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Independent Auditor's Report

To the Members of Jindal Stainless Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Jindal Stainless Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associates, as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and 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 and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group and its associates as at 31 March 2021, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated 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 Consolidated 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below, 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 and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the

consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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
Carrying amount of investment in an associate company and net assets of a subsidiary company The Group has investment in equity instruments of its associate company, Jindal United Steel Limited amounting to ₹ 158.21 crores and carries net assets amounting to ₹ 39.50 crores in respect of a subsidiary, PT. Jindal Stainless Indonesia in its consolidated financial statements. The Group assesses recoverability of the investment in associate and net assets of the subsidiary, which is a cash generating unit ('CGU'), when impairment indicators exist by comparing the fair value (less costs of disposal) of investment in associate and value in use of CGU with carrying amounts thereof as on the reporting date in accordance with Ind AS 36, Impairment of Assets. The fair value of the investment in associate and value in use of the CGU is determined by a management-appointed independent valuation specialist based on discounted cash flow ('DCF') method. The process of computation of such fair value (less costs of disposal) and value in use using DCF method is complex. Management's assessment of such valuations requires estimation and judgement around assumptions used. The key assumptions underpinning management's assessment include, but are not limited to, projections of future cash flows, growth rates, discount rates, estimated future operating and capital expenditure. The application of significant judgment in this matter required substantial involvement of internal and external valuation experts on the audit engagement. Accordingly, assessment of impairment losses to be recognised, if any, on the carrying amounts of investment in the associate company and net assets of the CGU has been considered to be a key audit matter for current year's audit.	Our audit procedures were focused on obtaining sufficient appropriate audit evidence that the carrying amounts of investment in the associate, Jindal United Steel Limited and net assets of the subsidiary, PT. Jindal Stainless Indonesia are not materially misstated. These procedures included, but were not limited to, the following: We obtained an understanding of management's processes and controls for determining the fair valuation of investment in associate and value in use of the CGU. The understanding was obtained by performance of walkthroughs which included inspection of documents produced by the Group and discussion with those involved in the process of valuation. 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: • Assessed the qualification and objectivity of the management-appointed independent valuation specialist to determine the fair value of investment in associate and value in use of the CGU; • Assessed the appropriateness of valuation methodology used with the help of an auditor's expert, and tested the mathematical accuracy of management's model; • Reconciled the cash flow projections to the business plans approved by the Group's management; • 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; • Tested the discount rate and long-term growth rates used in the forecast including comparison to economic and industry forecasts, where appropriate;

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	• 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 and value in use calculation; • Engaged internal and external valuation experts to obtain additional comfort on the valuation technique used by management's valuation expert; • Obtained written representations from management and those charged with governance on whether the significant assumptions used in valuation of the investment in the associate company and value in use of the CGU are considered reasonable; • Ensured that disclosure in relation to investment in associate and net assets of subsidiary have been appropriately made in the consolidated financial statements including the related impairment indicators.
Recoverability of Minimum Alternate Tax (MAT) Credit As at 31 March 2021, the Holding Company has recognised Minimum Alternate Tax (MAT) credit amounting ₹ 77.65 crores, within deferred tax assets. On that date, the Holding Company also has unabsorbed depreciation amounting to ₹ 1,662.15 crores. 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 Holding 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. 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.	Our procedures in relation to assessment of MAT credit recognised as at reporting date included, but were not limited to, the following: • Obtained and updated our understanding of the management's process of computation of future accounting and taxable profits of the Holding Company, and expected utilization of available MAT credit within specified time period as per provisions of the IT Act; • Evaluated the design of and tested the operating effectiveness of controls around the preparation of underlying business plans, future taxable profit computation, and assessment of recognition of MAT credit at year end; • Reconciled the business results projections to the future business plans approved by the Holding Company's board of directors; • 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; • Tested the growth rates used in the forecast by comparing them to past trends and to economic and industry forecasts where appropriate including the impact of COVID-19 pandemic;

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	• 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; • Tested the computations of future taxable profits, including testing of the adjustments made in such computations with respect to tax-allowed and tax-disallowed items, other tax rebates and deductions available to the Holding Company, and tested the computation of MAT liability in such future years, in accordance with the provisions of the IT Act; • Evaluated the historical accuracy of the estimates made in the prior periods with respect to business projections and aforesaid tax computations; • Tested the mathematical accuracy of management's projections and tax computations; • Based on aforesaid computations, assessed the appropriateness of management's estimate of likelihood of utilization of MAT credit within the time period specified and in accordance with the provisions of the IT Act; • Engaged the internal tax experts to assess the accuracy of MAT credit recognised in the consolidated financial statements; • Evaluated the appropriateness and adequacy of the disclosures related to MAT credit in the consolidated financial statements in accordance with the applicable accounting standards.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

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

   Our opinion on the consolidated 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 consolidated 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 consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors/ management of the companies included in the Group and its associate companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associates.

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

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responsible for expressing our opinion on whether the Holding 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 ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern;

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, and its associates, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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.

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.

Other Matter

15. We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of ₹ 721.87 crores and net assets of ₹ 122.29 crores as at 31 March 2021, total revenues of ₹ 817.98 crores and net cash inflows amounting to ₹ 2.84 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 5.47 crores for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of three associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of

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section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, are based solely on the reports of the other auditors.

Further, of these subsidiaries and associates, four subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Another auditor has audited these conversion adjustments made by the Holding Company's management for one of the subsidiaries and for the remaining aforementioned subsidiaries, we have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries located outside India, are based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us and the other auditor.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries and associates, we report that the Holding Company and two associate companies covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to one associate company covered under the Act, since such company is not a public company as defined under section 2(71) of the Act and that one subsidiary company covered under the Act has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of the aforementioned associate company and subsidiary company.

17. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and associates, 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 aforesaid consolidated financial statements;

    b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and associate companies covered under the Act, none of the directors of the Group companies and its associate companies covered under the Act, are

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f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies and associate companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II'; 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates:

   i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates as detailed in Note 35 to the consolidated financial statements;

   ii. the Group and its associates 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 Holding Company, and its subsidiary companies and associate companies during the year ended 31 March 2021; and

   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 consolidated financial statements. Hence, reporting under this clause is not applicable.

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

Rajni Mundra

Rajni Mundra
Partner
Membership No.: 058644
UDIN: 21058644AAAACE8477

Place: New Delhi
Date: 14 May 2021

Annexure I to the Independent Auditor's Report to the members of Jindal Stainless Limited on the consolidated financial statements for the year ended 31 March 2021

Annexure I

List of entities included in the Consolidated Financial Statements

S. No.	Name	Relationship
1	PT. Jindal Stainless Indonesia	Subsidiary
2	Jindal Stainless FZE	Subsidiary
3	JSL Group Holding Pte. Limited	Subsidiary
4	Iberjindal, S.L.	Subsidiary
5	Jindal Stainless Park Limited	Subsidiary
6	Jindal United Steel Limited	Associate
7	Jindal Coke Limited	Associate
8	Jindal Stainless Corporate Management Service Private Limited	Associate

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

Annexure II

Independent Auditor's Report on the internal financial controls with reference to 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 consolidated financial statements of Jindal Stainless Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associates as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company and its associate companies, which are companies covered under the Act, as at that date.

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

2. The respective Board of Directors of the Holding Company, its subsidiary company and its associate companies, which are companies covered under the Act, are 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 internal financial controls with reference to financial statements of the Holding Company, its subsidiary company and its associate companies, as aforesaid, 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.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company and its associate companies as aforesaid.

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 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 and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies and associate companies, the Holding Company, its subsidiary company and its associate companies, which are companies covered under the Act, have 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 .

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is a company covered under the Act, whose financial statements reflect total assets of ₹ 0.05 crores and net assets of ₹ 0.03 crores as at 31 March 2021, total revenues of ₹ nil and net cash outflows amounting to ₹ nil crore (rounded off) for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 5.47 crores for the year ended 31 March 2021, in respect of three associate companies, which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company and associate companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary company and its associate companies, as aforesaid, under section 143(3)(i) of the Act in so far as it relates to such subsidiary company and associate companies is based solely on the reports of the auditors of such companies.

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

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

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

Rajni Mundra

Rajni Mundra
Partner
Membership No.: 058644
UDIN: 21058644AAAACE8477

Place: New Delhi
Date: 14 May 2021

JINDAL STAINLESS LIMITED
Consolidated 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
ASSETS			
Non-current assets			
Property, plant and equipment	2	5,828.06	6,148.37
Capital work-in-progress	2A	52.73	12.58
Goodwill		0.12	0.12
Other intangible assets	3	27.23	32.09
Intangible assets under development	3A	5.50	2.40
Investment accounted for using equity method	4	343.18	310.08
Financial assets			
Investments	4 A	112.01	135.90
Loans	5	106.37	105.26
Other financial assets	6	0.76	2.24
Income-tax assets (net)	7	14.86	26.46
Other non-current assets	8	125.16	75.74
Current assets			
Inventories	9	2,788.60	2,738.98
Financial assets			
Investments	4 A	0.58	2.53
Trade receivables	10	933.89	705.19
Cash and cash equivalents	11	77.37	40.21
Bank balances other than cash and cash equivalents	12	38.95	28.45
Loans	5	3.20	5.17
Other financial assets	6	68.32	78.32
Other current assets	8	207.62	227.45
Total		10,734.51	10,677.54
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13	97.45	97.45
Other equity	14	3,107.68	2,619.79
Non-controlling interest	49	13.25	13.02
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	15	2,593.08	2,715.57
Other financial liabilities	16	110.75	102.40
Provisions	17	15.83	16.89
Deferred tax liabilities (net)	18	461.03	190.30
Other non-current liabilities	19	279.19	324.05
Current liabilities			
Financial liabilities			
Borrowings	20	513.64	645.73
Trade payables			
Total outstanding dues to micro enterprises and small enterprises	21	117.73	87.28
Total outstanding dues of creditors other than micro enterprises and small enterprises	21	2,514.12	2,572.30
Other financial liabilities	16	717.93	1,042.75
Current tax liabilities (net)	22	0.89	0.72
Other current liabilities	19	189.70	248.40
Provisions	17	2.24	0.89
Total		10,734.51	10,677.54

Summary of significant accounting policies 1

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

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

For and on behalf of the Board of Directors

For Walker Chandiok & 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

Tarun Kumar Khulbe
Whole Time Director
DIN: 07302532

Anurag Mantri
Chief Financial Officer

Navneet Raghuvanshi
Company Secretary

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

JINDAL STAINLESS LIMITED NEW DELHI

JINDAL STAINLESS LIMITED
Consolidated 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
INCOME			
Revenue from operations	23	12,188.46	12,950.87
Other income	24	40.90	39.89
Total		12,229.36	12,990.76
EXPENSES			
Cost of materials consumed		7,458.19	8,217.86
Purchases of stock-in-trade		236.95	487.86
Changes in inventories of finished goods, work in progress and stock-in-trade	25	113.64	(127.23)
Employee benefits expense	26	177.87	204.53
Finance costs	27	480.08	585.53
Depreciation and amortisation expenses	28	402.96	425.16
Other expenses	29	2,777.62	3,028.37
Total		11,647.31	12,822.08
Profit before exceptional items, tax and share of profit/(loss) of investments accounted for using equity method		582.05	168.68
Share of profit/(loss) of investments accounted for using equity method		5.21	(7.86)
Profit before exceptional items and tax		587.26	160.82
Exceptional items	37	102.41	4.44
Profit before tax		689.67	165.26
Tax expense	30		
Current tax		0.73	1.26
Deferred tax		269.23	72.43
Taxes in relation to earlier years		0.25	18.95
Total tax expenses		270.21	92.64
Net profit for the year		419.46	72.62
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of defined employee benefit plans		3.66	(1.10)
Income-tax effect on above		(0.83)	0.38
Share of other comprehensive income of investments accounted for using equity method		0.26	(0.10)
Items that will be reclassified to profit or loss			
Exchange difference in translating the financial statements of foreign operation		0.50	8.16
Income-tax effect on above		-	-
Total other comprehensive income		3.59	7.34
Total comprehensive income for the year		423.05	79.96
Profit for the year attributable to:			
Owners of the Company		419.23	71.32
Non-controlling interest		0.23	1.30
Other comprehensive income for the year attributable to:			
Owners of the Company		3.59	7.34
Non-controlling interest		-	-
Total comprehensive income for the year attributable to:			
Owners of the Company		422.82	78.66
Non-controlling interest		0.23	1.30
Earnings per share (in ₹)	32		
Basic		8.60	1.48
Diluted		8.48	1.48
Summary of significant accounting policies	1		

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

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

For and on behalf of the Board of Directors

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

Rajni Mundra
Partner
Membership No.: 058644

Place: New Delhi
Date: 14 May 2021

Abhyuday Jindal
Managing Director
DIN: 07290474

Tarun Kumar Khulbe
Whole Time Director
DIN: 07302532

Anurag Mantri
Chief Financial Officer

Navneet Raghuvanshi
Company Secretary

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

JINDAL STAINLESS LIMITED NEW DELHI

JINDAL STAINLESS LIMITED
Consolidated 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 01 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						Other comprehensive income		Money received against share warrants	Attributable to owners of the Company (A)	Attributable to non controlling interests (B)	Total [(A)+(B)]
	Amalgamation reserve	Foreign currency monetary item translation difference account	Debenture redemption reserve	Securities premium	Capital redemption reserve	Retained earnings	Share of associates	Foreign currency translation reserve				
Balance as at 01 April 2019	1.22	(15.75)	32.07	1,053.91	20.00	1,416.29	(0.29)	(12.47)	-	2,494.98	11.72	2,506.70
Profit for the year	-	-	-	-	-	71.32	-	-	-	71.32	1.30	72.62
Securities premium received on issue of equity shares on preferential basis	-	-	-	26.97	-	-	-	-	-	26.97	-	26.97
Other comprehensive income for the year (net of tax)	-	-	-	-	-	(0.72)	(0.10)	8.16	-	7.34	-	7.34
Transfer from debenture redemption reserve	-	-	(7.65)	-	-	7.65	-	-	-	-	-	-
Accumulation of translation difference on long term foreign currency monetary items (net of amortisation)	-	4.42	-	-	-	-	-	-	-	4.42	-	4.42
Deferred tax liability on revaluation reserve reversed	-	-	-	-	-	14.76	-	-	-	14.76	-	14.76
Balance as at 31 March 2020	1.22	(11.33)	24.42	1,080.88	20.00	1,509.30	(0.39)	(4.31)	-	2,619.79	13.02	2,632.81
Profit for the year	-	-	-	-	-	419.23	-	-	-	419.23	0.23	419.46
Other comprehensive income for the year (net of tax)	-	-	-	-	-	2.83	0.26	0.50	-	3.59	-	3.59
Subscription amount towards compulsorily convertible share warrants	-	-	-	-	-	-	-	-	53.72	53.72	-	53.72
Transfer from debenture redemption reserve	-	-	(24.42)	-	-	24.42	-	-	-	-	-	-
Accumulation of translation difference on long term foreign currency monetary items (net of amortisation)	-	11.33	-	-	-	-	-	-	-	11.33	-	11.33
Others	-	-	-	-	-	0.02	-	-	-	0.02	-	0.02
Balance as at 31 March 2021	1.22	-	-	1,080.88	20.00	1,955.80	(0.13)	(3.81)	53.72	3,107.68	13.25	3,120.93

Summary of significant accounting policies 1

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

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

For and on behalf of the Board of Directors

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

Rajni Mundra

Rajni Mundra
Partner
Membership No.: 058644

Place: New Delhi
Date: 14 May 2021

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

Abhyuday Jindal
Managing Director
DIN: 07290474

Tarun Kumar Khulbe
Whole Time Director
DIN: 07302532

Anurag Mantri
Chief Financial Officer

Navneet Raghuvanshi
Company Secretary

JINDAL STAINLESS LIMITED ★ NEW DELHI

JINDAL STAINLESS LIMITED
Consolidated 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
A Cash flow from operating activities		
Profit before tax	689.67	165.26
Adjustments for:		
Depreciation and amortisation expenses	402.96	425.16
Profit on disposal of property, plant and equipment (net)	(0.35)	(0.36)
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 assets measured at amortised cost	1.99	11.90
Bad debts written off and allowance for expected credit loss	17.08	1.94
Interest income on fixed deposits, receivables and income tax refund	(16.15)	(18.23)
Net unrealised foreign exchange (gain)/loss	(72.55)	82.79
Finance costs	480.08	585.53
Share of (profit)/loss from associates	(5.21)	7.86
Operating profit before working capital changes	**1,476.89**	**1,181.43**
Movement in working capital		
Trade receivables	(264.36)	244.17
Inventories	(49.62)	(324.37)
Other financial assets	110.02	(94.69)
Other assets	20.22	(33.52)
Trade payables	9.66	147.10
Other financial liabilities	77.83	70.30
Other liabilities	(88.28)	(16.42)
Provisions	3.95	1.51
Cash flow from operating activities post working capital changes	**1,296.31**	**1,175.51**
Income- tax paid (net of refund)	11.46	4.85
Net cash generated from operating activities (A)	**1,307.77**	**1,180.36**
B Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets (including capital work in progress and intangible assets under development)	(167.75)	(196.82)
Proceeds from disposal of property, plant and equipment	5.29	22.24
Interest received	17.19	7.93
Proceeds from sale of investment	2.31	
Investment in deposits with banks (net)	(9.02)	(21.13)
Net cash used in investing activities (B)	**(151.98)**	**(187.78)**
C Cash flow from financing activities		
Proceeds from issue of shares/warrants	53.72	28.58
Repayment of short term borrowing (net)	(131.62)	(100.95)
Repayment of long-term borrowings	(1,006.93)	(1,212.87)
Proceeds from long-term borrowings	310.45	800.00
Payment of lease liability	(3.93)	(4.01)
Interest paid	(340.33)	(501.52)
Net cash used in financing activities (C)	**(1,118.64)**	**(990.77)**
Net change in cash and cash equivalents (A+B+C)	**37.15**	**1.81**
Cash and cash equivalents at the beginning of the year (refer note 11)	40.21	36.33
Cash and cash equivalents at the end of the year (refer note 11)	77.37	40.21
Foreign currency translation (gain)/loss on cash and cash equivalents	(0.01)	(2.07)
Net changes in cash and cash equivalents	**37.15**	**1.81**

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

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

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

Rajni Mundra
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 Mantri
Chief Financial Officer

Navneet Raghuvanshi
Company Secretary

2 Property, plant and equipment

Particulars	Owned assets										Right-of-use assets#					Total
	Leasehold land	Freehold land *	Buildings **	Plant and machinery ***	Railway siding	Electric installation	Vehicles	Furniture and fixtures	Office equipment	Power line and bay extension	Leasehold land	Building	Vechiles	Furniture	Plant and machinery	
Gross carrying amount																
As at 01 April 2019	440.01	328.58	1,138.79	5,589.33	118.24	139.12	14.27	6.13	15.99	9.19	-	-	-	-	-	7,799.65
Additions	-	0.05	5.84	159.47	-	1.61	2.18	0.53	0.89	-	-	-	-	-	-	170.57
Re-classification impact of Ind AS 116	(440.01)	-	-	-	-	-	-	-	-	-	440.01	-	-	-	-	-
Transition impact of Ind AS 116	-	-	-	-	-	-	-	-	-	-	5.65	-	-	-	76.00	81.65
Disposal	-	-	-	(43.62)	-	-	(0.01)	-	-	-	-	-	-	-	-	(43.63)
Translation difference	-	8.32	3.67	32.76	-	-	0.58	0.02	1.17	-	-	-	-	-	-	46.52
As at 31 March 2020	-	336.95	1,148.30	5,737.94	118.24	140.73	17.02	6.68	18.05	9.19	445.66	-	-	-	76.00	8,054.76
Additions	-	-	5.02	75.52	-	0.76	-	0.28	0.30	-	-	0.20	0.11	0.01	1.46	83.66
Disposal	-	-	-	(27.14)	-	-	(0.95)	-	(0.04)	-	-	-	-	-	-	(28.13)
Translation difference	-	(3.17)	(1.38)	(12.41)	-	-	(1.44)	0.01	(0.44)	-	-	(0.01)	-	-	(0.02)	(18.86)
As at 31 March 2021	-	333.78	1,151.94	5,773.91	118.24	141.49	14.63	6.97	17.87	9.19	445.66	0.19	0.11	0.01	77.44	8,091.43
Accumulated depreciation																
As at 01 April 2019	21.31	-	146.14	1,242.13	22.48	28.35	7.20	1.16	13.49	2.20	-	-	-	-	-	1,484.46
Re-classification impact of Ind AS 116	(21.31)	-	-	-	-	-	-	-	-	-	21.31	-	-	-	-	-
Depreciation charge	-	-	34.09	349.92	7.54	8.70	1.83	0.65	0.80	0.55	5.44	-	-	-	7.05	416.57
Disposal	-	-	-	(22.35)	-	-	(0.67)	-	(0.01)	-	-	-	-	-	-	(23.03)
Translation difference	-	-	2.31	24.63	-	-	0.32	0.01	1.12	-	-	-	-	-	-	28.39
As at 31 March 2020	-	-	182.54	1,594.33	30.02	37.05	8.68	1.82	15.40	2.75	26.75	-	-	-	7.05	1,906.39
Depreciation charge	-	-	33.31	325.22	7.54	8.75	1.61	0.54	0.72	0.55	5.44	0.14	0.06	-	7.57	391.46
Disposal	-	-	-	(22.62)	-	-	(0.51)	-	(0.03)	-	-	-	-	-	-	(23.16)
Translation difference	-	-	(0.93)	(9.83)	-	-	(0.13)	0.01	(0.43)	-	-	-@	-@	-@	(0.01)	(11.32)
As at 31 March 2021	-	-	214.92	1,887.10	37.56	45.80	9.65	2.37	15.66	3.30	32.19	0.14	0.06	-	14.61	2,263.37
Net carrying amount																
As at 01 April 2019	418.70	328.58	992.65	4,347.20	95.76	110.77	7.07	4.97	2.50	6.99	-	-	-	-	-	6,315.19
As at 31 March 2020	-	336.95	965.76	4,143.61	88.22	103.68	8.34	4.86	2.65	6.44	418.91	-	-	-	68.95	6,148.37
As at 31 March 2021	-	333.78	937.02	3,886.81	80.68	95.69	4.98	4.60	2.21	5.89	413.47	0.05	0.05	0.01	62.83	5,828.06

* 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 Holding 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 Holding Company.

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

Refer note 42 for disclosure pertaining to leases.

@ rounded off to nil

(i) **Contractual obligations**
Refer note 36 for disclosures of contractual commitments for the acquisition of property, plant and equipment.

(ii) **Property, plant and equipment pledged as security**
Refer note 44 and 15 for information on property, plant and equipment pledged as security by the Group.

2A The Group has capital work-in-progress amounting to ₹ 52.73 crores as at 31 March 2021 (previous year: ₹ 12.58 crores)

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WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

JINDAL STAINLESS LIMITED ★ NEW DELHI

3 Other intangible assets

Particulars	Computer software	Mining development expense (stripping cost)	Total
Gross carrying amount			
As at 01 April 2019	48.63	14.38	63.01
Additions	11.21	-	11.21
Translation difference	0.05	-	0.05
As at 31 March 2020	59.89	14.38	74.27
Additions	6.62	-	6.62
Translation difference	0.01	-	0.01
As at 31 March 2021	66.52	14.38	80.90
Accumulated amortisation			
As at 01 April 2019	21.26	12.33	33.59
Amortisation charge	7.85	0.74	8.59
As at 31 March 2020	29.11	13.07	42.18
Amortisation charge	10.76	0.74	11.50
As at 31 March 2021	39.87	13.81	53.68
Net carrying amount			
As at 31 March 2020	30.78	1.31	32.09
As at 31 March 2021	26.66	0.57	27.23

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

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WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

JINDAL STAINLESS LIMITED ★ NEW DELHI

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

4 Investment accounted for using equity method	As at 31 March 2021 Nos.	As at 31 March 2021 Face value (₹ unless otherwise stated)	As at 31 March 2021 Amount	As at 31 March 2020 Nos.	As at 31 March 2020 Face Value (₹ unless otherwise stated)	As at 31 March 2020 Amount
(i) Investment in associate companies carried at cost (unquoted)						
Jindal Stainless Corporate Management Services Private Limited	5,000	10	5.31	5,000	10	4.16
Jindal United Steel Limited #	111,395,877	10	94.55	99,098,577	10	92.95
Jindal Coke Limited	8,432,372	10	72.82	8,432,372	10	57.78
			172.68			154.89
(ii) Investment in 10 % Non-cumulative non-convertible redeemable preference shares (equity portion) of associate companies carried at cost (unquoted) *						
Jindal United Steel Limited			75.88			75.88
Jindal Coke Limited **			94.62			79.31
			170.50			155.19
Total			343.18			310.08
4 A Other non-current investments						
1 Investment in other companies-carried at fair value through other comprehensive income (unquoted)						
MJSJ Coal Limited	8,559,000	10	8.47	8,559,000	10	8.47
Jindal Synfuels Limited	100,000	10	0.10	100,000	10	0.10
Arian Resources Corporation	111,102		0.01	111,102		0.01
Total (1)			8.58			8.58
2 Investment in preference shares of associate companies						
(i) 0.01 % Non-cumulative compulsorily convertible preference shares carried at cost						
Jindal Coke Limited **	-		-	17,617,568	10.00	17.62
Jindal United Steel Limited #	63,654,063	10	63.66	75,951,363	10.00	75.95
			63.66			93.57
(ii) 10 % Non-Cumulative non-convertible redeemable preference shares carried at amortised cost *						
Jindal Coke Limited **	109,264,641	10	21.32	91,647,073	10	17.06
Jindal United Steel Limited #	87,673,311	10	18.45	87,673,311	10	16.69
			39.77			33.75
Total (2)			103.43			127.32
Total (1+2)			112.01			135.90
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	90,000	2	0.03
Central Bank of India	7,247	10	0.01	7,247	10	0.01
Adani Ports and Special Economic Zone Limited	7,355	2	0.52	7,355	2	0.18
Total			0.58			0.22
b) Investment in government or securities carried at amortised cost						
8.57% Andhra Pradesh SDL 2020			-	220,000	100	2.31
Total (a+b)			0.58			2.53
Aggregate amount of unquoted investments			112.01			138.21
Aggregate amount and market value of quoted investments			0.58			0.22
Aggregate amount of impairment in the value of investments			-			-

* In terms of Composite Scheme of Arrangement [Refer note 34(i)], Jindal Coke Limited and Jindal United Steel Limited issued 10% non-cumulative non-convertible redeemable preference shares to the Holding 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 Holding Company at its meeting, held on 6 June 2020, has approved the request received from Jindal Coke Limited, an associate of the Holding Company, to vary the terms and conditions of 1,76,17,568 numbers of 0.01% Non-Cumulative Compulsorily Convertible Preference Shares ("NCCCPs") held by the Holding Company in Jindal Coke Limited ("JCL") to make them at par with existing 10% Non-Cumulative Non-Convertible Redeemable Preference Shares held by the Holding Company in JCL.
The variation in the terms of the existing NCCCPs were made effective from 19 June 2020, i.e. the date when the shareholders of JCL has approved the variation in their extra- ordinary general meeting.

The management of the Holding Company reviewed the carrying amount of its investment in its associate company, Jindal United Stainless Limited ('JUSL') and the carrying amount of net assets of the subsidiary company, PT. Jindal Stainless Indonesia ('PTJSI') as at 31 March 2021. The management observed the existence of certain indicators of impairment and accordingly appointed an independent valuation specialist to assess the recoverable amount of the investment/net assets by comparing the value in use and carrying amount of the investment/net assets 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 this investments.

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

JINDAL STAINLESS LIMITED ★ NEW DELHI

5 Loans

	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Loans receivables considered good, unsecured				
Security deposits	28.06	26.57	3.20	5.17
Other loans*	78.31	78.69	-	-
Total	106.37	105.26	3.20	5.17

* includes loan to related party
Refer note 47 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 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 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	21.46
Total	0.76	2.24	68.32	78.32

* ₹ 0.76 crores (previous year ₹ 2.24 crores) is under lien with banks.
Refer note 44 for information on other financial assets pledged as security by the Group.
Refer note 47 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 31 March 2021	As at 31 March 2020
Prepaid taxes [net of provision for tax]	14.86	26.46
Total	14.86	26.46

8 Other assets

	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Capital advances	70.20	18.90	-	-
Prepaid expenses	6.49	7.98	-	-
Advances to vendors	10.00	-	135.64	106.95
Balances with statutory authorities	38.47	48.86	70.97	117.25
Other assets	-	-	1.01	3.25
Total	125.16	75.74	207.62	227.45

9 Inventories

	As at 31 March 2021	As at 31 March 2020
Raw materials [including goods-in-transit ₹ 440.89 crores (previous year ₹ 419.04 crores)] *	966.98	724.05
Work-in-progress	1,022.30	1,010.93
Finished goods	590.56	713.57
Stock-in-trade	1.45	5.36
Store and spares [including goods-in-transit ₹ 10.23 crores (previous year ₹ 18.37 crores)]	207.31	285.07
Total	2,788.60	2,738.98

* Write-downs of inventories to net realisable value on account of slow moving and obsolete items amounted to ₹ nil crores (31 March 2020 : ₹ 3.94 crores). These were recognized as an expense during the year and were included in 'cost of material consumed' in Statement of Profit and Loss. The carrying value of such inventories carried at fair value less costs to sell amounts to ₹ 1.41 crores (31 March 2020 : ₹ 11.43 crores)

Refer note 44 and 15 for information on inventories pledged as security by the Group.

10 Trade receivables

	As at 31 March 2021	As at 31 March 2020
Trade receivables considered good, unsecured	933.89	705.19
Trade receivables - credit impaired	25.65	11.06
Total	959.54	716.25
Less : Loss allowance	(25.65)	(11.06)
Total	933.89	705.19

Refer note 47 (C.1)(b)(ii) for details of expected credit loss for trade receivables under simplified approach
Refer note 47 for disclosure of fair values in respect of financial assets measured at amortised cost and assessment of expected credit losses.
Refer note 44 and 15 for information on trade receivables pledged as security by the Group.

11 Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Balances with banks	52.05	27.11
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	0.09	0.16
Total	77.37	40.21

* ₹ 8.45 crores (previous year ₹ 4.49 crores) is under lien with banks. The Holding Company has also created bank deposit of ₹ nil (previous year ₹ 0.80 crores) for Debenture Redemption Reserve.
Refer note 47 for disclosure of fair values in respect of financial assets measured at amortised cost and assessment of expected credit losses.
Refer note 44 for information on cash and cash equivalents pledged as security by the Group.

12 Other bank balances

	As at 31 March 2021	As at 31 March 2020
Bank deposits with original maturity of more than three month but residual maturity of less than twelve months*	38.95	28.45
Total	38.95	28.45

* ₹ 32.16 crores (previous year ₹ 22.05 crores) is under lien with banks. The Holding Company has also created bank deposit of ₹ nil (previous year ₹ 6.40 crores) for Debenture Redemption Reserve.
Refer note 47 for disclosure of fair values in respect of financial assets measured at amortised cost and assessment of expected credit losses.

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13 Equity share capital	As at 31 March 2021	As at 31 March 2020
Authorised		
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
	155.00	155.00
Issued, subscribed and paid up		
487,234,600 (previous year 487,234,600) Equity shares of ₹ 2 each fully paid up	97.45	97.45
	97.45	97.45

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
Shares issued during the year		
Allotment of equity shares on preferential basis (refer note (i) below)	-	8,012,940
Shares outstanding at the end of the year	487,234,600	487,234,600

(i) During the year ended 31 March 2021, the Holding 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 Holding Company.

B Terms/rights attached to equity shares

The Holding 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 (the "GDSs") issued by the Holding Company whose voting rights are subject to certain conditions and procedure as prescribed under the Regulation S Deposit Agreement]. The Holding 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 proportion to the number of equity shares held by the shareholders.

C Equity shares in the Holding 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 Holding Company issued 168,284,309 equity shares to Jindal Stainless (Hisar) Limited pursuant to the composite scheme of arrangement referred to in note 34(I). In the aforementioned period of five years, the Holding 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 Holding 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 Holding 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 Holding Company (Refer note 15 and 38).

During the year ended 31 March 2020, the Holding 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.

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(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
Balance at the end of the year	1.22	1.22

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	(11.33)	(15.75)
Add: Accumulated during the year	(0.24)	(10.09)
Less : Amortised during the year	11.57	14.51
Balance at the end of the year	-	(11.33)

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
Balance at the end of the year	-	24.42

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
Balance at the end of the year	1,080.88	1,080.88

E Capital redemption reserve

Capital redemption reserve represents reserves created as per provisions of section 80 of the erstwhile 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
Balance at the end of the year	20.00	20.00

F Retained earnings

Represents the undistributed surplus of the Group and includes the amount pertaining to revaluation of property, plant and equipment prior to the Ind AS transition date.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning of the year	1,509.30	1,416.29
Add: Profit for the year	419.23	71.32
Add : Re-measurements of defined employee benefit plans (net of tax)	2.83	(0.72)
Add: Transfer from debenture redemption reserve	24.42	7.65
Add: Deferred tax liability on revaluation reserve reversed	-	14.76
Add: Others	0.02	-
Balance at the end of the year	1,955.80	1,509.30

G Foreign currency translation reserve

This represents amount arising due to foreign currency translation differences while consolidating foreign operations

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning of the year	(4.31)	(12.47)
Add : Other comprehensive income for the year (net of tax)	0.50	8.16
Balance at the end of the year	(3.81)	(4.31)

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(All amounts in ₹ crores, unless otherwise stated)

H Other comprehensive income - share of associates

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**
Balance at the beginning of the year	(0.39)	(0.29)
Add : Other comprehensive income for the year (net of tax)	0.26	(0.10)
Balance at the end of the year	(0.13)	(0.39)

I Money received against share warrants

Represents amount received towards subscription of compulsorily convertible share warrants*

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**
Balance at the beginning of the year	-	-
Add: Subscription amount towards compulsorily convertible share warrants	53.72	-
Balance at the end of the year	53.72	-
Total of other equity	3,186.72	2,698.83

* On 29 September 2020, the Holding 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 Holding 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.

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

(All amounts in ₹ crores, unless otherwise stated)

15 Borrowings	Non-current As at 31 March 2021	Non-current As at 31 March 2020
I Secured		
A Debentures		
(i) Redeemable non-convertible debentures	400.00	497.68
	400.00	497.68
B Term loans		
(i) From banks		
Rupee term loans	1,030.75	1,468.22
Foreign currency loans	-	276.34
(ii) From others (Financial institution)		
Rupee term loans	99.53	98.30
	1,130.28	1,842.86
C Funded interest term loans		
From others	-	16.63
	-	16.63
Total	1,530.28	2,357.17
II Unsecured		
A Term loan	60.44	-
B Inter corporate deposits from related party	1,050.00	900.00
Total	1,110.44	900.00
Less : Amount disclosed under the head other financial liabilities- current (Refer note 16)	47.64	541.60
Total	2,593.08	2,715.57

Refer note 47 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 Group's liabilities arising from financing activities can be classified as follows:

Particulars	Year ended 31 March 2021 Long-term borrowings	Year ended 31 March 2021 Short-term borrowings (Refer note 20)*	Year ended 31 March 2020 Long-term borrowings	Year ended 31 March 2020 Short-term borrowings (Refer note 20)*
Opening balance	3,257.17	645.73	3,644.73	742.99
Cash flows				
Repayment	(1,006.93)	(131.62)	(1,212.87)	(100.95)
Proceeds	310.45	-	800.00	-
Non cash:				
Moratorium interest converted into loan	78.11	-	-	-
Foreign exchange (gain)/loss on foreign currency loans	(2.48)	(0.47)	21.61	3.70
Amortisation of transaction costs in respect of financial liabilities carried at amortised cost	4.40	-	3.70	-
Closing balance	2,640.72	513.64	3,257.17	645.73

* Movement in short term borrowings is presented on net basis

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	Particulars	As at 31 March 2021	As at 31 March 2020
IV	**Secured borrowings**		
A	**Debentures**		
(i)	Redeemable non-convertible debentures 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 the Holding 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 VI for details of additional securities	400.00	400.00
(ii)	Redeemable non-convertible debentures* Fully redeemed during the current financial year	-	97.68
	Total - Debentures	**400.00**	**497.68**

*At its meeting held on 21 January 2021, the sub-committee of the Board of Directors of the Holding Company 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.

	Particulars	As at 31 March 2021	As at 31 March 2020
B	**Term loans**		
(i)	Rupee term loan 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 the Holding 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 VI for details of additional securities	633.74	851.50
(ii)	Rupee term loan 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 the Holding 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 VI for details of additional securities	415.66	400.00
(iii)	Rupee term loan Fully repaid during the current financial year	-	327.48

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Particulars	As at 31 March 2021	As at 31 March 2020
(vii) Rupee term loan 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 the Holding 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 VI for details of additional securities	100.00	-
(viii) Foreign currency loan Fully repaid during the current financial year	-	276.34
Total	1,149.40	1,855.32
Less: Unamortised portion of upfront fees and transaction costs	19.12	12.46
Total - Rupee term loans	1,130.28	1,842.86
C **Funded interest term loans**		
Funded interest term loans Fully repaid during the current financial year	-	16.63
Total - Funded interest term loans	-	19.40
Total - Secured	1,530.28	2,359.94

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.

Particulars	As at 31 March 2021	As at 31 March 2020
V Unsecured		
A Term loan (Commercial) Repayable in monthly installments of: - Ranging from ₹ 0.24 crores to ₹ 0.71 crores each during 2021-22 (monthly installments) - Ranging from ₹ 0.71 crores to ₹ 0.72 crores each during 2022-23 (monthly installments) - Ranging from ₹ 0.72 crores to ₹ 0.73 crores each during 2023-24 (monthly installments) - Ranging from ₹ 0.73 crores to ₹ 0.75 crores each during 2024-25 (monthly installments) - Ranging from ₹ 0.09 crores to ₹ 0.75 crores each during 2025-26 (monthly installment, last installment falling due on 31 July 2025)	34.72	-
Term loan (Commercial) Repayable in monthly installments of: - Ranging from ₹ 1.55 crores to ₹ 1.57 crores each during 2021-22 (four installments) - Ranging from ₹ 1.58 crores to ₹ 1.60 crores each during 2022-23 (four installments) - Ranging from ₹ 1.61 crores to ₹ 1.63 crores each during 2023-24 (four installments) - Ranging from ₹ 1.64 crores to ₹ 1.67 crores each during 2024-25 (four installments)	25.72	-
B Inter corporate deposits from related party Repayable in one or more installments by 31 March 2023 or such other terms as may be mutually agreed between the Holding Company and Jindal Stainless (Hisar) Limited.	1,050.00	900.00
Total - Unsecured	1,084.72	900.00

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%.

VI 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:

a. Unconditional and irrevocable personal guarantee of Mr. Ratan Jindal;
b. Unconditional and irrevocable corporate guarantee of Jindal Stainless (Hisar) Limited;
c. Pari-passu pledge of 197,701,936 equity shares held in the Holding Company by promoter group companies;
d. Unconditional and irrevocable corporate guarantee of promoter group companies to the extend of equity shares (93,384,215 equity shares) ;
e. 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 to consolidated financial statements for the year ended 31 March 2021

(All amounts in ₹ crores, unless otherwise stated)

16 Other financial liabilities

	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Current maturities of long term borrowings	-	-	47.64	541.60
Interest accrued	-	-	248.11	182.80
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	6.13	4.36
Other outstanding financial liabilities	8.87	-	362.04	218.56
Total	110.75	102.40	717.93	1,042.75

Refer note 47 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profile.

17 Provisions

	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits (refer note 40)	15.83	16.89	2.24	0.89
Total	15.83	16.89	2.24	0.89

18 Deferred tax liabilities (net)

	As at 31 March 2021	As at 31 March 2020
Deferred tax liability arising on account of		
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
Total deferred tax liability	1,263.60	1,251.70
Deferred tax assets arising on account of		
Expenses deductible on payment	49.07	34.15
Allowance for expected credit losses	33.88	27.05
Lease liability	26.14	27.13
Brought forward loss/unabsorbed depreciation	607.54	889.05
Minimum alternate tax credit entitlement	77.65	77.65
Others	8.29	6.37
Total deferred tax asset	802.57	1,061.40
Deferred tax liabilities (net)	461.03	190.30

19 Other liabilities

	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Advance from customers	-	-	80.82	138.96
Deferred revenue	246.23	258.86	12.63	12.63
Other outstanding liabilities *	32.96	65.19	96.25	96.81
Total	279.19	324.05	189.70	248.40

*Includes statutory dues

20 Borrowings (current)

	As at 31 March 2021	As at 31 March 2020
Secured		
Working capital facilities from bank	466.00	557.35
	466.00	557.35
Unsecured		
Working capital facilities from bank	47.64	88.38
	47.64	88.38
Total	513.64	645.73

Working capital facilities of Holding Company are secured by first parri-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 parri-passu charge by way of mortgage and / or hypothecation in respect of other movable and immovable properties both present and future of the Holding company.

Working capital facility amounting (including overdraft facilities) to Rs.146.98 crores (previous year 159.80 crores), obtained by subsidiary PT. Jindal Stainless Indonesia is collateralized by inventories, land and machinery and accounts receivable and letter of comfort/undertaking for non disposing of equity investment in PT. Jindal Stainless Indonesia by the Holding Company.

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

Refer note 47 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profile.

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(All amounts in ₹ crores, unless otherwise stated)

21 Trade payables	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro enterprises and small enterprises (refer note A below)	117.73	87.28
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,514.12	2,572.30
Total	2,631.85	2,659.58

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 Group, 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.	-	-

22 Current tax liabilities (net)	As at 31 March 2021	As at 31 March 2020
Provision for taxation (net of prepaid taxes)	0.89	0.72
Total	0.89	0.72

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(All amounts in ₹ crores, unless otherwise stated)

23 Revenue from operations	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products		
Manufactured goods	11,672.66	11,922.16
Trading goods	259.36	509.72
	11,932.02	12,431.88
Sale of services		
Job charges received	125.98	242.25
Business support services	66.08	77.32
Consultancy income	0.69	6.97
	192.75	326.54
Other operating revenue		
Export benefits	46.44	98.72
Sale of gases	6.57	10.63
Liability no longer required, written back	2.76	63.67
Others	7.92	19.43
	63.69	192.45
Total	12,188.46	12,950.87

24 Other income	Year ended 31 March 2021	Year ended 31 March 2020
Interest income on		
Investments	3.97	2.88
Fixed deposits and other receivables	9.24	4.90
Trade receivables	5.21	9.89
Income-tax refund	1.70	3.44
Financial assets measured at amortised cost	1.27	1.21
Profit on disposal of property, plant and equipment	0.47	-
Insurance claim received	6.92	8.94
Others	12.12	8.63
Total	40.90	39.89

25 Changes in inventories of finished goods, work in progress and stock-in-trade	Year ended 31 March 2021	Year ended 31 March 2020
Opening stock		
Finished goods	713.57	577.79
Work in progress	1,010.93	1,024.29
Stock-in-trade	5.36	11.81
	1,729.86	1,613.89
Closing stock		
Finished goods	590.56	713.57
Work in progress	1,022.30	1,010.93
Stock-in-trade	1.45	5.36
	1,614.31	1,729.86
Translation difference in inventory	(1.91)	(11.26)
Total	113.64	(127.23)

26 Employee benefits expense	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages, bonus and other benefits	162.57	186.55
Contribution to provident and other funds	8.50	8.89
Staff welfare expenses	6.80	9.09
Total	177.87	204.53

27 Finance cost	Year ended 31 March 2021	Year ended 31 March 2020
Interest on borrowings	404.41	496.76
Interest on lease liabilities	8.07	8.40
Other borrowing costs	67.60	80.37
Total	480.08	585.53

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(All amounts in ₹ crores, unless otherwise stated)

28 Depreciation and amortisation expenses	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on property, plant and equipment	378.25	404.08
Depreciation on right-of-use assets	13.21	12.49
Amortisation of intangible assets	11.50	8.59
Total	**402.96**	**425.16**

29 Other expenses	Year ended 31 March 2021	Year ended 31 March 2020
Consumption of stores and spare parts	580.74	714.46
Power and fuel	633.63	792.61
Labour processing and transportation charges	173.07	193.40
Repairs to buildings	3.32	9.05
Repairs to plant and machinery	34.40	29.27
Job work expenses	810.72	764.50
Other manufacturing expenses	150.28	159.88
Loss on disposal of property, plant and equipment	0.12	-
Insurance	16.42	12.34
Rent	20.22	19.85
Rates and taxes	2.00	1.17
Legal and professional	80.48	57.43
Communication	2.29	2.42
Printing and stationery	4.02	5.18
Travelling and conveyance	1.62	4.85
Director's meeting fees	0.56	0.22
Vehicle upkeep and maintenance	10.05	12.36
Auditor's remuneration (refer note a below)	0.61	0.67
Freight and forwarding expenses	171.99	172.95
Commission on sales	16.55	32.10
Other selling expenses	25.95	25.01
Allowance for expected credit losses	14.63	1.08
Bad debts written off	2.45	0.86
Advertisement and publicity	0.10	0.93
Miscellaneous expenses	21.40	15.78
Total	**2,777.62**	**3,028.37**

a. **Payment to auditors (excluding applicable taxes)**		
As statutory auditor	0.46	0.46
For other services	0.12	0.13
For reimbursement of expenses	0.03	0.08
Total	**0.61**	**0.67**

b. Pursuant to section 135 of the Act, the Holding 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 Holding Company as specified in Schedule VII to the Act. The gross amount to be spent by the Holding Company as per the limits of section 135 is ₹ nil (previous year ₹ nil)

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(All amounts in ₹ crores, unless otherwise stated)

30 Income-tax

	Year ended 31 March 2021	Year ended 31 March 2020
The income tax expense consists of the following:		
Current tax		
Current tax	0.73	1.26
Taxes in relation to earlier years	0.25	18.95
	0.98	**20.21**
Deferred tax		
Relating to origination and reversal of temporary differences	269.23	72.43
	269.23	**72.43**
Total tax expense	**270.21**	**92.64**

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:	Year ended 31 March 2021	Year ended 31 March 2020
Profit before tax	689.67	165.26
Applicable tax rate for the Holding Company	34.94%	34.94%
Expected income-tax expense (A)	**241.00**	**57.75**
Tax effect of adjustment to reconcile expected income-tax expense to reported income-tax expense		
(Income exempted from) / expenses not deductible in tax	19.00	18.74
Income taxable at different rate	(0.46)	5.85
Deferred tax not recognised on share of profit of associates	(1.82)	2.75
Others	12.49	7.55
Total adjustments (B)	29.21	34.89
Income-tax expense (A+B)	**270.21**	**92.64**

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 foreign currency translation reserve	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
Items deductible on actual payment or settlement	34.15	15.75	(0.83)	-	49.07
Allowance for expected credit losses	27.05	6.83	-	-	33.88
Brought forward tax losses and unabsorbed depreciation	889.05	(281.51)	-	-	607.54
Minimum alternate tax credit entitlement	77.65	-	-	-	77.65
Others	6.37	2.59	-	(0.67)	8.29
Net deferred tax asset / (liability)	**(190.30)**	**(269.23)**	**(0.83)**	**(0.67)**	**(461.03)**

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	Movement through foreign currency translation reserve	Closing deferred tax asset / (liability)
Property, plant and equipment and intangible assets	(1,237.23)	(17.74)	-	14.76	-	(1,240.21)
Financial assets and financial liabilities measured at amortised cost	(3.95)	(7.54)	-	-	-	(11.49)
Lease Liability	-	27.13	-	-	-	27.13
Items deductible on actual payment or settlement	289.13	(255.36)	0.38	-	-	34.15
Allowance for expected credit losses	25.27	1.78	-	-	-	27.05
Brought forward tax losses and unabsorbed depreciation	713.45	175.60	-	-	-	889.05
Minimum alternate tax credit entitlement	77.65	-	-	-	-	77.65
Others	3.43	3.70	-	-	(0.76)	6.37
Net deferred tax asset / (liability)	**(132.25)**	**(72.43)**	**0.38**	**14.76**	**(0.76)**	**(190.30)**

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31 Revenue from contracts with customers

A Disaggregation of revenue

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

Revenue from operations	Year ended 31 March 2021			
	Goods	Services	Other operating revenue*	Total
Revenue by geography				
Within India	9,238.12	192.06	13.46	9,443.64
Outside India	2,693.90	0.69	1.03	2,695.62
Total	11,932.02	192.75	14.49	12,139.26
Revenue by time				
Revenue recognised at point in time				11,946.51
Revenue recognised over time				192.75
Total				12,139.26

* 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 on "Revenue from Contracts with Customers" and hence, not included in the table above.

Revenue from operations	Year ended 31 March 2020			
	Goods	Services	Other operating revenue*	Total
Revenue by geography				
Within India	9,085.96	319.55	27.41	9,432.92
Outside India	3,345.92	6.99	2.65	3,355.56
Total	12,431.88	326.54	30.06	12,788.48
Revenue by time				
Revenue recognised at point in time				12,461.94
Revenue recognised over time				326.54
Total				12,788.48

* 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 on "Revenue from Contracts with Customers" and hence, not included in the table above.

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	138.96	128.60
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-
Total	138.96	128.60

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
Contract liabilities related to sale of goods				
Advance from customers	-	80.82	-	138.96

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	12,399.40	12,984.53
Less: Discount, rebates, credits etc.	260.14	196.05
Revenue from operations as per Statement of Profit and Loss	12,139.26	12,788.48

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32 Earnings per share (EPS)	Year ended 31 March 2021	Year ended 31 March 2020
Net profit for the year (in ₹ crores) for basic EPS (A)	419.23	71.32
Add: Interest expenses on potential equity shares (in ₹ crores)	-	55.01
Net profit for the year (in ₹ crores) for diluted EPS (B)	419.23	126.33
Total shares outstanding in the beginning of the year (in numbers)	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 (C)	487,234,600	483,512,743
Effect of dilution :		
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 (D)	494,555,381	614,635,951
Basic EPS (Amount in ₹) (A/C)	8.60	1.48
Diluted EPS (Amount in ₹) (B/D)	8.48	1.48

* OCRPS are anti-dilutive in nature

33 Due to outbreak of Coronavirus Disease 2019 (COVID-19) which has been declared as a pandemic by World Health Organization and subsequent lock down ordered by the Central and State Government(s) in India, the manufacturing facilities of the Holding Company remained suspended from 25 March 2020 till 4 May 2020. The Holding Company in compliance with the necessary instructions/guidelines, resumed its operations on 5 May 2020 in a phased manner, while ensuring health 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 Holding 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 of India. However, the Group 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 Group.

34 Composite scheme of arrangement

I Demerger

A The Composite Scheme of Arrangement (hereinafter referred to as the 'Scheme') amongst the Holding 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 Holding 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 Holding 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 Holding Company and converted into equal number of equity shares of ₹ 10 each as fully paid at par and the balance 63,654,063 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 Holding Company.

(ii) Business undertaking 3, comprising, *inter alia*, of the Coke Oven plant of the Holding 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 Holding 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 Holding Company and converted into equal number of equity shares of ₹ 10 each fully paid at par. During the year, the Holding 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 Holding Company.

II Merger

At its meeting held on 29 December 2020, the Board of directors of the Holding Company considered and approved a Composite Scheme of Arrangement ('Scheme') pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013, amongst the Holding 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.

35 Contingent liabilities	As at 31 March 2021	As at 31 March 2020
A Demands from statutory and regulatory authorities		
(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 (refer note C below)	99.96	100.31
(ii) - Demand from office of the Dy. Director of Mines, Jajpur 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 Corporate guarantee given to banks against credit facilities / financial assistance availed by Jindal Stainless (Hisar) Limited - amount for facilities outstanding [read with note 34(I)]	2,940.36	3,378.11
	3,278.14	3,688.95

* The Holding 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 Holding 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 Holding 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 the Holding Company for Assessment years 2012-13 to 2014-15 for which the management does not expect any cash outflow since the Holding 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.

36 Commitments

	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	741.88	61.46
Other commitments	15.90	25.84
	757.78	87.30

37 Exceptional items

	Year ended 31 March 2021	Year ended 31 March 2020
Gain (net) on translation/settlement of foreign currency monetary items	78.09	46.57
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)
	102.41	4.44

38 Corporate Debt Restructuring (CDR)

A During the year ended 31 March 2020, the Holding 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 Holding 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.

39 Derivative contracts entered into by the Group 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
EURO/USD	Sell	51	€ 75.25	25	€ 47.00
USD/INR	Buy	320	$112.80	289	$79.86

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(All amounts in ₹ crores, unless otherwise stated)

40 Employee benefits

A Defined contribution plans

	Year ended 31 March 2021	Year ended 31 March 2020
Group's contribution to provident fund	5.73	5.87
Group's contribution to employee welfare fund	0.26	0.27
Group's contribution to national pension scheme	0.62	0.69
Group's contribution to employee's state insurance scheme	0.08	0.12
Group's contribution to other fund	1.81	1.94
Total	8.50	8.89

B Defined benefit plan – Gratuity

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

	31 March 2021	As at 31 March 2020
Present value of defined benefit obligation as at the end of the year	19.67	20.53
Less: Fair value of plan assets at the end of the year	11.22	10.70
Net liability recognised in the balance sheet	8.45	9.83

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

	Year ended 31 March 2021	Year ended 31 March 2020
Present value of defined benefit obligation as at the beginning of the year	20.53	18.81
Transfer in/out of employees from associate companies	0.55	0.21
Current service cost	2.16	4.02
Interest cost	1.50	1.27
Benefits paid	(2.08)	(5.16)
Foreign exchange loss	0.73	0.38
Actuarial (gain)/loss	(3.72)	1.00
Present value of defined benefit obligation as at the end of the year	19.67	20.53

(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)
Fair value of plan assets at the end of the year	11.22	10.70

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

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

	Year ended 31 March 2021	Year ended 31 March 2020
Employee benefit expense		
Current service cost	2.16	4.02
Net interest cost	0.77	0.50
Amount recognised in the statement of profit and loss	2.93	4.52
Other comprehensive income		
Actuarial (gain)/loss arising from changes in financial assumptions	(2.97)	0.83
Actuarial (gain)/loss arising from experience adjustments	(0.76)	0.17
Return on plan assets excluding amounts included in net interest on net defined benefit liability (asset)	(0.07)	(0.10)
	(3.66)	1.10

(v) 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
Actuarial gain/(loss) for the year on plan asset	(0.07)	(0.10)

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

	Year ended 31 March 2021	Year ended 31 March 2020
Discount rate	6.80% - 7.20% p.a.	6.82% - 8.34% p.a.
Expected rate of increase in salary	5.00% - 5.50% p.a.	5.50% - 7.00% p.a.
Retirement age	56-58 years	58 years
Mortality rate (inclusive of provision for disability)	100% of IALM (2012-14) / CSO'80	100% of IALM (2012-14) / CSO'80
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
Impact of the change in discount rate		
Present value of obligation at the end of the period		
Increase of 0.50%	(3.11)	(4.06)
Decrease of 0.50%	3.59	4.73
Impact of the change in salary increase		
Present value of obligation at the end of the period		
Increase of 0.50%	3.58	4.73
Decrease of 0.50%	(3.10)	(4.08)

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

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

	Year ended 31 March 2021	Year ended 31 March 2020
0 to 1 year	0.82	1.24
1 to 5 year	6.70	4.76
Beyond 5 years	19.24	72.67

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

(x) **Risk exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such valuation of the Group 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, assets liabilities mismatch and actual investment return on assets being lower than the discount rate assumed at the last valuation date can impact the defined benefit obligation.

C) Discount rate : The defined benefit obligation calculation 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.

41 Operating segments

In accordance with Ind AS 108, the Board of Directors of the Holding Company, being the Chief operating decision maker of the Group 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 below:

No single customer account for more than 10% revenue from operations of the Group.

	31 March 2021		
	Within India	Outside India	Total
Revenue from operations	9,492.84	2,695.62	12,188.46
Non current assets	6,140.43	256.41	6,396.84

	31 March 2020		
	Within India	Outside India	Total
Revenue from operations	9,595.31	3,355.56	12,950.87
Non current assets	6,357.83	250.01	6,607.84

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(All amounts in ₹ crores, unless otherwise stated)

42 Lease related disclosures

The Group has leases for the factory land, plant and machinery, vehicle, building, furniture 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 Group 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 Group to sublease the asset to another party, the right-of-use asset can only be used by the Group. Some leases contain an option to extend the lease for a further term. The Group 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	15.76	14.83
Leases of low value assets	4.46	5.02

B Total cash outflow for leases for the year ended 31 March 2021 was ₹ 33.86 crores (previous year ₹ 29.54 crores).

C The Group 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	13.10	50.08	82.92	146.10
Interest expense	6.97	24.06	39.66	70.69
Net present values	**6.13**	**26.02**	**43.26**	**75.41**

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.

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
Vehicle	8	7 years	2 years	5	-	3
Furniture	1	1 year	1 year	-	-	1
Building	3	2 years	1 year	1	-	2
Land	4	69 years	69 years	4	-	4

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

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

JINDAL STAINLESS LIMITED NEW DELHI ★

(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	13.21	12.49
Interest expense on lease liabilities	8.07	8.40
Expense relating to short-term leases (included in other expenses)	15.76	14.83
Expense relating to leases of low-value assets (included in other expenses)	4.46	5.02
Total	**41.50**	**40.74**

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 liability	1.73	-
Add: Finance cost accrued during the period	8.07	8.40
Less: Lease rent paid	(12.03)	(12.41)
Balance at the end	**75.41**	**77.64**

43 Remuneration paid to Key management personnel (KMP)

	Year ended 31 March 2021	Year ended 31 March 2020
Short-term employee benefits	7.53	18.12
Post-employment benefits *	0.15	0.13
Sitting fees	0.25	0.23
Total	7.93	18.48

*Does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.

44 Assets pledged as security for borrowings

	As at 31 March 2021	As at 31 March 2020
Current		
Financial assets		
Investments	0.58	2.53
Trade receivables	859.89	617.93
Cash and cash equivalents	50.25	15.93
Bank balances other than above	38.95	28.45
Loans	3.04	3.16
Other financial assets	68.32	76.48
Non financial assets	-	
Inventories	2,540.02	2,405.96
Other current assets	191.69	207.20
Total	**3,752.74**	**3,357.64**
Non-current		
Property, plant and equipment	5,870.25	6,189.35
Capital work-in-progress	49.22	9.13
Investments	393.67	296.47
Other financial assets	0.76	2.24
Total	**6,313.90**	**6,497.19**
Total assets pledged as security	**10,066.64**	**9,854.83**

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

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

45 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 Kanjilal	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. Suman Jyoti Khaitan	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 November 2019)
13	Dr. Rajeev Uberoi	Independent Director (Ceased to be Director w.e.f. 2 July 2019)

(b) 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%

(c) Entity exercising significant influence on the Holding 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

(d) Subsidiaries of entity exercising significant influence on the Holding 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

(e) Entities under the control/significant 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	Chartiable trust

*with whom transactions have occurred

(f) Post-employment benefit plan for the benefit of employees of the Holding 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

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WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS

JINDAL STAINLESS LIMITED NEW DELHI

JINDAL STAINLESS LIMITED

Summary of significant accounting policies and other explanatory information to consolidated financial statements 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				
		Associates	Entity exercising significant influence on the Company	Subsidiaries of entity exercising significant influence on the Company	KMP	Entities under the control/ significant influence of KMP	Associates	Entity exercising significant influence on the Company	Subsidiaries of entity exercising significant influence on the Company	KMP	Entities under the control/ significant influence of KMP
	Transactions during the year										
1	**Purchase of goods**	**109.65**	**485.84**	**58.57**	-	**284.82**	**120.96**	**726.46**	**12.80**	-	**69.32**
	Jindal Stainless Steelways Limited	-	-	41.98	-	-	-	-	12.29	-	-
	Jindal Coke Limited	91.39	-	-	-	-	96.52	-	-	-	-
	Jindal Stainless (Hisar) Limited	-	485.84	-	-	-	-	726.46	-	-	-
	Prime Stainless DMCC	-	-	-	-	62.52	-	-	-	-	69.32
	JSL Global Commodities Pte. Ltd.	-	-	-	-	222.30	-	-	-	-	-
	JSL Lifestyle Limited	-	-	0.50	-	-	-	-	0.51	-	-
	Jindal Advance Materials Pvt. Ltd.	-	-	0.08	-	-	-	-	-	-	-
	J.S.S Steelitalia Limited	-	-	16.01	-	-	-	-	-	-	-
	Jindal United Steel Limited	18.26	-	-	-	-	24.44	-	-	-	-
2	**Job work charges paid**	**846.32**	**1.32**	**34.59**	-	-	**765.64**	**44.22**	**32.17**	-	-
	Jindal Stainless (Hisar) Limited	-	1.32	-	-	-	-	44.22	-	-	-
	Jindal Stainless Steelways Limited	-	-	34.59	-	-	-	-	32.17	-	-
	Jindal United Steel Limited	846.32	-	-	-	-	765.64	-	-	-	-
3	**Sale of goods**	**440.11**	**827.86**	**925.16**	-	**1,199.36**	**516.66**	**892.12**	**1,129.66**	-	**454.08**
	Jindal Stainless Steelways Limited	-	-	922.01	-	-	-	-	1,120.35	-	-
	Jindal Stainless (Hisar) Limited	-	827.86	-	-	-	-	892.12	-	-	-
	JSL Lifestyle Limited	-	-	3	-	-	-	-	4.63	-	-
	JSL Global Commodities Pte. Ltd.	-	-	-	-	617.66	-	-	-	-	454.08
	Prime Stainless DMCC	-	-	-	-	581.70	-	-	-	-	-
	Jindal Coke Limited	43.96	-	-	-	-	31.59	-	-	-	-
	Jindal United Steel Limited	396.15	-	-	-	-	485.07	-	-	-	-
	JSL Logistics Limited	-	-	0.15	-	-	-	-	0.19	-	-
	J.S.S Steelitalia Limited	-	-	-	-	-	-	-	4.49	-	-
4	**Rent received**	**2.71**	**1.62**	-	-	-	**2.71**	**1.53**	-	-	-
	Jindal Stainless (Hisar) Limited	-	1.62	-	-	-	-	1.53	-	-	-
	Jindal Stainless Corporate Management Services Private Limited	2.71	-	-	-	-	2.71	-	-	-	-
5	**Rent paid**	-	**0.71**	**14.65**	-	**0.02**	-	**0.71**	**14.03**	-	-
	Jindal Stainless (Hisar) Limited	-	0.71	-	-	-	-	0.71	-	-	-
	Jindal Stainless Steelways Limited	-	-	14.65	-	-	-	-	14.03	-	-
	O.P. Jindal Charitable Trust					0.02					
6	**Freight charges paid**	-	-	**1.34**	-	-	-	-	**1.43**	-	-
	JSL Logistics Limited	-	-	1.34	-	-	-	-	1.43	-	-
7	**Interest received**	**7.37**	-	**0.62**	-	-	**1.84**	-	**4.01**	-	-
	Jindal Stainless Steelways Limited	-	-	0.62	-	-	-	-	4.01	-	-
	Jindal United Steel Limited	7.37	-	-	-	-	1.84	-	-	-	-
8	**Commission received**	-	**0.69**	-	-	-	-	**6.97**	-	-	-
	Jindal Stainless (Hisar) Limited	-	0.69	-	-	-	-	6.97	-	-	-

JINDAL STAINLESS LIMITED
Summary of significant accounting policies and other explanatory information to consolidated financial statements 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				
		Associates	Entity exercising significant influence on the Company	Subsidiaries of entity exercising significant influence on the Company	KMP	Entities under the control/ significant influence of KMP	Associates	Entity exercising significant influence on the Company	Subsidiaries of entity exercising significant influence on the Company	KMP	Entities under the control/ significant influence of KMP
9	**Interest expenses**	-	90.04	1.77	-	-	-	90.00	3.60	-	-
	Jindal Stainless Steelways Limited	-	-	1.77	-	-	-	-	3.60	-	-
	Jindal Stainless (Hisar) Limited	-	90.04	-	-	-	-	90.00	-	-	-
10	**Commission on purchase paid**	-	-	-	-	23.95	-	-	-	-	16.99
	Prime Stainless DMCC	-	-	-	-	11.02	-	-	-	-	6.17
	JSL Global Commodities Pte. Ltd.	-	-	-	-	12.93	-	-	-	-	10.82
11	**Commission on export paid**	-	-	-	-	8.74	-	-	-	-	-
	JSL Global Commodities Pte. Ltd.					0.47	-	-	-	-	-
	Prime Stainless DMCC					8.27	-	-	-	-	-
12	**Commission on export written back**	-	-	-	-	0.30	-	-	-	-	-
	JSL Global Commodities Pte. Ltd.	-	-	-	-	0.30	-	-	-	-	-
13	**Support service charges paid**	53.00	-	-	-	-	58.05	-	-	-	-
	Jindal Stainless Corporate Management Services Private Limited	53.00	-	-	-	-	58.05	-	-	-	-
14	**Support service charges received**	58.36	-	0.35	-	-	70.25	-	0.62	-	-
	Jindal Coke Limited	8.57	-	-	-	-	12.89	-	-	-	-
	Jindal United Steel Limited	49.79	-	-	-	-	57.36	-	-	-	-
	Jindal Stainless Steelways Limited	-	-	-	-	-	-	-	0.20	-	-
	JSL Logistics Limited	-	-	0.35	-	-	-	-	0.42	-	-
15	**Expenses incurred on behalf of Company and reimbursed**	-	0.08	0.01	-	2.32	-	0.03	0.11	-	-
	Jindal Stainless Steelways Limited	-	-	-	-	-	-	-	-	-	-
	JSL Global Commodities Pte. Ltd.					2.27					
	Prime Stainless DMCC					0.05					
	JSL Lifestyle Limited	-	-	0.01	-	-	-	-	0.11	-	-
	Jindal Stainless (Hisar) Limited	-	0.08	-	-	-	-	0.03	-	-	-
16	**Expenses incurred and reimbursed by Company on behalf of**	0.68	6.19	1.63	-	-	0.50	6.58	0.90	-	0.01
	Jindal Coke Limited	0.04	-	-	-	-	0.04	-	-	-	-
	JSL Lifestyle Limited	-	-	0.79	-	-	-	-	0.44	-	-
	Jindal United Steel Limited	0.21	-	-	-	-	0.17	-	-	-	-
	Prime Stainless DMCC	-	-	-	-	-	-	-	-	-	0.01
	Jindal Stainless Steelways Limited	-	-	0.84	-	-	-	-	0.46	-	-
	Jindal Stainless Corporate Management Services Private Limited	0.43	-	-	-	-	0.29	-	-	-	-
	Jindal Stainless (Hisar) Limited	-	6.19	-	-	-	-	6.58	-	-	-
17	**Loan received**	-	150.00	-	-	-	-	-	-	-	-
	Jindal Stainless (Hisar) Limited	-	150.00	-	-	-	-	-	-	-	-
18	**Remuneration (refer note 43)**	-	-	-	7.68	-	-	-	-	18.25	-
	Mr. Ratan Jindal	-	-	-	-	-	-	-	-	13.92	-
	Mr.Abhyuday Jindal	-	-	-	3.00	-	-	-	-	-	-
	Mr. Tarun Kumar Khulbe	-	-	-	1.77	-	-	-	-	1.60	-
	Mr. Anurag Mantri	-	-	-	2.08	-	-	-	-	1.93	-
	Mr. Navneet Raghuvanshi	-	-	-	0.83	-	-	-	-	0.80	-

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Summary of significant accounting policies and other explanatory information to consolidated financial statements 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				
		Associates	Entity exercising significant influence on the Company	Subsidiaries of entity exercising significant influence on the Company	KMP	Entities under the control/ significant influence of KMP	Associates	Entity exercising significant influence on the Company	Subsidiaries of entity exercising significant influence on the Company	KMP	Entities under the control/ significant influence of KMP
19	Non executive director-sitting fee (refer note 43)	-	-	-	0.25	-	-	-	-	0.23	-
	Mr. Gautam Kanjilal	-	-	-	0.01	-	-	-	-	0.05	-
	Mr. Suman Jyoti Khaitan	-	-	-	0.06	-	-	-	-	0.06	-
	Mr. T.S. Bhattacharya	-	-	-	-	-	-	-	-	0.02	-
	Mrs. Arti Luniya	-	-	-	0.04	-	-	-	-	0.01	-
	Mr. Jayaram Easwaran	-	-	-	0.05	-	-	-	-	0.03	-
	Ms. Bhaswati Mukherjee	-	-	-	0.05	-	-	-	-	0.05	-
	Mr.Parveen kumar malhotra				0.04						
	Dr. Rajeev Uberoi	-	-	-	-	-	-	-	-	0.01	-
18	Security deposits repaid	-	-	-	-	-	-	-	-	-	-
	Jindal Coke Limited	-	-	-	-	-	-	-	-	-	-
	Balances outstanding as at balance sheet date										
19	Corporate guarantee given	-	2,940.36	-	-	-	-	3,378.11	-	-	-
	Jindal Stainless (Hisar) Limited	-	2,940.36	-	-	-	-	3,378.11	-	-	-
20	Personal guarantee received										
	Mr. Ratan Jindal	-	-	-	Refer note 15, 20 and 38	-	-	-	-	Refer note 15, 20 and 38	-
21	Loans and advances - receivables	67.00	-	-	-	-	67.00	-	-	-	-
	Jindal United Steel Limited	67.00	-	-	-	-	67.00	-	-	-	-
22	Borrowings (inter corporate deposits)	-	1,050.00	-	-	-	-	900.00	-	-	-
	Jindal Stainless (Hisar) Limited	-	1,050.00	-	-	-	-	900.00	-	-	-
23	Receivables	50.96	3.75	83.58	-	99.02	69.26	26.66	13.03	-	51.57
	JSL Lifestyle Limited	-	-	0.33	-	-	-	-	2.96	-	-
	Prime Stainless DMCC	-	-	-	-	42.18					
	JSL Global Commodities Pte. Ltd.	-	-	-	-	56.84	-	-	-	-	51.57
	Jindal United Steel Limited	40.69	-	-	-	-	57.74	-	-	-	-
	Jindal Stainless Corporate Management Services Private Limited	10.27	-	-	-	-	11.52	-	-	-	-
	Jindal Advance Materials Pvt. Ltd.	-	-	-	-	-	-	-	0.01	-	-
	Jindal Coke Limited	-	-	-	-	-	-	-	-	-	-
	Jindal Stainless (Hisar) Limited	-	3.75	-	-	-	-	26.66	-	-	-
	Jindal Stainless Steelways Limited	-	-	80.58	-	-	-	-	-	-	-
	J.S.S. Steelitalia Limited	-	-	2.67	-	-	-	-	10.06	-	-
24	Security deposit payable	329.64	-	-	-	-	329.64	-	-	-	-
	Jindal Coke Limited	125.00	-	-	-	-	125.00	-	-	-	-
	Jindal United Steel Limited	204.64	-	-	-	-	204.64	-	-	-	-
25	Payables	20.46	309.72	9.41	-	98.30	3.10	241.74	9.76	-	16.47
	Prime Stainless DMCC	-	-	-	-	16.71	-	-	-	-	16.47
	JSL Global Commodities Pte. Ltd.					81.59					
	Jindal Coke Limited	20.46	-	-	-	-	3.10	-	-	-	-
	Jindal Stainless Steelways Limited	-	-	7.02	-	-	-	-	9.75	-	-
	J.S.S Steelitalia Limited	-	-	1.72	-	-	-	-	-	-	-
	JSL Logistics Limited	-	-	0.19	-	-	-	-	0.01	-	-
	Jindal Stainless (Hisar) Limited	-	64.43	-	-	-	-	79.74	-	-	-
	Jindal Stainless (Hisar) Limited (Interest Payable)	-	245.29	-	-	-	-	162.00	-	-	-
	JSL Lifestyle Limited	-	-	0.48	-	-	-	-	-	-	-

* In the opinion of the management, the transactions reported herein are at arms' length basis.

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JINDAL STAINLESS LIMITED ★ NEW DELHI

(All amounts in ₹ crores, unless otherwise stated)

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A Additional information as required by paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Act.

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income	
	2020-21		2020-21		2020-21		2020-21	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated OCI	Amount	As % of consolidated Total OCI	Amount
Parent								
Jindal Stainless Limited	97.96%	3,152.78	102.02%	427.92	11.98%	0.43	101.25%	428.35
Subsidiaries								
Indian								
Jindal Stainless Park Limited	-*	0.03	(0.00%)	(0.01)	-	-	(0.00%)	(0.01)
Foreign								
PT Jindal Stainless Indonesia	2.05%	65.92	(0.26%)	(1.09)	28.13%	1.01	(0.02%)	(0.08)
Jindal Stainless FZE	0.56%	18.07	(0.45%)	(1.88)	-	-	(0.44%)	(1.88)
JSL Group Holdings Pte Limited	0.98%	31.54	(0.01%)	(0.06)	-	-	(0.01%)	(0.06)
Iberjindal S.L.	1.03%	33.14	0.16%	0.66	-	-	0.16%	0.66
Non-controlling interest in all subsidiaries	0.41%	13.25	0.05%	0.23	-	-	0.05%	0.23
Associates (Investment as per equity method)								
Indian @								
Jindal Coke Limited	5.20%	167.44	3.58%	15.02	0.28%	0.01	3.55%	15.03
Jindal United Steel Limited	5.30%	170.43	(2.56%)	(10.75)	1.11%	0.04	(2.53%)	(10.71)
Jindal Stainless Corporate Management Services Pvt. Ltd.	0.16%	5.31	0.22%	0.94	5.85%	0.21	0.27%	1.15
Intercompany elimination and consolidation adjustment	(13.65%)	(439.53)	(2.74%)	(11.52)	52.65%	1.89	(2.28%)	(9.63)
Total	**100.00%**	**3,218.38**	**100.00%**	**419.46**	**100.00%**	**3.59**	**100.00%**	**423.05**

* Rounded off to nil

@ Refer note 49 for details

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

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JINDAL STAINLESS LIMITED ★ NEW DELHI

(All amounts in ₹ crores, unless otherwise stated)

B Additional information as required by paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Act.

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income	
	2019-20		2019-20		2019-20		2019-20	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated OCI	Amount	As % of consolidated Total OCI	Amount
Parent								
Jindal Stainless Limited	97.33%	2,657.32	210.52%	152.88	(13.76%)	(1.01)	189.93%	151.87
Subsidiaries								
Indian								
Jindal Stainless Park Limited	-*	0.04	(0.01%)	(0.01)	-	-	(0.01%)	(0.01)
Foreign								
PT Jindal Stainless Indonesia	1.56%	42.51	(100.58%)	(73.04)	3.95%	0.29	(90.98%)	(72.75)
Jindal Stainless FZE	0.75%	20.60	3.64%	2.64	-	-	3.30%	2.64
JSL Group Holdings Pte Limited	1.20%	32.66	(0.03%)	(0.02)	-	-	(0.03%)	(0.02)
Iberjindal S.L.	1.16%	31.58	5.12%	3.72	-	-	4.65%	3.72
Non-controlling interest in all subsidiaries	0.48%	13.02	1.79%	1.30	-	-	1.63%	1.30
Associates (Investment as per equity method)								
Indian @								
Jindal Coke Limited	5.02%	137.09	(4.21%)	(3.06)	(0.27%)	(0.02)	(3.85%)	(3.08)
Jindal United Steel Limited	6.18%	168.83	(8.39%)	(6.09)	(0.68%)	(0.05)	(7.68%)	(6.14)
Jindal Stainless Corporate Management Services Pvt. Ltd.	0.15%	4.16	1.76%	1.28	(0.41%)	(0.03)	1.56%	1.25
Intercompany elimination and consolidation adjustment	(13.83%)	(377.55)	(9.61%)	(6.98)	111.17%	8.16	1.48%	1.18
Total	100.00%	2,730.26	100.00%	72.62	100.00%	7.34	100.00%	79.96

* Rounded off to nil
@ Refer note 49 for details

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

47 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
Financial assets measured at fair value through profit or loss:			
Investments	4 A	0.58	0.22
Derivative asset	6	41.51	30.83
Financial assets measured at fair value through other comprehensive income:			
Investments	4 A	8.58	8.58
Financial assets measured at amortised cost:			
Investments	4 A	39.80	36.06
Loans	5	109.57	110.43
Other financial assets	6	27.57	49.73
Trade receivables	10	933.89	705.19
Cash and cash equivalents	11	77.37	40.21
Other bank balances	12	38.95	28.45
Total		1,277.82	1,009.70
Financial liabilities measured at fair value through profit or loss:			
Derivative liability	16	7.22	61.79
Financial liabilities measured at amortised cost:			
Borrowings (including current maturity of long term debts)	15, 16 & 20	3,154.36	3,902.90
Other financial liabilities	16	773.82	541.76
Trade payables	21	2,631.85	2,659.58
Total		6,567.25	7,166.03

Investment in associates are measured as per equity method 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
Financial assets measured at fair value through profit or loss:					
Investments	4 A	0.58	-	-	0.58
Derivative assets	6	-	41.51	-	41.51
Financial assets measured at fair value through other comprehensive income:					
Investments	4 A	-	-	8.58	8.58
Financial liabilities measured at fair value through profit or loss:					
Derivative liabilities	16	-	7.22	-	7.22

As at 31 March 2020	Note	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss:					
Investments	4 A	0.22	-	-	0.22
Derivative assets	6	-	30.83	-	30.83
Financial assets measured at fair value through other comprehensive income:					
Investments	4 A	-	-	8.58	8.58
Financial liabilities measured at fair value through profit or loss:					
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 Group 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
Financial assets				
Investments	39.77	44.09	33.80	34.31
Security deposits	28.06	29.22	26.57	27.73
Bank deposits with remaining maturity of more than 12 months	0.76	0.76	2.24	2.24
Loans	78.31	78.31	78.69	78.69
Financial liabilities				
Security deposits	32.60	47.88	29.12	38.92
Borrowings	2,593.08	2,593.08	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 Group based on parameters such as interest rates, individual creditworthiness of the counterparty/borrower and other market risk factors.

(ii) The fair values of the Group'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 Group 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 Group'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 Group. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

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C Financial risk management

Risk management

The Group's activities expose it to market risk, liquidity risk and credit risk. The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group'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	Aging 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 (₹)	Cash flow forecasting	Forward foreign exchange contracts
Market risk - interest	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 Group's risk management is carried out by a central treasury department (of the Group) under policies approved by the Board of Directors of the respective companies. The respective 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 Group. The Group'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 Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

The Group 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 Group 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 Group 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 Group. The Group 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 Group 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 countries.

Derivative financial instruments

Derivative financial instruments are considered to have low credit risk since the contracts are with reputable banks, 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 Group'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 Group's credit risk is mainly confined to the risk of customers defaulting against credit sales made. Outstanding trade receivables are regularly monitored by the Group. The Group has also taken advances and security deposits from its customers, which mitigate the credit risk to an extent. In respect of trade receivables, the Group 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 Group.

Other financial assets measured at amortised cost

Investments in redeemable preference shares of associate companies, loans (comprising security deposits) 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)

Group 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 Group 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 Group is in possession of the underlying asset.
- For other financial assets - Credit risk is evaluated based on Group's knowledge of the credit worthiness of those parties and loss allowance is measured. For such financial assets, the Group's 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 Group 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.

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C.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

a) Financing arrangements

The Group 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*	1,023.03	666.24

* Working capital facilities due for review every year

b) Maturities of financial liabilities

The tables below analyse the Group'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
Non-derivatives					
Borrowing (including current maturities of long term debt) along with estimated future interest	214.57	1,554.77	393.06	1,393.81	**3,556.21**
Short term borrowings	513.64	-	-	-	**513.64**
Security deposit	15.03	-	-	329.64	**344.67**
Trade payables	2,631.85	-	-	-	**2,631.85**
Other financial liabilities	655.01	21.97	13.10	106.80	**796.88**
Derivatives					
Derivative liability	7.22	-	-	-	**7.22**
Total	**4,037.32**	**1,576.74**	**406.16**	**1,830.25**	**7,850.47**

31 March 2020	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowing (including current maturities of long term debt) along with estimated future interest	853.08	579.17	1,374.36	1,604.60	**4,411.21**
Short term borrowings	645.73	-	-	-	**645.73**
Security deposit	13.47	-	-	329.64	**343.11**
Trade payables	2,659.58	-	-	-	**2,659.58**
Other financial liabilities	425.89	12.41	12.41	119.87	**570.58**
Derivatives					
Derivative liability	61.79	-	-	-	**61.79**
Total	**4,659.54**	**591.58**	**1,386.77**	**2,054.11**	**8,692.00**

C.3 Market risk

a) Foreign currency risk

The Group 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 Group act as natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Group 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)
Trade receivables				
GBP	0.02	0.22	-	-
Balance with banks				
USD	0.01	0.08	-	-
EUR	0.03	0.27	-	-
Borrowings				
USD	-	-	36.56	276.34
Trade payables				
USD	38.24	279.62	63.43	479.42
EUR	3.32	28.51	2.59	21.61
GBP	0.20	1.98	0.00	0.01
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 Group'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.

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
USD sensitivity		
INR/USD - Increase by 4.69% (31 March 2020 - 5.45%)	(13.11)	(41.19)
INR/USD - Decrease by 4.69% (31 March 2020 - 5.45%)	13.11	41.19
GBP sensitivity		
INR/GBP - Increase by 8.23% (31 March 2020 - 10.65%)	(0.14)	(0.00)
INR/GBP - Decrease by 8.23% (31 March 2020 - 10.65%)	0.14	0.00
Euro sensitivity		
INR/EUR - Increase by 7.07% (31 March 2020 - 7.57%)	(2.00)	(1.64)
INR/EUR - Decrease by 7.07% (31 March 2020 - 7.57%)	2.00	1.64

b) Interest rate risk

i) Financial liabilities

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

Interest rate risk exposure

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

Particulars	As at 31 March 2021	As at 31 March 2020
Variable rate borrowing	2,693.92	3,724.02
Fixed rate borrowing	460.44	178.88
Total borrowings	3,154.36	3,902.90

Sensitivity

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest sensitivity*		
Interest rates – increase by 50 basis points	8.76	12.11
Interest rates – decrease by 50 basis points	(8.76)	(12.11)

** Holding all other variables constant*

ii) Financial assets

The Group'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 Group'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 (FVTPL). To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

ii) Sensitivity

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

Impact on profit before tax

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

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48 Capital management

The Group's capital management objectives are
- to ensure it's ability to continue as a going concern
- to provide an adequate return to shareholders

The Group 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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of its gearing ratio, debt equity ratio and ratio of net debts to its earnings before interest, 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)	3,154.36	3,902.90
Less: Cash and cash equivalents	77.37	40.21
Net debt	**3,076.99**	**3,862.69**
Total equity	3,218.38	2,730.26
Net debt to equity ratio	**95.61%**	**141.48%**

Ratio of net debt to EBITDA

Particulars	As at 31 March 2021	As at 31 March 2020
Profit before exceptional item and tax	587.26	160.82
Less: Other income	40.90	39.89
Add: Depreciation and amortisation expense	402.96	425.16
Add: Finance cost	480.08	585.53
EBITDA	**1,429.40**	**1,131.62**
Net debt	3,076.99	3,862.69
Ratio of net debt to EBITDA	**2.15**	**3.41**

Gearing ratio

Particulars	As at 31 March 2021	As at 31 March 2020
Total borrowings (including current maturities of long term debt)	3,154.36	3,902.90
Less: Cash and cash equivalents	77.37	40.21
Net debt	**3,076.99**	**3,862.69**
Total equity	3,218.38	2,730.26
Equity and net debt	**6,295.37**	**6,592.95**
Gearing ratio	**48.88%**	**58.59%**

As per loan covenants, the Group is required to comply with requirement relating to certain financial ratio (including total debt to EBITDA/ net worth, EBITDA to gross interest, debt service coverage ratio and fixed assets coverage ratio). During the year ended 31 March 2021 and 31 March 2020, the Group has complied with the financial ratios as per loan covenants.

49 Financial information of subsidiaries with material non-controlling interest and associates which are material to the Group

I Information about subsidiary with material non-controlling interest

A

Name of entity	Principal activity	Principal place of business	% of equity As at 31 March 2021	% of equity As at 31 March 2020
Iber Jindal S.L	Processing and marketing of ferrous metals	Spain	65.00	65.00

(i) Summarised balance sheet

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current assets	3.17	2.90
Current assets	162.61	255.88
Total assets	**165.78**	**258.78**
Non-current liabilities	-	-
Current liabilities	85.45	227.20
Total liabilities	**85.45**	**227.20**
Net assets *	**80.33**	**31.58**

(ii) Summarised statement of profit and loss

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Revenue	379.68	471.50
Total comprehensive income		
Profit for the year	0.66	3.72
Other comprehensive income	0.91	-
Total*	**1.57**	**3.72**
Attributable to non controlling interest *	0.55	1.30

** This number is before considering inter-company elimination*

(iii) Summarised cash flow statement

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Net cash inflow/(outflow) from operating activities	2.36	13.90
Net cash inflow/(outflow) from investing activities	(0.76)	(1.94)
Net cash inflow/(outflow) from financing activities	(2.51)	(10.43)
Net cash inflow/(outflow)	**(0.91)**	**1.53**

(iv) Non-controlling interest

Particulars	As at 31 March 2021	As at 31 March 2020
Accumulated balance of material non-controlling interest	13.25	13.02
	13.25	13.02

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II Summarised financial information of associate companies that are material to the Group:

A

Name of entity	Principal activity	Principal place of business	% of equity	
			As at 31 March 2021	As at 31 March 2020
Jindal United Steel Limited	Manufacturer of hot rolled products of stainless steel and carbon steel	India	26.00	26.00

The above associate is accounted for using equity method in the consolidated financial statements. There is no quoted market price for Jindal United Steel Limited.

(i) Summarised balance sheet

	As at 31 March 2021	As at 31 March 2020
Non-current assets	2,929.22	3,031.21
Current assets	186.15	124.28
Total assets	3,115.37	3,155.49
Non-current liabilities	2,566.95	2,560.33
Current liabilities	121.18	161.72
Total liabilities	2,688.13	2,722.05
Net assets	427.24	433.44

(ii) Summarised statement of profit and loss

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Revenue	911.31	279.68
Total comprehensive income		
Net profit	(41.35)	(23.41)
Other comprehensive income	0.15	(0.19)
Total	(41.20)	(23.60)
Dividend received during the year	-	-

(iii) Reconciliation of summarised financial information to the carrying amount of the interest in the associates recognised in the consolidated financial statements:

Particulars	As at 31 March 2021	As at 31 March 2020
Opening net assets	433.44	340.54
Add: shares issued during the year	47.30	116.50
Total net assets available for equity holders	480.74	457.04
Less: Loss during the year	(41.35)	(23.41)
Add: Other comprehensive income during the year	0.15	(0.19)
Closing net assets	439.54	433.44
Less: Instruments entirely equity in nature *	75.88	75.95
Closing net assets available for equity holders	363.66	357.49
Group's share in %	26.00	26.00
Group's share in ₹	94.55	92.95
Investment in 10 % Non-cumulative non-convertible redeemable preference shares (equity portion)	75.88	75.88
Carrying value of investment accounted for using equity method	170.43	168.83

** Instruments entirely equity in nature includes non-cumulative compulsory convertible preference shares issued to Holding Company.*

B

Name of entity	Principal activity	Principal place of business	% of equity	
			As at 31 March 2021	As at 31 March 2020
Jindal Coke Limited	Manufacturer of coke and coke products	India	26.00	26.00

The above associate is accounted for using equity method in the consolidated financial statement. There is no quoted market price for Jindal Coke Limited.

(i) Summarised balance sheet

	As at 31 March 2021	As at 31 March 2020
Non-current assets	599.50	610.53
Current assets	227.85	213.09
Total assets	827.35	823.62
Non-current liabilities	551.58	526.69
Current liabilities	47.15	108.54
Total liabilities	598.73	635.23
Net assets	228.62	188.39

(ii) Summarised statement of profit and loss

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Total revenue	768.64	764.83
Total comprehensive income		
Net profit / (loss)	57.79	(11.75)
Other comprehensive income	0.06	(0.07)
Total	57.85	(11.82)
Dividend received during the year	-	-

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

(iii) Reconciliation of summarised financial information to the carrying amount of the interest in the associates recognised in the consolidated financial statements:

Particulars	As at 31 March 2021	As at 31 March 2020
Opening net assets	188.39	200.21
Add: Profit during the year	57.79	(11.75)
Add: Other comprehensive income during the year	0.06	(0.07)
Closing net assets	246.24	188.39
Less: Instruments entirely equity in nature *	17.62	17.62
Closing net assets available for equity holders	228.62	170.77
Group's share in %	26.00	26.00
Group's share in ₹	59.44	44.40
Share of profit due to change in shareholding	13.38	13.38
Investment in 10 % Non-cumulative non-convertible redeemable preference shares (equity portion)	94.62	79.31
Carrying value of investment accounted for using equity method	167.44	137.09

** Instruments entire equity in nature includes non-cumulative compulsory convertible preference shares issued to Holding Company.*

III Immaterial interest in associate: Jindal Stainless Corporate Management Services Private Limited, an associate that is immaterial to the parent

	As at 31 March 2021	As at 31 March 2020
Aggregate carrying amount of individually immaterial associate	5.31	4.16
Group share in:		
Profit for the year	0.94	1.28
Other comprehensive income	0.21	(0.03)
Total comprehensive income	1.15	1.25

50 **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 has released the draft rules on the aforementoined Code. However, the same is yet to be notified. The Holding 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 Walker Chandiok & Co LLP
Chartered Accountants
FRN 001076N/N500013

Rajni Mundra
Rajni Mundra
Partner
Membership No.: 058644

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

For and on behalf of the Board of Directors

Abhyuday Jindal
Managing Director
DIN: 07290474

Tarun Kumar Khulbe
Whole Time Director
DIN: 07302532

Anurag Mantri
Chief Financial Officer

Navneet Raghuvanshi
Company Secretary

Place: New Delhi
Date: 14 May 2021

JINDAL STAINLESS LIMITED NEW DELHI ★

JINDAL STAINLESS LIMITED

Summary of significant accounting policies and other explanatory information to consolidated financial statements 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 Holding 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 Holding Company is located at O. P. Jindal Marg, Hisar, Haryana, India. The Holding 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.

The consolidated financial statements comprise financial statement of Jindal Stainless Limited and its subsidiaries (collectively the "Group") and includes share of profit of the associates for the year ended 31 March 2021.

Group structure

I. Subsidiaries

Name of the entity	Principal Activities	Country of Incorporation	% of equity Interest	
			As at 31 March 2021	As at 31 March 2020
Indian				
Jindal Stainless Park Limited	Development of industrial park	India	100.00	100.00
Foreign				
PT. Jindal Stainless Indonesia	Stainless steel manufacturing	Indonesia	99.999	99.999
Jindal Stainless FZE	Stainless steel manufacturing	UAE	100.00	100.00
JSL Group Holdings Pte. Limited	Stainless steel manufacturing	Singapore	100.00	100.00
Iberjindal S.L.	Stainless steel manufacturing	Spain	65.00	65.00

II. Associates

Name of the entity	Principal Activities	Country of Incorporation	% of equity Interest	
			As at 31 March 2021	As at 31 March 2020
Indian				
Jindal Stainless Corporate	Management services	India	50.00	50.00
Jindal United Steel Limited	Stainless steel manufacturing	India	26.00	26.00
Jindal Coke Limited	Coke Manufacturing	India	26.00	26.00

(ii) Basis of preparation

The consolidated financial statements of the Holding 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.

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements. The consolidated 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; and

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 consolidated financial statements are presented in Indian Rupees ('₹'), which is the Holding Company's functional and presentation currency and all amounts are rounded to the nearest crores (except otherwise indicated).

JINDAL STAINLESS LIMITED NEW DELHI

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(iii) Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Profit/(loss) and other comprehensive income ('OCI') of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. All the consolidated subsidiaries have a consistent reporting date of 31 March 2021.

The Group combines the consolidated financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Profit/(loss) and each component of OCI are attributed to the equity holders of the parent company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The Group attributes total comprehensive income or loss of the subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Associates

Investment in entities in which there exists significant influence but not a controlling interest are accounted for under the equity method i.e. the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition, as the case may be, which will be inherent in investment. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated statement of profit and loss includes the Group's share of the results of the operations of the investee. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

(iv) Significant accounting policies

a) Current versus non-current classification

The Group 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 Group classifies all other liabilities as non-current.

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 Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

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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 Group. 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 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.

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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 and 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 Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group 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 Group'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.

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.

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g) Foreign currency translation

Functional and presentation currency

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

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group 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).

Exchange differences

As per the generally accepted accounting principles followed by the Holding 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 Group 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 Group 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.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet.
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

h) Right-of-use assets and lease liabilities

As a lessee

Classification of lease

The Group's leased asset classes primarily consist of leases for land and plant and machinery. The Group 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 Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group 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 Group 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 Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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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 Group changes its assessment of whether it will exercise an extension or a termination option.

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 Group.

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.

Group 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 consolidated financial statements on a recurring basis, the Group 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 Group 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 Group 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 Group does not assume any performance obligation.

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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).

For each performance obligation identified, the Group determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If the Group 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 Group 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 Group satisfies a performance obligation before it receives the consideration, the Group 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 Group 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 Group 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 Group 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 Group 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 Group only recognizes revenue for the amounts it ultimately expects to realize from the customer. The Group 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 Group 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.

If the Group determines that the fair value at initial recognition differs from the transaction price the Group 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 Group recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.

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- 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 Group 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:

i. **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.

ii. **Financial assets at fair value**

- **Investments in equity instruments** – 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 Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

  If the Group 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 and loss, even on sale of investment. However, the Group 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).

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 Group has transferred its rights to receive cash flows from the asset.

Reclassification of financial assets

The Group 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 Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group 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 Group 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.

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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 realise 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 Group 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 Group in accordance with the contract and all the cash flows that the Group 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 Group is required to consider –

- 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 Group 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 Group'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 Group 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 Group writes off trade receivables when there is no objective evidence that such amount would not be recovered. Financial assets that are written-off are still subject to enforcement activity by the Group.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Group 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 Group 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 Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group 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 Group 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

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n) Post-employment and other employee benefits

Defined contribution plans

A defined contribution plan is a plan under which the Group 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 Group 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 Group operates defined benefit benefits plans in India and Indonesia. 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 of the Holding Company 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.

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 Group or
- Present obligations arising from past events where it is not probable that an out flow 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.

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 of the respective entities consolidated in these financial statements. 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 Group 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 Group 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 Group 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 Group 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

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 Group's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Group 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 Group'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

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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 Group is such that its disclosure improves the understanding of the performance of the Group. Such income or expense is classified as an exceptional item and accordingly, disclosed in the notes to the consolidated financial statements.

(v) 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 Group's accounting policies and that may have the most significant effect on the amounts recognised in the consolidated 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 Group's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, dealers 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 recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

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 Group 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.

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 Group 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 Group 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 Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

(vi) 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 Group 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.

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

(All amounts in ₹ crores, unless stated otherwise)

- If the Group 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 Group, 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 consolidated financial statements.
- The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

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