excise duty, custom duty, service tax and GST #	44.70	17.08
- Income-tax	99.96	100.31
(ii) - Demand from office of the Dy. Director of Mines, Jaipur Road Circle, Odisha on account of mining of excess quantity of chrome ore over and above the approved quantity under mining plan/scheme	77.53	77.53
- Royalty under the Mines and Minerals (Development and Regulation) Act, 1957, rural infrastructure and socio-economic development tax under the Orissa Rural Infrastructure and Socio-Economic Development Act, 2004 and Water tax under the Orissa Irrigation Act, 1959	-4.80	5.13
<b>B Corporate guarantee given to banks against credit facilities / financial assistance availed by Jindal Stainless (Hisar) Limited amount for facilities outstanding [read with note 32(f)]</b>	2,940.36	3,378.11
	<b>3,278.14</b>	<b>3,688.95</b>

\* The Company had challenged the legality of Orissa Entry Tax Act, 1999 before the Hon'ble Supreme Court. The order dated 09 October 2017 of Divisional bench of the Hon'ble Supreme Court read with the order dated 11 November 2016 of Nine Judge Bench of Hon'ble Supreme Court, decided some of the issues and granted opportunity to the petitioners for filing revival petition within 30 days for deciding the issue of discrimination under Article 304(a) as per law laid down by Nine Judges Bench of the Hon'ble Supreme Court. The Company has filed revival petition before the Hon'ble High Court of Orissa on the ground of discrimination under Article 304(a), as per the direction of the Hon'ble Supreme Court. However, interest/penalty (if any) till the decision of the Hon'ble Supreme Court has been stayed by Hon'ble High Court of Orissa in three separate writ petitions filed by the Company on the issue exclusively on the legality of imposing interest under the Orissa Entry Tax Act, 1999 and therefore, liability, if any, in this regard will be recognised when this matter is finally settled/determined by the Hon'ble High Court of Orissa.

# Amount includes basic, interest and penalty as demanded by the concerned authority in the relevant case.

**C Income-tax**

Contingent liabilities for income-tax specified above, *inter alia*, includes ₹ 45.54 crores pertaining to Assessment years 2012-13 to 2014-15 for which the management does not expect any cash outflow since the Company has sufficient unabsorbed depreciation to set off from disallowance, if any, that may arise on account of adverse ruling by higher authorities in relation to the aforementioned demands. Having said that, the management is fairly confident of a favourable outcome for the ongoing demands/ litigations on all the aforementioned years.

**37 Exceptional items**

	Year ended 31 March 2021	Year ended 31 March 2020
Gain (net) on translation/settlement of foreign currency monetary items	75.07	50.44
Gain/(loss) on fair valuation and settlement of derivative contracts	35.89	(27.62)
Amortisation of debit balance in foreign currency monetary item translation difference account	(11.57)	(14.51)
	<b>99.39</b>	<b>8.31</b>

**38 Corporate Debt Restructuring (CDR)**

**A** During the year ended 31 March 2020, the Company had exercised its right to redeem OCRPS and accordingly, aggregate amount of ₹ 558.47 crores was paid to the OCRPS holders towards redemption of these OCRPS along with applicable recompense of ₹ 221.01 crores.

**B** During the year ended 31 March 2020, the Company had successfully exited CDR after discharging the recompense liability of ₹ 274.75 crores (₹ 221.01 crores on OCRPS and balance on other CDR Loans) in cash as determined in accordance with RBI's Master Circular on Corporate Debt Restructuring. State Bank of India, in its capacity of Monitoring Institution and on behalf of CDR lenders issued no objection certificate (NOC) confirming formal exit of JSL from CDR effective from 31 March 2019.



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JINDAL STAINLESS LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless otherwise stated)

39 Derivative contracts entered into by the Company and outstanding as on 31 March 2021 for hedging foreign currency risks:

Nature of derivative	Type	31 March 2021		31 March 2020	
		No. of contracts	Foreign currency (in million)	No. of contracts	Foreign currency (in million)
Forward covers					
USD/INR	Sell	82	\$179.94	70	\$182.10
EUR/USD	Sell	51	€ 75.25	25	€ 47.00
USD/INR	Buy	320	\$112.80	289	\$79.86

40 Employee benefits

A Defined contribution plans

The amount recognised as expense towards contribution to defined contribution plans for the year is as below:

	Year ended 31 March 2021	Year ended 31 March 2020
Company's contribution to provident fund	5.73	5.87
Company's contribution to employee welfare fund	0.26	0.27
Company's contribution to national pension scheme	0.62	0.69
Company's contribution to employee's state insurance scheme	0.08	0.12
<b>Total</b>	<b>6.69</b>	<b>6.95</b>

B Defined benefit plan – Gratuity

(i) Reconciliation of present value of defined benefit obligation and the fair value of plan assets

	As at 31 March 2021	As at 31 March 2020
Present value of defined benefit obligation as at the end of the year	14.49	13.38
Less: Fair value of plan assets at the end of the year	11.22	10.70
<b>Net liability recognised in the balance sheet</b>	<b>3.27</b>	<b>2.68</b>

(ii) Movement in the present value of defined benefit obligation recognised in the balance sheet

	As at 31 March 2021	As at 31 March 2020
Present value of defined benefit obligation as at the beginning of the year	13.38	10.31
Transfer in/out of employees between group companies	0.56	0.21
Current service cost	1.61	1.66
Interest cost	0.91	0.79
Benefits paid	(1.24)	(1.04)
Actuarial (gain)/loss on obligation	(0.73)	1.45
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>14.49</b>	<b>13.38</b>

(iii) Movement in the plan assets recognised in the balance sheet

	As at 31 March 2021	As at 31 March 2020
Fair value of plan assets at the beginning of the year	10.70	9.96
Expected return on plan assets	0.73	0.77
Actuarial (loss) for the year on plan asset	(0.07)	(0.10)
Employer contributions	1.10	1.11
Benefits paid	(1.24)	(1.04)
<b>Fair value of plan assets at the end of the year</b>	<b>11.22</b>	<b>10.70</b>

The Company's plan assets primarily comprise of qualifying insurance policies issued by Life Insurance Corporation of India.

(iv) Actuarial gain/(loss) on plan assets

	Year ended 31 March 2021	Year ended 31 March 2020
Expected interest income	0.73	0.77
Actual income on plan asset	0.66	0.67
<b>Actuarial gain/(loss) for the year on plan asset</b>	<b>(0.07)</b>	<b>(0.10)</b>

(v) Expense recognised in the statement of profit and loss consists of:

Employee benefit expense

	Year ended 31 March 2021	Year ended 31 March 2020
Current service Cost	1.61	1.66
Net interest cost	0.18	0.02
	<b>1.79</b>	<b>1.68</b>

Other comprehensive income

	Year ended 31 March 2021	Year ended 31 March 2020
Actuarial (gain)/loss arising from changes in financial assumptions	0.03	1.28
Actuarial (gain)/loss arising from experience adjustments	(0.76)	0.17
Actuarial gain/(loss) on plan asset	(0.07)	(0.10)
	<b>(0.66)</b>	<b>1.55</b>



**JINDAL STAINLESS LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless otherwise stated)

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

	Year ended 31 March 2021	Year ended 31 March 2020
Discount rate	6.80 % p.a	6.82 % p.a
Expected rate of increase in salary	5.50% p.a.	5.50% p.a.
Retirement age	58 Years	58 Years
Mortality rate (inclusive of provision for disability)	100% of IALM (2012-14)	100% of IALM (2012-14)
Expected average remaining working lives of employees(years)	22.37	23.22

The assumption of discount rate is based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities. Future salary increase rate takes into account the inflation, seniority, promotion and other relevant factors on long term basis. Same assumptions were considered for comparative period i.e. 2019-20 as reported.

(vii) Sensitivity analysis for gratuity liability

	Year ended 31 March 2021	Year ended 31 March 2020
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the period		
Increase of 0.50%	(0.81)	(0.76)
Decrease of 0.50%	0.88	0.84
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the period		
Increase of 0.50%	0.87	0.84
Decrease of 0.50%	(0.80)	(0.78)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these are not calculated.

(viii) Maturity profile of defined benefit obligation

Year	As at 31 March 2021	As at 31 March 2020
0 to 1 Year	0.68	0.79
1 to 5 Year	2.73	2.14
Beyond 5 Years	11.08	10.45

The Company expects to contribute ₹ 2.07 crores (previous year ₹ 2.02 crores) to its gratuity plan for the next year.

(ix) Risk exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such valuation of the Company is exposed to follow risks -

A) **Salary increases** : Higher than expected increases in salary will increase the defined benefit obligation.

B) **Investment risk** : Since the plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the defined benefit obligation.

C) **Discount rate** : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

D) **Mortality and disability** : If the actual deaths and disability cases are lower or higher than assumed in the valuation, it can impact the defined benefit obligation.

E) **Withdrawals** : If the actual withdrawals are higher or lower than the assumed withdrawals or there is a change in withdrawal rates at subsequent valuations, it can impact defined benefit obligation.



**JINDAL STAINLESS LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless otherwise stated)

**41 Lease related disclosures**

The Company has leases for the factory land, plant and machinery and related facilities. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security.

**A Lease payments not included in measurement of lease liability**

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	31 March 2021	31 March 2020
Short-term leases	15.71	14.83
Leases of low value assets	3.57	4.08

B Total cash outflow for leases for the year ended 31 March 2021 was ₹ 32.58 crores (previous year ₹ 28.60 crores).

C The Company has total commitment for short-term leases as at 31 March 2021 ₹ 9.35 crores (previous year ₹ 2.20 crores).

**D Maturity of lease liabilities**

The lease liabilities are secured by the related underlying assets. Future minimum lease payments (pertaining to leases other than short-term leases) are as follows:

31 March 2021	Minimum lease payments due			
	0 to 1 year	1 to 5 years	More than 5 years	Total
Lease payments	12.47	49.89	82.92	145.28
Interest expense	6.95	24.04	39.49	70.48
Net present values	5.52	25.85	43.43	74.80

31 March 2020	Minimum lease payments due			
	0 to 1 year	1 to 5 years	More than 5 years	Total
Lease payments	12.36	49.62	95.13	157.11
Interest expense	8.00	26.48	44.99	79.47
Net present values	4.36	23.14	50.14	77.64

E Variable lease payments are expensed in the period they are incurred. Expected future cash outflow pertaining to variable lease payment as at 31 March 2021 is ₹ nil (previous year ₹ nil)

**F Information about extension and termination options**

Right-of-use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Plant and machinery	2	10 Years	10 Years	2	2	2
Land	4	69 Years	69 Years	4	-	4

G There are no leases which are yet to commence as on 31 March 2021.



**JINDAL STAINLESS LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
(All amounts in ₹ crores, unless otherwise stated)

**H The following are the amounts recognised in profit or loss:**

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation expense of right-of-use assets	12.53	12.49
Interest expense on lease liabilities	8.00	8.40
Expense relating to short-term leases (included in other expenses)	15.71	14.83
Expense relating to leases of low-value assets (included in other expenses)	3.57	4.08
<b>Total</b>	<b>39.81</b>	<b>39.80</b>

**I The movement in lease liabilities is as follows:**

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening lease liabilities	77.64	81.65
Add: Addition in lease liabilities due to modification of lease rental	0.43	-
Add: Finance cost accrued during the period	8.00	8.40
Less: Lease rent paid	(11.27)	(12.41)
<b>Balance at the end</b>	<b>74.80</b>	<b>77.64</b>

**42 Operating segments**

In accordance with Ind AS 108 'Operating Segments', the Board of Directors of the Company, being the chief operating decision maker of the Company has determined "Stainless steel products" as the only operating segment.  
Further, in terms of paragraph 31 of Ind AS 108, entity wide disclosures have been presented in the consolidated financial statements which are presented in the same financial report.



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JINDAL STAINLESS LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
(All amounts in ₹ crores, unless otherwise stated)

43 Related party disclosures

I. Relationships

(a) Key management personnel (KMP)

Sl No	Name	Designation
1	Mr. Ratan Jindal	Chairman and Managing Director
2	Mr. Abhyuday Jindal	Managing Director
3	Mr. Tarun Kumar Khulbe	Whole Time Director
4	Mr. Navneet Raghuvanshi	Company Secretary
5	Mr. Anurag Mantri	Chief Financial Officer
6	Mr. Gautam Karjilal	Nominee Director (Ceased to be Director with effect from ('w.e.f.') 8 September 2020)
7	Mr. Parveen Kumar Malhotra	Nominee Director (Appointed w.e.f. 8 September 2020)
8	Mr. Sumao Jyoti Khatan	Independent Director
9	Mr. Jayaram Easwaran	Independent Director (appointed w.e.f. 5 August 2019)
10	Mr. T.S. Bhattacharya	Independent Director (Ceased to be Director w.e.f. 22 September 2019)
11	Ms. Bhaswati Mukherjee	Independent Director
12	Mrs. Arti Luniya	Independent Director (Appointed w.e.f. 26 Nov 2019)
13	Dr. Rajeev Uberoi	Independent Director (Ceased to be Director w.e.f. 2 July 2019)

(b) Subsidiaries

Sl No	Name of the entity	Principal place of operation / country of incorporation	Principal activities / nature of business	Shareholding / voting power	
				As at 31 March 2021	As at 31 March 2020
1	PT. Jindal Stainless Indonesia	Indonesia	Stainless Steel manufacturing	99.99%	99.99%
2	Jindal Stainless FZFC, Dubai	UAE	Stainless Steel manufacturing	100.00%	100.00%
3	JSL Group Holdings Pte. Ltd., Singapore	Singapore	Stainless Steel manufacturing	100.00%	100.00%
4	Iberjindal S.L., Spain	South Spain	Stainless Steel manufacturing	65.00%	65.00%
5	Jindal Stainless Park Limited	India	Development of integrated world-class infrastructure	100.00%	100.00%

(c) Associates\*

Sl No	Name of the entity	Principal place of operation / country of incorporation	Principal activities / nature of business	Shareholding / voting power	
				As at 31 March 2021	As at 31 March 2020
1	Jindal Stainless Corporate Management Services Private Limited	India	Management services	50.00%	50.00%
2	Jindal United Steel Limited	India	Stainless Steel manufacturing	26.00%	26.00%
3	Jindal Coke Limited	India	Coke Manufacturing	26.00%	26.00%

(d) Entity exercising significant influence on the Company\*

Sl No	Name of the entity	Principal place of operation / country of incorporation	Principal activities / nature of business
1	Jindal Stainless (Hisar) Limited (JSHL)	India	Stainless Steel manufacturing

(e) Subsidiaries of entity exercising significant influence on the Company\*

Sl No	Name of the entity	Principal place of operation / country of incorporation	Principal activities / nature of business
1	JSL Lifestyle Limited	India	Stainless steel Consumer Products
2	JSL Logistics Limited	India	Logistic
3	Jindal Stainless Steelways Limited	India	Stainless Steel manufacturing
4	J.S.S. Steelitalia Limited	India	Stainless Steel manufacturing

(f) Entities under the control/significance influence of KMP\*

Sl No	Name of the entity	Principal place of operation / country of incorporation	Principal activities / nature of business
1	Prime Stainless DMCC	UAE	Trading company
2	JSL Global Commodities Pte. Ltd.	Singapore	Trading company
3	Jindal Advance Materials Pvt. Ltd.	India	Glass composite business
4	O.P. Jindal Charitable Trust	India	Charitable Trust

\*with whom transactions have occurred

(g) Post-employment benefit plan for the benefit of employees of the Company

Sl No	Name of the entity	Principal place of operation / country of incorporation	Principal activities / nature of business
1	Jindal Stainless Limited Group Gratuity Fund	India	Company's employee gratuity trust



JINDAL STAINLESS LIMITED  
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
(All amounts in ₹ crores, unless otherwise stated)

II. Transactions with related parties during the year and balances as at the balance sheet date \*

Sl. No.	Particulars	Year ended and as at 31 March 2021			Year ended and as at 31 March 2020			Entities under the control/significance influence of KMP	KMP	Entities under the control/significance influence of KMP
		Subsidiaries	Associates	Entity exercising significant influence on the Company	Subsidiaries of entity exercising significant influence on the Company	Associates	Entity exercising significant influence on the Company			
1	Transactions during the year									
	Purchase of goods									
	PT Jindal Stainless Indonesia	10.58	100.65	380.75	5.29	284.90	19.11	120.96	5.81	69.32
	Jindal Stainless Steelsways Limited	10.58	-	-	4.79	-	19.11	-	5.30	-
	Jindal Coke Limited	-	91.39	-	-	-	-	96.52	-	-
	Jindal Sinter (Iron) Limited	-	-	380.75	-	-	-	-	575.12	-
	Prime Stainless DMCC	-	-	-	-	62.52	-	-	-	69.32
	JSL Global Commodities Pte. Ltd.	-	-	-	0.50	222.30	-	-	-	-
	JSL Lifestyle Limited	-	-	-	-	-	-	-	0.51	-
	Jindal Advance Materials Pvt. Ltd.	-	18.26	-	-	0.08	-	24.44	-	-
	Jindal United Steel Limited	-	-	-	-	-	-	-	-	-
2	Job work charges paid									
	Jindal Stainless (Ilsan) Limited	-	846.32	1.32	34.59	-	-	765.64	44.22	32.47
	Jindal Stainless Steelsways Limited	-	-	1.32	34.59	-	-	-	44.22	-
	Jindal United Steel Limited	-	846.32	-	-	-	-	765.64	-	32.17
3	Sale of goods									
	PT Jindal Stainless Indonesia	200.26	440.11	826.48	925.16	1,121.85	391.72	516.66	891.17	1,129.66
	Ther Jindal S.L.	108.66	-	-	-	-	126.02	-	-	-
	Jindal Stainless Steelsways Limited	91.60	-	-	922.03	-	265.70	-	-	-
	Jindal Stainless (Ilsan) Limited	-	-	826.48	-	-	-	-	891.17	1,120.25
	JSL Lifestyle Limited	-	-	-	3.00	-	-	-	-	4.63
	JSL Global Commodities Pte. Ltd.	-	-	-	-	580.15	-	-	-	-
	Prime Stainless DMCC	-	-	-	-	581.70	-	-	-	-
	Jindal Coke Limited	-	43.96	-	-	-	-	31.59	-	-
	Jindal United Steel Limited	-	396.15	-	0.15	-	-	485.97	-	0.19
	JSL Logistics Limited	-	-	-	-	-	-	-	-	4.49
	J.S.S. Steeltech Limited	-	-	-	-	-	-	-	-	-
4	Rent received									
	Jindal Stainless (Ilsan) Limited	0.01	2.71	1.62	-	-	0.01	2.71	1.83	-
	Jindal Stainless Park Limited	0.01	-	1.62	-	-	-	-	1.53	-
	Jindal Stainless Corporate Management Services Private Limited	-	2.71	-	-	-	0.01	-	-	-
5	Rent paid									
	Jindal Stainless (Ilsan) Limited	-	-	0.71	14.65	0.02	-	-	0.71	14.63
	Jindal Stainless Steelsways Limited	-	-	0.71	-	-	-	-	0.71	-
	C.O.F. Jindal Chastubhai Trust	-	-	-	14.65	0.02	-	-	-	14.03
6	Freight charges paid									
	JSL Logistics Limited	-	-	-	1.34	-	-	-	-	1.43
7	Interest received									
	PT Jindal Stainless Indonesia	0.43	7.37	-	0.62	-	0.78	1.84	-	4.91
	Jindal United Steel Limited	0.43	-	-	-	-	0.78	-	-	-
	Jindal Stainless Steelsways Limited	-	7.37	-	0.62	-	1.84	-	-	4.01
8	Dividend income received									
	Iber Jindal S.L.	1.67	-	-	-	-	-	-	-	-
	Iber Jindal S.L.	1.67	-	-	-	-	-	-	-	-
9	Interest expense									
	Jindal Stainless Steelsways Limited	-	-	90.04	1.77	-	-	-	96.06	3.60
	Jindal Stainless (Ilsan) Limited	-	-	90.04	1.77	-	-	-	96.06	3.60



JINDAL STAINLESS LIMITED  
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
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11. Transactions with related parties during the year and balances as at the balance sheet date \*

Sl No	Particulars	Year ended and as at 31 March 2021				Year ended and as at 31 March 2020				Entities under the control/ significance influence of KMP			
		Subsidiaries	Associate	Entity exercising significant influence on the Company	Subsidiaries of entity exercising significant influence on the Company	Subsidiaries	Associates	Entity exercising significant influence on the Company	Subsidiaries of entity exercising significant influence on the Company				
10	Commission on purchase paid Primo Stainless DNCC JSL Global Commodities Pte. Ltd.	-	-	-	-	23.95	-	-	-	-	16.99	-	-
		-	-	-	-	11.02	-	-	-	-	0.57	-	-
		-	-	-	-	13.93	-	-	-	-	-	-	10.92
11	Commission on export paid JSL Global Commodities Pte. Ltd. Primo Stainless DNCC	-	-	-	-	8.74	-	-	-	-	-	-	-
		-	-	-	-	0.47	-	-	-	-	-	-	-
		-	-	-	-	8.27	-	-	-	-	-	-	-
12	Commission on export written back JSL Global Commodities Pte. Ltd.	-	-	-	-	0.30	-	-	-	-	-	-	-
		-	-	-	-	0.30	-	-	-	-	-	-	-
13	Commission on sale paid Jindal Stainless FZE	1.77	-	-	-	-	-	-	21.66	-	-	-	-
		1.77	-	-	-	-	-	-	21.66	-	-	-	-
14	Support service charges paid Jindal Stainless Corporate Management Services Private Limited	-	53.00	-	-	-	-	-	-	58.05	-	-	-
		-	53.00	-	-	-	-	-	-	58.05	-	-	-
15	Support service charges received Jindal Coke Limited Jindal United Steel Limited Jindal Stainless Steelways Limited JSL Logistics Limited	-	58.36	0.35	-	-	-	-	-	70.25	0.62	-	-
		-	58.36	0.35	-	-	-	-	-	70.25	0.62	-	-
		-	8.57	-	-	-	-	-	-	12.89	-	-	-
		-	49.79	-	-	-	-	-	-	57.36	-	-	-
		-	-	0.35	-	-	-	-	-	-	0.20	-	-
		-	-	-	-	-	-	-	-	-	0.42	-	-
16	Expenses incurred on behalf of Company and reimbursed PT Jindal Stainless Indonesia JSL Global Commodities Pte. Ltd. Primo Stainless DNCC JSL Lifestyle Limited Jindal Stainless (Pvt) Limited	0.22	-	0.08	0.01	-	-	-	0.99	-	0.03	-	-
		0.22	-	0.08	0.01	-	-	-	0.99	-	0.03	-	-
		-	-	-	-	-	-	-	0.99	-	-	-	-
		-	-	-	-	-	-	-	0.99	-	-	-	-
		-	-	-	-	-	-	-	0.05	-	-	-	-
		-	-	-	-	-	-	-	-	-	0.11	-	-
		-	-	0.08	-	-	-	-	-	-	-	-	-
17	Expenses incurred and reimbursed by Company on behalf of PT Jindal Stainless Indonesia Jindal Stainless FZE Jindal Coke Limited JSL Lifestyle Limited Jindal United Steel Limited Primo Stainless DNCC Jindal Stainless Steelways Limited Jindal Stainless Corporate Management Services Private Limited Jindal Stainless (Pvt) Limited	0.46	0.68	6.19	1.03	-	-	-	0.52	0.40	6.58	0.90	0.01
		0.34	0.68	6.19	1.03	-	-	-	0.52	0.40	6.58	0.90	0.01
		0.12	0.04	-	-	-	-	-	-	0.04	-	-	-
		-	-	-	0.79	-	-	-	-	-	-	0.44	-
		-	0.21	-	-	-	-	-	-	0.17	-	-	-
		-	-	-	0.84	-	-	-	-	-	-	0.46	-
		-	0.43	-	-	-	-	-	0.29	-	-	-	-
		-	-	6.19	-	-	-	-	6.58	-	-	-	-
18	Loan received Jindal Stainless (Pvt) Limited	-	-	150.00	-	-	-	-	-	-	-	-	-
		-	-	150.00	-	-	-	-	-	-	-	-	-
19	Reimbursement (refer note 4) Mr. Abhishek Jindal Mr. Tejun Kumar Khilbe Mr. Anoop Maitra Mr. Nirmal Baghelwanshi	-	-	-	-	7.68	-	-	-	-	-	-	4.33
		-	-	-	-	3.69	-	-	-	-	-	-	1.60
		-	-	-	-	1.77	-	-	-	-	-	-	1.03
		-	-	-	-	2.08	-	-	-	-	-	-	0.80
		-	-	-	-	0.83	-	-	-	-	-	-	-







**JINDAL STAINLESS LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
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44 Remuneration paid to KMP	Year ended 31 March 2021	Year ended 31 March 2020
Short-term employee benefits	7.53	4.20
Post-employment benefits*	0.15	0.13
Sitting fees	0.25	0.23
<b>Total</b>	<b>7.93</b>	<b>4.56</b>
*Does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.		
45 Assets pledged as security for borrowings	Year ended 31 March 2021	Year ended 31 March 2020
<b>Current</b>		
<b>Financial assets</b>		
Investments	0.58	2.53
Trade receivables	981.66	779.41
Cash and cash equivalents	50.25	15.93
Bank balances other than above	38.95	28.45
Loans	11.40	11.27
Other financial assets	68.32	76.48
<b>Non financial assets</b>		
Inventories	3,466.91	2,330.41
Other current assets	191.69	207.20
<b>Total</b>	<b>3,809.76</b>	<b>3,451.68</b>
<b>Non-current</b>		
Property, plant and equipment	5,652.72	5,958.28
Capital work-in-progress	49.22	9.13
Investments	481.92	384.72
Other financial assets	0.76	2.24
<b>Total</b>	<b>6,184.62</b>	<b>6,334.37</b>
<b>Total assets pledged as security</b>	<b>9,994.38</b>	<b>9,786.05</b>



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JINDAL STAINLESS LIMITED  
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
(All amounts in ₹ crores, unless otherwise stated)

46 Financial instruments

A Financial assets and liabilities

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

Particulars	Note	As at 31 March 2021	As at 31 March 2020
<b>Financial assets measured at fair value through profit or loss:</b>			
Investments	4	0.58	0.22
Derivative assets	6	41.51	30.83
<b>Financial assets measured at fair value through other comprehensive income:</b>			
Investments	4	8.58	8.58
<b>Financial assets measured at amortised cost:</b>			
Investments	4	39.74	36.11
Loans	5	123.38	121.35
Other financial assets	6	27.57	47.89
Trade receivables	10	981.66	779.41
Cash and cash equivalents	11	50.25	15.93
Other bank balances	12	38.95	28.45
<b>Total</b>		<b>1,311.22</b>	<b>1,068.77</b>
<b>Financial liabilities measured at fair value through profit or loss:</b>			
Derivative liabilities	16	7.22	61.79
<b>Financial liabilities measured at amortised cost:</b>			
Borrowing (including current maturities of long term debt)	15, 16 & 20	2,899.30	3,654.73
Other financial liabilities	16	769.63	537.61
Trade payables	21	2,475.22	2,432.57
<b>Total</b>		<b>6,151.37</b>	<b>6,686.70</b>

Investment in subsidiaries and associates are measured at cost as per Ind AS 27, 'Separate financial statements' and hence, not presented here.

B Fair values hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2021	Note	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value through profit or loss:</b>					
Investments	4	0.58	-	-	0.58
Derivative assets	6	-	41.51	-	41.51
<b>Financial assets measured at fair value through other comprehensive income:</b>					
Investments	4	-	-	8.58	8.58
<b>Financial liabilities measured at fair value through profit or loss:</b>					
Derivative liabilities	16	-	7.22	-	7.22
<b>As at 31 March 2020</b>					
<b>Financial assets measured at fair value through profit or loss:</b>					
Investments	4	0.22	-	-	0.22
Derivative assets	6	-	30.83	-	30.83
<b>Financial assets measured at fair value through other comprehensive income:</b>					
Investments	4	-	-	8.58	8.58
<b>Financial liabilities measured at fair value through profit or loss:</b>					
Derivative liabilities	16	-	61.79	-	61.79

Valuation process and technique used to determine fair value

- (i) The fair value of investments in quoted equity shares is based on the current bid price of respective investment as at the balance sheet date.
- (ii) The fair value of investments in unquoted equity shares is estimated at their respective costs, since those companies do not have any significant operations and there has neither been any significant change in their performance since initial recognition nor there is any expectation of such changes in foreseeable future.
- (iii) The Company enters into forward contracts with banks for hedging foreign currency risk of its borrowings and receivables and payables arising from import and export of goods. Fair values of such forward contracts are determined based on spot current exchange rates and forward foreign currency exchange premiums on similar contracts for the remaining maturity on the balance sheet date.

B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	As at 31 March 2021		As at 31 March 2020	
	Carrying value	Fair value	Carrying value	Fair value
<b>Non-current financial assets</b>				
Investments	39.74	44.09	33.80	34.31
Security deposits	25.70	26.86	24.19	25.35
Bank deposits with remaining maturity of more than 12 months	0.76	0.76	2.24	2.24
Loans	85.28	85.28	85.89	85.89
<b>Non-current financial liabilities</b>				
Security deposits	32.60	47.88	29.12	38.92
Borrowings	2,545.90	2,545.90	2,715.57	2,715.57

The management assessed that fair values of current loans, other current financial assets, cash and cash equivalents, other bank balances, trade receivables, current investments, short term borrowings, trade payables and other current financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is disclosed at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- (i) Non-current investments, long-term loans and advances and non-current financial liabilities are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the counterparty/borrower and other market risk factors.
- (ii) The fair values of the Company's fixed interest-bearing liabilities, loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2021 was assessed to be insignificant.
- (iii) Most of the long term borrowing facilities availed by the Company from unrelated parties are variable rate facilities which are subject to changes in underlying interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Company's credit worthiness. The inter corporate deposit from the related party is also a variable rate facility which is subject to changes as notified by lender from time to time in accordance with prevailing market interest rates. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Company. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.



**JINDAL STAINLESS LIMITED**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**

(All amounts in ₹ crores, unless otherwise stated)

**C Financial risk management**

**Risk management**

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Investments in redeemable preference shares and government securities, loans, Cash and cash equivalents, trade receivables, derivative financial instruments and other financial assets measured at amortised cost	Ageing analysis, Credit ratings	Bank deposits, diversification of asset base, credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward foreign exchange contracts
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the Board of Directors. The Board of Directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

**C.1 Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by investments in redeemable preference shares, cash and cash equivalents, trade receivables, derivative financial instruments and other financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

**(a) Credit risk management**

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- (i) Low credit risk
- (ii) Moderate credit risk
- (iii) High credit risk

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

In respect of financial assets carried at amortised cost, other than trade receivables, the management has evaluated that as at 31 March 2021 and 31 March 2020, the credit risk is low and hence, allowance, if any, is measured at 12-month expected credit loss.

In respect of trade receivables, the Company is required to follow simplified approach and accordingly, allowance is recognised for lifetime expected credit losses.

**Cash and cash equivalents and bank deposits**

Credit risk related to cash and cash equivalents and bank deposits is managed by only investing in highly rated banks and diversifying bank deposits and accounts in different banks across the country.

**Derivative financial instruments**

Derivative financial instruments are considered to have low credit risk since the contracts are with reputable financial institutions, most of which have an 'investment grade' credit rating.

**Trade receivables**

Trade receivables are generally unsecured and non-interest bearing. There is no significant concentration of credit risk. The Company's credit risk management policy in relation to trade receivables involves periodically assessing the financial reliability of customers, taking into account their financial position, past experience and other factors. The utilization of credit limit is regularly monitored and a significant element of credit risk is covered by credit insurance. The Company's credit risk is mainly confined to the risk of customers defaulting against credit sales made. Outstanding trade receivables are regularly monitored by the Company. The Company has also taken advances and security deposits from its customers, which mitigate the credit risk to an extent. In respect of trade receivables, the Company recognises a provision for lifetime expected credit losses after evaluating the individual probabilities of default of its customers which are duly based on the inputs received from the marketing teams of the Company.

**Other financial assets measured at amortised cost**

Investments in redeemable preference shares of associate companies, loans (comprising security deposits and loan to a subsidiary) and other financial assets are considered to have low credit risk since there is a low risk of default by the counterparties owing to their capacity to meet contractual cash flow obligations as and when fall due. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

**(b) Expected credit losses for financial assets**

**(i) Financial assets (other than trade receivables)**

Company provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses.

- For cash and cash equivalents, other bank balances and derivative financial instruments- Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, derivative financial instruments, other bank balances and bank deposits is evaluated as very low.

- For loans comprising security deposits paid - Credit risk is considered low because the Company is in possession of the underlying asset.

- For other financial assets - Credit risk is evaluated based on Company knowledge of the credit worthiness of those parties and loss allowance is measured. For such financial assets, the Company policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk.

As at 31 March 2021 and 31 March 2020, management has evaluated that the probability of default of outstanding financial assets (other than trade receivables) is insignificant and therefore, no allowance for expected credit losses has been recognised.

**(ii) Expected credit loss for trade receivables under simplified approach**

In respect of trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses using a simplified approach.

Based on evaluation of historical credit loss experience, management considers an insignificant probability of default in respect of receivables which are less than one year overdue. Receivables which are more than one year overdue are analysed individually and allowance for expected credit loss is recognised accordingly.



**JINDAL STAINLESS LIMITED**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**

(All amounts in ₹ crores, unless otherwise stated)

**C.2 Liquidity risk**

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

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

**(a) Financing arrangements**

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31 March 2021	As at 31 March 2020
Secured*	963.51	623.57

\* Working capital facilities due for review every year

**(b) Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant:

31 March 2021	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
<b>Non-derivatives</b>					
Borrowing (including current maturities of long term debt) along with estimated future interest	201.31	1,539.83	377.84	1,376.79	3,495.77
Short term borrowings	319.02	-	-	-	319.02
Security deposit	15.03	-	-	329.64	344.67
Trade payables	2,475.22	-	-	-	2,475.22
Other financial liabilities	650.80	21.34	12.47	107.87	792.48
<b>Derivatives</b>					
Derivative liability	7.22	-	-	-	7.22
<b>Total</b>	<b>3,668.60</b>	<b>1,561.17</b>	<b>390.31</b>	<b>1,814.30</b>	<b>7,434.38</b>
<b>31 March 2020</b>	<b>Less than 1 year</b>	<b>1-2 year</b>	<b>2-3 year</b>	<b>More than 3 years</b>	<b>Total</b>
<b>Non-derivatives</b>					
Borrowing (including current maturities of long term debt) along with estimated future interest	853.08	579.17	1,374.36	1604.60	4,411.21
Short term borrowings	397.56	-	-	-	397.56
Security deposit	13.47	-	-	329.64	343.11
Trade payables	2,432.57	-	-	-	2,432.57
Other financial liabilities	421.74	12.41	12.41	119.87	566.43
<b>Derivatives</b>					
Derivative liability	61.79	-	-	-	61.79
<b>Total</b>	<b>4,180.21</b>	<b>591.58</b>	<b>1,386.77</b>	<b>2,054.11</b>	<b>8,212.67</b>

**C.3 Market risk**

**(a) Foreign currency risk**

The Company is exposed to foreign exchange risk in the normal course of its business. Multiple currency exposures arise from commercial transactions like sales, purchases, borrowings, recognized financial assets and liabilities (monetary items). Certain transactions of the Company act as natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Company adopts the policy of selective hedging based on risk perception of management. Foreign exchange hedging contracts are carried at fair value. Foreign currency exposures that are not hedged by derivative instruments outstanding as on the balance sheet date are as under:

Particulars	As at 31 March 2021		As at 31 March 2020	
	Foreign currency (in million)	Amount (₹ crores)	Foreign currency (in million)	Amount (₹ crores)
<b>Loans and other financial assets</b>				
USD	3.64	26.64	3.57	27.00
<b>Trade receivables</b>				
GBP	0.02	0.22	-	-
<b>Balance with banks</b>				
USD	0.01	0.08	-	-
EUR	0.03	0.27	-	-
<b>Borrowings</b>				
USD	-	-	36.56	276.34
<b>Trade payables</b>				
USD	39.51	288.85	63.75	481.85
EUR	4.25	36.44	3.71	30.95
GBP	0.20	1.99	0.01	0.05
JPY	-	-	0.25	0.02
SGD	-	-	0.00	0.00

Foreign exchange risk sensitivity analysis has been performed on the foreign currency exposures in the Company's financial assets and financial liabilities at the reporting date, net of derivative contracts for hedging those exposures. Reasonably possible changes are based on an analysis of historic currency volatility, together with any relevant assumptions regarding near-term future volatility.



**JINDAL STAINLESS LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless otherwise stated)

The impact on the Company's profit before tax and equity due to changes in the foreign currency exchange rates are given below:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>USD Sensitivity</b>		
INR/USD - Increase by 4.69% (31 March 2020 - 5.45%)	(12.29)	(39.85)
INR/USD - Decrease by 4.69% (31 March 2020 - 5.45%)	12.29	39.85
<b>GBP Sensitivity</b>		
INR/GBP - Increase by 8.23% (31 March 2020 - 10.65%)	(0.15)	(0.01)
INR/GBP - Decrease by 8.23% (31 March 2020 - 10.65%)	0.15	0.01
<b>Euro Sensitivity</b>		
INR/EUR - Increase by 7.07% (31 March 2020 - 7.57%)	(2.56)	(2.34)
INR/EUR - Decrease by 7.07% (31 March 2020 - 7.57%)	2.56	2.34

**(b) Interest rate risk**

**(i) Financial liabilities**

The Company's policy is to minimise interest rate cash flow risk exposures on external financing. At 31 March 2021 and 31 March 2020, the Company is exposed to changes in interest rates through bank borrowings carrying variable interest rates. The Company's investments in fixed deposits carry fixed interest rates.

**Interest rate risk exposure**

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

Particulars	As at 31 March 2021	As at 31 March 2020
Variable rate borrowing	2,499.30	3,556.43
Fixed rate borrowing	400.00	98.30
<b>Total borrowings</b>	<b>2,899.30</b>	<b>3,654.73</b>

**Sensitivity**

Below is the sensitivity of profit or loss to changes in interest rates.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>Interest sensitivity*</b>		
Interest rates – increase by 50 basis points	8.13	11.57
Interest rates – decrease by 50 basis points	(8.13)	(11.57)

\* Holding all other variables constant

**(ii) Financial assets**

The Company's investments in redeemable preference shares of its associate companies and government securities, loan to a related party and deposits with banks are carried at amortised cost and are fixed rate instruments. They are, therefore, not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**(c) Price risk**

**(i) Exposure**

The Company's exposure to price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

**(ii) Sensitivity**

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the year :

**Impact on profit before tax**

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>Quoted equity</b>		
Price increase by 5% - FVTPL	0.03	0.01
Price decrease by 5% - FVTPL	(0.03)	(0.01)



(This space has been intentionally left blank)



**JINDAL STAINLESS LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
(All amounts in ₹ crores, unless otherwise stated)

**47 Capital management**

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of its gearing ratio, debt equity ratio and ratio of net debts to its earnings before interest, tax, depreciation and amortisation (EBITDA)

**Debt equity ratio**

Particulars	As at 31 March 2021	As at 31 March 2020
Total borrowings (including current maturities of long term debt)	2,899.30	3,654.73
Less: Cash and cash equivalents	50.25	15.93
<b>Net debt</b>	<b>2,849.05</b>	<b>3,638.80</b>
Total equity	3,152.78	2,657.32
<b>Net debt to equity ratio</b>	<b>90.37%</b>	<b>136.93%</b>

**Ratio of net debt to EBITDA**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Profit before exceptional item and tax</b>	<b>601.03</b>	<b>236.05</b>
Less: Other income	42.30	36.98
Add: Depreciation and amortisation expense	373.42	408.86
Add: Finance cost	463.70	566.89
<b>EBITDA</b>	<b>1,395.85</b>	<b>1,174.82</b>
Net debt	2,849.05	3,638.80
<b>Ratio of net debt to EBITDA</b>	<b>2.04</b>	<b>3.10</b>

**Gearing ratio**

Particulars	As at 31 March 2021	As at 31 March 2020
Total borrowings (including current maturities of long term debt)	2,899.30	3,654.73
Less: Cash and cash equivalents	50.25	15.93
<b>Net debt</b>	<b>2,849.05</b>	<b>3,638.80</b>
Total equity	3,152.78	2,657.32
<b>Equity and net debt</b>	<b>6,001.83</b>	<b>6,296.12</b>
<b>Gearing ratio</b>	<b>47.47%</b>	<b>57.79%</b>

**48 Code on Social Security**

The Code of Social Security, 2020 ("Code") relating to employee benefits during employment and post employment received Presidential assent in September 2020. Subsequently the Ministry of Labour and Employment had released the draft rules on the aforementioned code. However, the same is yet to be notified. The Company will evaluate the impact and make necessary adjustments to the financial statements in the period when the code will come into effect.

This is the summary of significant accounting policies and other explanatory information referred in our report of even date.

For and on behalf of the Board of Directors

For Walker Chandiook & Co LLP  
Chartered Accountants  
FRN 001076N/N500013



Rajni Mundra

Rajni Mundra  
Partner  
Membership No.: 058644

Place: New Delhi  
Date: 14 May 2021

Abhyuday Jindal  
Managing Director  
DIN: 07290474

Anurag Mantri  
Chief Financial Officer

Tarun Kumar Khulbe  
Whole Time Director  
DIN: 07302532

Navneet Raghuvanshi  
Company Secretary

