

Jindal Stainless (Hisar) Limited

*Stand Alone
Financial Statements
2020 - 2021*

Lodha & Co.

Chartered Accountants
12, Bhagat Singh Marg,
New Delhi – 110 001

S. S. Kothari Mehta & Company

Chartered Accountants
Plot No-68, Okhla Industrial Area, Phase III,
New Delhi -110020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JINDAL STAINLESS (HISAR) LIMITED

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of JINDAL STAINLESS (HISAR) LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information in which are included the Return for the year ended on the date audited by the branch auditors of the Company's branch located at Kothavalasa in Vizianagaram district, Andhra Pradesh. (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit (including Other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

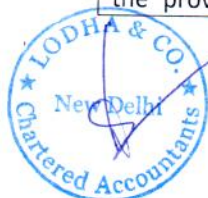
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report:-

Description of Key Audit Matters	How our audit addressed the Key Audit Matters
Contingent liabilities The Company faces a number of actual legal and regulatory proceedings. The determination of the provision and/or the level of disclosure	We evaluated the design and tested operating effectiveness of controls in respect of determination of the



Description of Key Audit Matters	How our audit addressed the Key Audit Matters
<p>required involves a high degree of judgement resulting in provisions and contingent liabilities being considered as a key audit matter.</p>	<p>contingencies. We determined that the operation of the controls provided to us with evidence over the completeness, accuracy and valuation of the guarantees by an independent valuer;</p> <p>We read the summary of litigation matters provided by management and held discussions with Company's legal department/advisors and read determinations and judgment's made by the Court/ legal authority(s). We requested legal letters from some of the external legal advisors with respect to the matters included in the summary. Where appropriate we examined correspondence connected with the cases;</p> <p>For litigation provisions/ contingencies, we tested the calculation, assessed the estimates against historical trends.</p> <p>We considered management's judgements on the level of provisioning/ contingencies to be appropriate. We also evaluated appropriateness of the disclosures in Note no. 31 and 38 which we considered appropriate.</p>
<p>Revenue Recognition</p> <p>Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognized when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.</p> <p>Refer Note 1.12 of the Standalone Financial Statements – Significant Accounting Policies</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls • Evaluating the design and implementation of Company's controls in respect of revenue recognition. • Testing the effectiveness of such controls over revenue cut off at year-end • Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognized in the correct period. • Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing. • Assessing the appropriateness of the Company's revenue recognition accounting policies in line with IND AS 115 ("Revenue from Contracts with Customers") and testing thereof.

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

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

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

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



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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position/state of affairs, financial performance (profit and loss including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Company 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements 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.

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

Other Matters

We did not audit the financial statements/ information of one branch included in the standalone financial statements of the company whose financial statements/financial information reflect total assets of Rs. 47.68 crore as at 31st March 2021 and the total revenue of Rs. 6.17 crore for the year ended on that date, as considered in the standalone financial statements/information of the branch has been audited by the branch auditor whose report have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the branch, is based solely on the report of such branch auditor.

Our opinion is not modified in respect of these matters.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of audit, we give in the Annexure 'A' a statement on the matters specified in the paragraphs 3 and 4 of the Order.

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

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

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branch not visited by us.

(c) The reports on the accounts of the branch office of the company audited under the section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.



(d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Change in Equity dealt with by this Report are in agreement with the books of account and with the returns received from the branch not visited by us.

(e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

(f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(g) As required by section 143(3)(i) of the Companies Act, 2013, and based on the checking of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, our separate report with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls is as per Annexure 'B'.

(h) With respect to the other matter to be included in the Auditors' report under Section 197(16), as amended: In our opinion and according to the information and explanation given to us, the managerial remuneration paid/provided during the current year by the Company is in accordance with the provisions of Section 197 of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts.

iii. There was no amount which was required to be transferred to the Investor Education and Protection Fund by the Company.

For **LODHA & CO.**

Chartered Accountants

ICAI-FRN: 301051E



N.K. LODHA

Partner

Membership No. 085155

UDIN: 21085155AAAACI4761

Place: New Delhi

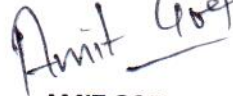
Date: May 18, 2021



For **S.S. KOTHARI MEHTA & COMPANY**

Chartered Accountants

ICAI-FRN: 000756N



AMIT GOEL

Partner

Membership No. 500607

UDIN: 21500607AAAFAZ4499

Place: New Delhi

Date: May 18, 2021



ANNEXURE "A" REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF JINDAL STAINLESS (HISAR) LIMITED FOR THE YEAR ENDED MARCH 31, 2021.

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets in a phased manner to cover all items of fixed assets (PPE) in three years. As per the physical verification program, certain fixed assets have been verified by the management during the year which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company read with footnote (#) of Note No. 2 of the standalone financial statements.
- ii. The inventories of the Company (except stock lying with the third parties and in transit) have been physically verified by the management at reasonable intervals. In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable in relation to the size of the Company and nature of its business. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
- iii. The Company has granted loans, unsecured to Companies covered in the register maintained under section 189 of the Companies Act, 2013 (Read with note no. 36(a) of the standalone financial statements):-
 - a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that terms and conditions of aforesaid loans so granted are not prejudicial to the interest of the Company.
 - b) In respect of aforesaid loans, repayment of principal & payment of interest has been stipulated and repayment and receipts have not become due for payment as on March 31, 2021 (read with footnote @ to note no. 47).
 - c) There were no overdue amounts remaining outstanding as at the year-end.
- iv. According to the information, explanations and representations provided by the management and based upon audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and security, the Company has complied with the provisions of the Section 185 and 186 of the Companies Act, 2013.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder.
- vi. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act in



respect of the Company's products and services to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

vii. (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax, duty of customs, cess and other material statutory dues with the appropriate authorities to the extent applicable and there are no undisputed statutory dues payable as at March 31, 2021 for a period of more than six months from the date they become payable.

(b) According to the records and information & explanations given to us, there are no dues in respect of Income tax and goods and services tax that have not been deposited with the appropriate authorities to the extent applicable on account of any dispute and the dues in respect of duty of customs, duty of excise, service tax, sales tax and labour welfare cess that have not been deposited with the appropriate authorities on account of any dispute and the forum where the dispute is pending are given below:

Name of The Statute	Nature of Dues	Amount (₹ in Crore)	Period to which amount relates to	Forum where dispute is pending
Central Excise Act	Excise Duty	0.47	Jul'05 – Dec'07	High Court of Punjab & Haryana
		2.66	2006-07	High Court of Punjab & Haryana
		0.73	2014-17	Joint Commissioner, Rohtak
		0.02	Apr 95 - Jun 95	High Court, New Delhi
		6.58	Jan 99 - Dec 04	High Court of Punjab & Haryana
		28.50	Jul 05 - Dec 07	Commissioner, Rohtak
		0.08	1994-95	Addl. Commissioner of Central Excise, Rohtak
		0.05	May 07 - Oct 07	High Court of Punjab & Haryana.
		0.05	Jul 09	High Court of Punjab & Haryana.
		8.83	June 2000- Nov 04	High Court Hyderabad
		79.94	Jan 05- Jan 14	Commissioner Vishakhapatnam
Customs Act, 1956	Custom Duty	15.13	Mar 2014 – May 2018	Deputy Commissioner of Custom, Gurgaon
The Central Sales Tax, 1956	Sales Tax	0.03	1993-94	High Court of Punjab & Haryana
Finance Act 1994	Service Tax	0.96	April 16 - June 17	High Court Orissa
Labour Welfare Fund	Labour Welfare Cess	0.05	2006-2011	High Court AP

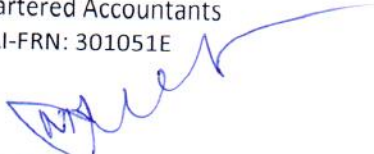
viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks, government, as applicable. There are no dues to debenture holders.

ix. On the basis of information and explanations given to us, term loan were applied for the purpose for which the loans were obtained. No moneys have been raised during the year by way of initial public offer or further public offer.



- x. Based on the audit procedure performed and on the basis of information and explanations provided by the management, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the course of the audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations and records made available by the management of the Company and audit procedure performed, for transactions with the related parties during the year, the Company has complied with the provisions of Section 177 and 188 of the Act, where applicable. As explained and as per records, details of related party transactions have been disclosed in the standalone financial statements as per the applicable Indian Accounting Standards (Read with note no. 47).
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. On the basis of records made available to us and according to information and explanations given to us, the Company has not entered into non-cash transactions with the directors or persons connected with him.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

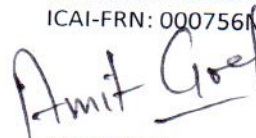
For **LODHA & CO,**
Chartered Accountants
ICAI-FRN: 301051E



N.K. LODHA
Partner
Membership No. 085155
Place: New Delhi
Date: May 18, 2021



For **S.S. KOTHARI MEHTA & COMPANY**
Chartered Accountants
ICAI-FRN: 000756N



AMIT GOEL
Partner
Membership No. 500607
Place: New Delhi
Date: May 18, 2021



ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF JINDAL STAINLESS (HISAR) LIMITED

Report on the internal financial controls over financial reporting under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of JINDAL STAINLESS (HISAR) LIMITED ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date in which are incorporated the Return for the year ended on the date audited by the branch auditor of the Company's branch at Kothavalasa in Vizianagaram district, Andhra Pradesh.

Management's responsibility for internal financial controls

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

Auditor's responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the branch in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are



recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

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

Opinion

In our opinion and based on the report of the branch auditor furnished to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other matter

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to Return audited by the branch auditor of the Company's branch at Kothavalasa in Vizianagaram district, Andhra Pradesh.

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

For **LODHA & CO**
Chartered Accountants
ICAI-FRN: 301051E

N.K. LODHA
Partner
Membership No. 085155
Place: New Delhi
Date: May 18, 2021



For **S.S. KOTHARI MEHTA & COMPANY**
Chartered Accountants
ICAI-FRN: 009756N

AMIT GOEL
Partner
Membership No. 500607
Place: New Delhi
Date: May 18, 2021



JINDAL STAINLESS (HISAR) LIMITED

Balance sheet as at 31 March 2021

	Note	As at 31 March 2021	As at 31 March 2020
(₹ in Crore)			
ASSETS			
Non-current assets			
Property, plant and equipment	2	1,714.16	1,867.38
Capital work-in-progress	52	181.93	105.50
Goodwill	3	10.34	10.34
Other intangible assets	3	12.84	13.35
Financial assets			
Investments	4	416.82	416.77
Loans	5	1,084.86	934.86
Others financial assets	6	29.58	29.61
Other non-current assets	7	5.85	28.87
Total non-current assets		3,456.38	3,406.68
Current assets			
Inventories	8	1,438.57	1,356.16
Financial assets			
Trade receivables	9	753.18	679.82
Cash and cash equivalents	10	7.64	18.52
Bank balances other than above	11	0.32	0.26
Others financial assets	6	279.43	218.26
Other current assets	7	75.88	118.93
Total current assets		2,555.02	2,391.95
Total assets		6,011.40	5,798.63
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	47.19	47.19
Other equity	13	2,267.82	1,789.06
Total equity		2,315.01	1,836.25
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	14	1,219.61	1,799.03
Other financial liabilities	19	8.88	10.03
Provisions	15	12.65	15.19
Deferred tax liabilities (net)	16	14.13	34.99
Total non-current liabilities		1,255.27	1,859.24
Current liabilities			
Financial liabilities			
Borrowings	17	126.50	89.94
Trade payables			
Total outstanding dues of micro and small enterprises	18	30.66	49.33
Total outstanding dues of creditors other than micro and small enterprises	18	1,548.07	1,285.17
Other financial liabilities	19	397.59	439.17
Other current liabilities	20	236.01	233.10
Provisions	15	2.60	2.66
Current tax liabilities (net)	21	99.69	3.77
Total current liabilities		2,441.12	2,103.14
Total equity and liabilities		6,011.40	5,798.63

Significant accounting policies

The accompanying significant accounting policies and notes form an integral part of these financial statements.

In terms of our report of even date annexed hereto.

For LODHA & CO.
Chartered Accountants

(N.K. LODHA)
Partner
Membership No. 85155
FRN 301051E

PLACE: New Delhi
DATED: 18 May 2021

For S.S. KOTHARI MEHTA & COMPANY
Chartered Accountants

(AMIT GOEL)
Partner
Membership No. 500607
FRN 000756N

For and on behalf of the Board of Directors :

ABHYUDAY JINDAL
Managing Director
DIN 07290474

JAGMOHAN SOOD
Whole Time Director
DIN 08121814

RAMNIK GUPTA
Chief Financial Officer
PAN AHEPG2769D

BHARTENDU HARIT
Company Secretary
Membership No. A15123



JINDAL STAINLESS (HISAR) LIMITED

Statement of profit & loss for the year ended on 31 March 2021

(₹ in Crore)

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
INCOME			
Revenue from operations	22	8,399.70	8,339.69
Other income	23	95.26	97.88
Total Income		8,494.96	8,437.57
EXPENSES			
Cost of materials consumed	24	5,344.78	5,312.74
Purchases of stock in trade	25	312.17	179.36
Changes in inventories of finished goods, work in progress and stock in trade	26	(39.47)	(1.50)
Employee benefits expenses	27	179.78	184.03
Finance costs	28	235.71	303.64
Depreciation and amortization expenses	29	265.89	273.16
Other expenses	30	1,599.87	1,803.29
Total Expenses		7,898.73	8,054.72
Profit before exceptional items and tax		596.23	382.85
Exceptional items - gain (net)	33	40.07	18.71
Profit before tax		636.30	401.56
Tax expense			
Current tax		183.72	125.41
Deferred tax		(21.80)	(44.24)
Taxes in relation to earlier years		(3.40)	0.06
Net profit for the year		477.78	320.33
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		1.32	(1.06)
Income tax effect on above		(0.34)	0.27
Total comprehensive income for the year		478.76	319.54
Earnings per share (in ₹)			
Basic	50	20.25	13.58
Diluted		20.25	13.58

Significant accounting policies

The accompanying significant accounting policies and notes form an integral part of these financial statements.

In terms of our report of even date annexed hereto.

For LODHA & CO.
Chartered Accountants

(N.K. LODHA)
Partner
Membership No. 85155
FRN 301051E

PLACE: New Delhi
DATED: 18 May 2021

For S.S. KOTHARI MEHTA & COMPANY
Chartered Accountants

(AMIT GOEL)
Partner
Membership No. 500607
FRN 000756N

For and on behalf of the Board of Directors :

ABHYUDAY JINDAL
Managing Director
DIN 07290474

JAGMOHAN SOOD
Whole Time Director
DIN 08121814

RAMNIK GUPTA
Chief Financial Officer
PAN AHEPG2769D

BHARTENDU HARIT
Company Secretary
Membership No. A15123



JINDAL STAINLESS (HISAR) LIMITED

Statement of changes in equity for the year ended on 31 March 2021

EQUITY SHARE CAPITAL

(₹ in Crore)				
At at 01 April 2019	Changes in equity share capital during 2019-20	At at 01 April 2020	Changes in equity share capital during 2020-21	At at 31 March 2021
47.19	-	47.19	-	47.19

OTHER EQUITY

(₹ in Crore)					
	Surplus		Items of other comprehensive income		Total
	Capital reserve	Securities premium	Retained earnings	Re-measurement of the net defined benefit plans(net of tax)	
Balance as at 01 April 2019	0.05	562.94	912.38	(5.85)	1,469.52
Profit for the year 2019-20			320.33		320.33
Re-measurements of the net defined benefit Plans				(0.79)	(0.79)
Balance as at 31 March 2020	0.05	562.94	1,232.71	(6.64)	1,789.06
Profit for the year 2020-21			477.78		477.78
Re-measurements of the net defined benefit Plans				0.98	0.98
Balance as at 31 March 2021	0.05	562.94	1,710.49	(5.66)	2,267.82

The accompanying significant accounting policies and notes form an integral part of these financial statements.

In terms of our report of even date annexed hereto.

For **LODHA & CO.**
Chartered Accountants

(N.K. LODHA)
Partner
Membership No. 85155
FRN 301051E

PLACE: New Delhi
DATED: 18 May 2021

For **S.S. KOTHARI MEHTA & COMPANY**
Chartered Accountants

(AMIT GOEL)
Partner
Membership No. 500607
FRN 000756N

For and on behalf of the Board of Directors :

AB

ABHYUDAY JINDAL
Managing Director
DIN 07290474

Ramnik

RAMNIK GUPTA
Chief Financial Officer
PAN AHEPG2769D

JMSood

JAGMOHAN SOOD
Whole Time Director
DIN 08121814

Bhartendu

BHARTENDU HARIT
Company Secretary
Membership No. A15123



JINDAL STAINLESS (HISAR) LIMITED

Statement of Cash Flows for the year ended 31 March 2021

(₹ in Crore)

	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Cash flow from operating activities		
Profit before tax		
Adjustment for:	636.30	401.56
Add/(less)		
Depreciation and amortisation expenses	265.89	273.16
Provision for doubtful debts & advance / bad debts (net)	8.13	4.69
Effect of unrealised foreign exchange (gain)/loss	(3.98)	(3.56)
Mark to market of derivatives contract (gain)/loss	(16.06)	12.25
Finance costs	235.71	303.64
Profit on sale of current investments	(0.02)	-
Interest income	(92.43)	(95.78)
Re-measurements of the net defined benefit Plans	1.32	(1.06)
Loss on sale/discard of property, plant & equipment (net)	0.01	0.18
Operating profit before working capital changes	1,034.87	895.08
Movement in working capital:		
(Increase) / decrease in inventories	(82.41)	(45.51)
(Increase) / decrease in trade receivables	(77.40)	102.00
(Increase) / decrease in loans & advances and other assets	63.50	(56.57)
Increase / (decrease) in liabilities and provisions	349.10	(105.54)
Cash inflow from operating activities before exceptional items	1,287.66	789.46
Income tax paid (net)	(83.80)	(153.06)
Net cash inflow from operating activities	1,203.86	636.40
B. Cash flow from investing activities		
Investment in subsidiaries	(0.05)	-
Loan given to related party	(150.00)	-
Purchase of property, plant & equipment and intangible assets	(179.59)	(205.35)
Sales proceeds of property, plant & equipment sold	4.10	7.86
Interest received	8.10	13.64
Net proceeds on sale of investments	0.02	-
Bank deposits encashed/(made)	-	0.65
Net cash outflow from investing activities	(317.42)	(183.19)
C. Cash flow from financing activities		
Interest and finance charges paid	(160.44)	(289.92)
Payment of lease liability	(1.00)	(0.89)
Proceeds from / (repayment of) long term borrowings (net)	(773.80)	(179.86)
Proceeds from / (repayment of) short term borrowings (net)	37.92	18.06
Net cash outflow from financing activities	(897.32)	(452.61)
Net changes in cash & cash equivalents	(10.88)	0.60
Cash & cash equivalents (closing balance) (refer note no 10)	7.64	18.52
Cash & cash equivalents (opening balance) (refer note no 10)	18.52	17.92
Net changes in cash & cash equivalents	(10.88)	0.60

Reconciliation of liabilities arising from financing activities

	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Long term borrowing	Short term borrowing *	Long term borrowing	Short term borrowing *
Opening balance	1,929.03	89.94	2,109.32	71.88
Cash flows				
Repayment	(829.66)	-	(179.86)	-
Proceeds	55.86	37.92	-	18.06
Non cash				
Foreign exchange movement	-	(1.36)	-	-
Interest converted to loan on availment of moratorium	100.73	-	-	-
Fair value changes	(6.20)	-	(0.43)	-
Closing balance	1,249.76	126.50	1,929.03	89.94

* Short term borrowings are presented on net basis

The accompanying significant accounting policies and notes form an integral part of these financial statements.

In terms of our report of even date annexed hereto.

For and on behalf of the Board of Directors:

For LODHA & CO.
Chartered Accountants

For S.S. KOTHARI MEHTA & COMPANY
Chartered Accountants

ABHYUDAY JINDAL
Managing Director
DIN 07290474

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(N.K. LODHA)
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(AMIT GOEL)
Partner
Membership No. 500607
FRN 000756N

RAMNIK GUPTA
Chief Financial Officer
PAN AHEPG2769D

BHARTENDU HARIT
Company Secretary
Membership No. A15123

PLACE: New Delhi
DATED: 18 May 2021



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

Corporate and General Information

Jindal Stainless (Hisar) Limited ("the Company") is domiciled and incorporated in India and its equity shares and GDR are listed at Bombay Stock Exchange/National Stock Exchange/Luxembourg Stock Exchange respectively. The registered office of the Company is located at O. P. Jindal Marg, District Hisar, 125005, Haryana, India.

The company is a leading manufacturer /producer of stainless steel flat products in austenitic, ferritic, martensitic and duplex grades. The product range includes ferro alloys, stainless steel slabs and blooms, hot rolled coils, plates and sheets, cold rolled coils and sheets, specialty products such as razor blade steel, precision strips, coin blanks and long products.

The financial statements of the Company for the year 31 March 2021 were approved and authorized for issue by board of directors in their meeting held on 18 May 2021.

Statement of compliances

The financial statements are a general purpose financial statement which have been prepared in accordance with the Indian Companies Act, Indian Accounting Standards and complies with other requirements of the law. Indian Accounting Standards (IND AS) include equivalent to International Financial Reporting Standards (IFRS). Compliance with the IND AS ensures that the financial statements and notes of the entity comply with International Financial Reporting Standards (IFRS).

Basis of preparation

These financial statements have been prepared complying in all material respects with the Indian Accounting Standards notified under section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rule 2015. The financial statements comply with IND AS notified by Ministry of Corporate Affairs (MCA). The Company has consistently applied the accounting policies used in the preparation of financial statement of all period presented.

The financial statements has been prepared considering all IND AS as notified and made applicable by MCA for reporting date i.e. 31 March 2021.

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years.

Changes in significant accounting policy

Standards issued but yet not effective

Ministry of Corporate Affairs (MCA) notified new standard and amendments to the existing standards. There is no such notification, which would have been applicable from 01 April 2021.



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

NOTE NO 1 : SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies

1.1 Basis of Measurement

The standalone financial statements have been prepared on accrual basis and under a historical cost basis except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Financial assets and liabilities except certain investments, loans and borrowings carried at amortized cost (refer accounting policy regarding financial instruments),
- Defined benefit plans – plan assets

The standalone financial statements are presented in Indian Rupees (₹), which is the Company's functional and presentation currency and all amounts are rounded to the nearest Crores and two decimals thereof, except as otherwise stated.

1.2 Property, plant and equipment

- Property, plant and equipment are stated cost less accumulated depreciation and impairment losses. Cost comprises of all cost, net of income (if any) incurred to bring the assets to their present location and working condition and other related overheads till such assets are ready for intended use.
- Depreciation
Depreciation on property, plant & equipment is provided on straight line method over their useful lives and in the manner specified in Schedule II of the Companies Act, 2013. However, in respect of certain plant & machinery and electric installations, depreciation is provided as per their useful lives assessed on the basis of technical evaluation by the external valuer.

Asset class	Useful life
Property, plant and equipment	
Plant and equipment	1-25 years
Buildings	3-60 years
Furniture and fixtures	1-10 years
Vehicles	1-19 years
Office equipment	1-16 years

-The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

iii. Component accounting

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes there placed part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

- iv. Classification of plant & machinery into continuous and non-continuous is made on the basis of technical assessment and depreciation is provided for accordingly.
- v. Expenditure during construction/erection period is included under capital work-in-progress and is allocated to the respective fixed assets on completion of construction/erection.
- vi. Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of Property, plant and equipment and gains or losses arising from derecognition are recognized in statement of profit and loss in the year of occurrence.

1.3 Intangible assets

Intangibles assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any and cost includes any directly attributable expenditure on making the asset ready for its intended use. Intangible assets with finite useful lives are capitalized at cost and amortized on a straight-line basis normally over a period of 5 to 10 years, depending on their estimated useful lives.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

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

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

1.4 Research and development cost

Research cost

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

Development cost

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

1.5 Inventories

Inventories are stated at lower of cost and net realizable value (except scrap/ waste which are valued at net realizable value). However raw materials, components, stores and spares held for use in the production of finished goods are not written down below cost if the finished products are expected to be sold at or above cost. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and selling costs. The cost is computed on weighted average basis. Finished goods and process stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Conversion cost includes direct material, labour and allocable material and manufacturing overhead based on normal operating capacity.



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

1.6 Cash and cash equivalents

Cash and cash equivalents are financial assets. Cash and cash equivalents consist of cash and short-term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the time of purchase/investment and are carried at cost plus accrued interest, if any.

1.7 Financial instruments

A financial instrument is any contract that at the same time gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized as soon as the company becomes a contracting party to the financial instrument. In cases where trade date and settlement date do not coincide, for non-derivative financial instruments the settlement date is used for initial recognition or derecognition, while for derivatives the trade date is used. Financial instruments stated as financial assets or financial liabilities are generally not offset; they are only offset when a legal right to set-off exists at that time and settlement on a net basis is intended.

a) Financial assets

Financial assets include trade receivable, cash and cash equivalents, derivative financial assets and also the equity / debt instruments held. Initially all financial assets are recognized at amortized cost or fair value through other comprehensive income or fair value through Statement of Profit or Loss, depending on its business model for those financial assets and their contractual cash flow characteristics.

Subsequently, based on initial recognition/ classification, where assets are measured at fair value, gain and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income)

i) Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost less expected credit loss/impairment allowances. Receivables that do not bear interest or bear below market interest rates and have an expected term of more than one year are discounted with the discount subsequently amortized to interest income over the term of the receivable.

Impairment is made on the expected credit losses, which are the present value of the cash deficits over the expected life of receivables. The estimated impairment losses are recognized in the statement of profit and loss. Subsequent changes in assessment of impairment are recognized in the statement of profit and loss as changes in estimates.

The company makes provision for expected credit loss against trade receivables based on the simplified approach (i.e. the loss allowance is measured as the amount equal to lifetime expected credit losses).

ii) Loans & other financial assets

Loans and other financial assets are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and other financial assets are measured at amortized cost using the effective interest method, less any impairment losses.

iii) Investment in equity shares

Investment in equity securities are initially measured at fair value. Any subsequent fair value gain or loss for investments held for trading is recognized through statement of profit & loss. The fair value gains or losses of all other equity securities are recognized in other comprehensive income.



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

iv) Investment in associates, joint venture and subsidiaries

The Company's investment in subsidiaries, associates and joint ventures are carried at cost except where impairment loss recognized.

b) Financial liabilities

Financial liabilities such as loans and borrowings and other payables are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual terms of the instrument. Financial liabilities other than fair valued through profit and loss are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. Transaction costs of financial liability carried at fair value through profit or loss is expensed in profit or loss.

The Company derecognizes a financial liability when its contractual obligations are settled or cancelled or expired.

Financial liabilities at fair value through profit or loss

It includes financial liabilities held for trading and are designated as such at initial recognition. Financial liabilities are held for trading if they are incurred for the purpose of repurchasing in near term and also include Derivatives that are not part of an effective hedge accounting in accordance with IND AS 109, classified as "held for trading" and carried at fair value through profit or loss. Financial liabilities at fair value through profit or loss are measured at each reporting date at fair value with all the changes recognized in the statement of profit and loss.

Financial liabilities measured at amortized cost

Post recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method ("EIR"). Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss.

Loans and borrowings

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in statement of profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that is probable that some or all of the facility will be drawn down.

Financial guarantee contracts

As per IND AS -109 " Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the original or modified terms of a debt instrument. "

Initial recognition

The date the company becomes a party to the irrevocable commitment is considered to be the date of initial recognition and financial guarantee contracts are recognized as liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

Trade and other payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. Trade accounts payable and other non-derivative financial liabilities are in general measured at amortized cost using the effective interest method. Finance charges, including premiums payable on redemption or settlement, are periodically accrued using the effective interest method and increase the liabilities' carrying amounts unless they have already been settled in the period in which they were incurred.

Derivative financial instruments

The Company uses derivative financial instruments principally to manage its exposure to fluctuations in interest rates, foreign exchange rates and prices of raw materials arising from operating, financing and investing activities. Derivative financial instruments are classified as current or non-current assets /liabilities based on their maturity dates. Embedded derivatives are separated from the host contract and accounted for separately if they are not closely related to the host contract. Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit or loss.

1.8 Business combinations under common control

Common control business combinations include transactions, such as transfer of subsidiaries or business, between entities within a group.

Business combinations involving entities or business under common control are for using the pooling of interest method.

Under pooling of interest method, the assets and liabilities of the combining entries are reflected at their carrying amounts, the only adjustments that are made are to harmonise accounting policies.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves.

1.9 Fair value measurement

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

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

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

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

A fair value measurement of a non- financial asset takes in to 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.



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

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

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

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

1.10 Impairment of non-financial assets

At each reporting date, the company assesses whether there is any indication that a non-financial asset may be impaired. If any such indication exists, the recoverable amount of the non-financial asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is determined:

- In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use; and
- In the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of cash generating unit's fair value less cost to sell and the value in use.

Where it is not possible to estimate the recoverable amount of an individual non-financial asset, the company estimates the recoverable amount of the smallest cash generating unit to which the non-financial asset belongs. The recoverable amount is the higher of an asset's or cash generating unit's fair value less costs of disposal and its value in use. If the recoverable amount of a non-financial asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the non-financial asset or cash generating unit is reduced to its recoverable amount. Impairment losses are recognized immediately in the statement of profit and loss.

Where an impairment loss subsequently reverses, the carrying amount of the non-financial asset or cash generating unit is increased to the revised estimate of its recoverable amount.

However, this increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for that non-financial asset or cash generating unit in prior periods. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

1.11 Foreign currency transactions

i. Functional and presentation currency

The functional and reporting currency of company is INR or ₹.

ii. Transaction and balances

Currency transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are retranslated at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are included in the net profit or loss for the period.

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 is recognized in line with the gain or loss of the item that gave rise to the translation difference.

1.12 Revenue Recognition

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

Revenue is measured based on the consideration specified in a contract with a customer. A performance obligation is a promise in a contract to transfer a distinct good or service (or a bundle of goods and services) to the customer. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue, as, or when, the performance obligation is satisfied. The Company recognizes revenue when it transfers control of a product or service to a customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payments and excludes taxes and duties collected on behalf of the government.

The Company recognizes revenue from the following major sources :

Sale of products:

- Revenue from the sale of goods and services is recognized when the significant risks and rewards of ownership or effective control of promised goods and services have been transferred to the buyer on satisfaction of performance obligations and no significant uncertainty exists regarding the amount of consideration that will be derived.
- Revenue is measured based on transactions price (excluding any taxes or duties collected on behalf of government which are levied on sales) arrived at by determining fair value of consideration received or receivable after adjusting returns, sales incentive, discounts / rebates etc in exchange of goods and services. Export incentives and other benefits are recognised in the year of export.
- Revenue from other activities is recognized based on the nature of activity, when consideration can be reasonably measured. Certain claims like those relating to railways, insurance, electricity, customs, and excise are accounted for on acceptance/when there is a reasonable certainties.



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

Sale of services:

- Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered.

Dividend income:

- Dividend income is accounted for when the right to receive the same is established,

Interest income:

- For all financial instruments measured at amortized cost, interest income is recorded using effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in statement of profit and loss.

1.13 Government grant

- Government grants related to capital nature shall be recognized in the statement of profit and loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate.
- A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognized in statement of profit or loss of the period in which it becomes receivable.

1.14 Employees benefits

a) Short term employee benefit

All employees' benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

b) Defined contribution plan

Contributions to the employees' provident fund, national pension scheme and employee's state insurance are recognized as defined contribution plan and charged as expenses in the year in which the employees render the services.

c) Defined benefit plan

The Provident Fund (Funded), Leave Encashment and Gratuity are defined benefit plans. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on the plan assets (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 other comprehensive income in the period in which they occur. Re-measurements are not classified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the statement of profit and loss in the period of plan amendment.



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

Net Interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss.

- Service costs comprising current service costs, gains and losses on curtailments and non-routine settlements
- Net interest income or expense

d) Long term employee benefit

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

e) Termination benefits

Termination benefits are recognized as an expense in the period in which they are incurred. The Company shall recognize a liability and expense for termination benefits at the earlier of the following dates:

- (i) When the entity can no longer withdraw the offer of those benefits; and
- (ii) When the entity recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

1.15 Borrowing costs

- (a) Borrowing costs that are specifically attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost of such asset till such asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.
- (b) For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.
- (c) All other borrowing costs are recognized as expense in the period in which they are incurred.

1.16 Leases

The company as a lessee

The company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contain, a lease if the contract conveys the right to control the use of an identified asset for a period of time exchange of consideration.

At the commencement of the lease, the company recognize a right of use asset and corresponding lease liabilities for all lease arrangements except for leases with a terms of twelve months or less (short term leases), variable leases and low value leases, for which lease payments has been recognized as an operating expenses on a straight line basis over the term of lease.

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



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

The Company recognizes a right-to-use asset, on a lease-by-lease basis, to measure that right-of-use asset an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

The cost of right-of-use assets includes the amount of lease liabilities recognised. Initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment test. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The Company recognises a lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on a lease by lease basis.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The company as lessor

Leases for which the company is a lessor is classified as finance or operating lease. When the terms of the lease transfer substantially all of the risks and benefits incidental to ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight line basis over the term of relevant lease.

1.17 Taxes on income

a) Current tax

i) Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income-Tax Act 1961 and based on the expected outcome of assessments / appeals.

ii) Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. 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.

b) Deferred tax

i) Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit as well as for unused tax losses or credits. In principle, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax assets and liabilities are also recognized on temporary differences arising from business combinations except to the extent they arise from goodwill that is not taken into account for tax purposes.

ii) Deferred taxes are calculated at the enacted or substantially enacted tax rates that are expected to apply when the asset or liability is settled. Deferred tax is charged or credited to the statement of profit and loss, except when it relates to items credited or charged directly to other comprehensive income in equity, in which case the corresponding deferred tax is also recognized directly in equity.



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

1.18 Provisions, contingent liabilities, contingent assets and commitments

a) General

The Company recognizes provisions for liabilities and probable losses that have been incurred when it has a present legal or constructive obligation as a result of past events and it is probable that the Company will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation:
- A present obligation arising from past events, when no reliable estimate is possible:
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at the end of each reporting period.

Contingent assets are neither disclosed nor accounted for in financial statements.

b) Other litigation claims

Provision for litigation related obligation represents liabilities that are expected to materialize in respect of matters in appeal.

c) Onerous contracts

Provisions for onerous contracts are recorded in the statements of operations when it becomes known that the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received.

1.19 Exceptional items

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

1.20 Earnings per share

Basic Earnings per share is calculated by dividing the net profit or loss after tax for the year (without taking impact of OCI) attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the adjusted net profit or loss after tax for the year (without taking impact of OCI) attributable to the equity shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

1.21 Segment reporting

The Company's operating businesses are organized and managed according to the nature of products manufactured and services provided, with segment representing a strategic business unit that offers different products and as reviewed by the chief operating decision maker of the Company. The company's business falls within a primary business segment viz. "stainless steel".

1.22 Financial statement classification

Certain line items on the balance sheet and in the statement of profit and loss have been combined. These items are disclosed separately in the notes to the financial statements.

All assets and liabilities have been classified as current or non current as per the company normal operating cycle and other criteria as set out in the Division II of the Schedule III of the Companies Act, 2013. In general the company classifies assets and liabilities as current when they are expected to be realized or settled within twelve months after the balance sheet date.

1.23 Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and are measured at the lower of their carrying amount and fair value less costs to sell. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a complete sale within one year from the date of classification.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

Assets and liabilities classified as held for distribution are presented separately from other assets and liabilities in the balance sheet.

A disposal group qualifies as discontinued operation if it is a component of the Company that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
 - Is part of a single co-ordinate plan to dispose of a separate major line of business or geographical area of operations
- Or
- Is a subsidiary acquired exclusively with a view to resale.

An entity shall not depreciate (or amortize) a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale.

1.24 Capital

Debt and equity instruments:

Ordinary equity shares are classified as equity. Debt instruments are classified as liability.



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

1.25 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Income taxes

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

b) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

c) Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These Includes the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

d) Contingencies

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

e) Leases

Identification of lease require significant judgement. The company evaluate if a contract qualify to be a lease as per the requirements of Ind AS 116. The company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.



JINDAL STAINLESS (HISAR) LIMITED
Notes to the financial statements for the year ended 31 March 2021

2. PROPERTY, PLANT AND EQUIPMENT

	Right to use of assets	# Freehold land	# Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	(₹ in Crore) Total
GROSS CARRYING AMOUNT								
As at 01 April 2019	-	324.65	398.21	2,517.80	6.19	26.57	2.40	3,275.82
Additions	11.95	-	13.63	141.04	2.36	4.56	1.17	174.71
Disposals/adjustments	-	-	-	26.83	-	0.07	0.08	26.98
As at 31 March 2020	11.95	324.65	411.84	2,632.01	8.55	31.06	3.49	3,423.55
Additions	-	-	12.63	94.99	0.25	1.30	0.08	109.25
Disposals/adjustments	-	-	-	34.61	-	0.03	-	34.64
As at 31 March 2021	11.95	324.65	424.47	2,692.39	8.80	32.33	3.57	3,498.16
ACCUMULATED DEPRECIATION								
As at 01 April 2019	-	-	117.53	1,172.15	2.68	11.47	1.12	1,304.95
Charge for the year	1.47	-	24.34	240.53	0.47	3.06	0.29	270.16
Relating to disposals/adjustments	-	-	-	18.94	-	-	-	18.94
As at 31 March 2020	1.47	-	141.87	1,393.74	3.15	14.53	1.41	1,556.17
Charge for the year	1.47	-	25.86	226.81	0.65	3.26	0.31	258.36
Relating to disposals/adjustments	-	-	-	30.53	-	-	-	30.53
As at 31 March 2021	2.94	-	167.73	1,590.02	3.80	17.79	1.72	1,784.00
NET CARRYING AMOUNT								
As at 31 March 2020	10.48	324.65	269.97	1,238.27	5.40	16.53	2.08	1,867.38
As at 31 March 2021	9.01	324.65	256.74	1,102.37	5.00	14.54	1.85	1,714.16

Note

The Company has legally valid, clear & marketable title over the freehold land & buildings amounting to ₹ 318.12 crore and ₹ 3.24 crore respectively, vested in the company pursuant to the composite scheme of arrangement. Mutation of whole land at Hisar (other than 97 kanal of land amounting to ₹ 9.98 Crore) has been recorded by Land Revenue Department in the name of the Company.



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

3. GOODWILL AND INTANGIBLE ASSETS

	(₹ in Crore)		
	Goodwill	* Software	Total
GROSS CARRYING AMOUNT			
As at 01 April 2019	10.34	10.69	21.03
Additions	-	8.55	8.55
Disposals/adjustments	-	-	-
As at 31 March 2020	10.34	19.24	29.58
Additions	-	7.02	7.02
Disposals/adjustments	-	-	-
As at 31 March 2021	10.34	26.26	36.60
ACCUMULATED AMORTIZATION			
As at 01 April 2019	-	2.89	2.89
Charge for the year	-	3.00	3.00
Relating to disposals/adjustments	-	-	-
As at 31 March 2020	-	5.89	5.89
Charge for the year	-	7.53	7.53
Relating to disposals/adjustments	-	-	-
As at 31 March 2021	-	13.42	13.42
NET CARRYING AMOUNT			
As at 31 March 2020	10.34	13.35	23.69
As at 31 March 2021	10.34	12.84	23.18

* Amortised up to 5 years



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

(₹ In Crore)

	As at 31 March 2021			As at 31 March 2020		
	Nos.	Face Value (₹)	Amount	Nos.	Face Value (₹)	Amount
4 INVESTMENTS						
NON - CURRENT INVESTMENTS AT COST LESS PROVISION						
A Equity shares fully paid up of subsidiary company - trade unquoted - at cost						
Jindal Stainless Steelway Limited @ \$ (Wholly owned subsidiary w.e.f. 14 February 2020)	1,40,61,667	10	25.81	1,40,61,667	10	25.81
JSL Lifestyle Limited @ Green Delhi BQS Limited @	2,09,11,676	10	24.61	2,09,11,676	10	24.61
JSL Media Limited (Wholly owned subsidiary w.e.f. 04 December 2020)	51,000	10	0.05	51,000	10	0.05
JSL Media Limited (Wholly owned subsidiary w.e.f. 04 December 2020)	50,000	10	0.05	49,970	10	0.05
JSL Logistics Limited (Wholly owned subsidiary)	50,000	10	0.05	50,000	10	0.05
Jindal Strategic Systems Limited (Wholly owned subsidiary w.e.f. 15 December 2020)	50,000	10	0.05	-	-	-
TOTAL (A)			50.62			50.57
B Equity shares fully paid up of associate company - at cost						
Jindal Stainless Corporate Management Services Pvt. Limited- Unquoted	5,000	10	0.01	5,000	10	0.01
Jindal Stainless Limited-Quoted #	16,82,84,309	2	366.19	16,82,84,309	2	366.19
TOTAL (B)			366.20			366.20
C Govt./Semi Govt. securities - non trade - fair value						
National Savings Certificate [₹ 1,500 (₹ 1,500)]*			0.00			0.00
TOTAL (C)			0.00			0.00
TOTAL - NON CURRENT INVESTMENT (A+B+C)			416.82			416.77
Total non current investments			416.82			416.77
Aggregate amount of quoted investments			366.19			366.19
Aggregate market value of quoted investments			1,137.60			405.57
Aggregate amount of unquoted investments			50.63			50.58

@ Undertaking for non disposing of investment by way of letter of comfort given to banks against credit facilities/financial assistance availed by subsidiaries.

\$ Undertaking for non disposing of investment by way of letter of comfort given to financial institution against operating lease taken by subsidiary.

Pledge of 7,84,15,662 (7,84,15,662) shares in favour of lenders of Jindal Stainless Limited and pledge of 8,98,68,647 (8,98,68,647) shares in favour of lenders of the company. (read with note no 34(iv))

* Lodged with Government authorities as security.



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

		(₹ in Crore)	
		As at	As at
		31 March 2021	31 March 2020
5 NON CURRENT LOANS			
(Unsecured, Considered good unless otherwise stated)			
(refer note no 36(a) and 47)			
Loans to related parties*		1,084.86	934.86
TOTAL - NON CURRENT LOANS		1,084.86	934.86
* carrying interest rate @ 9.05% - 12.5 % p.a.			

		(₹ in Crore)			
		As at	Non Current As at	As at	Current As at
		31 March 2021	31 March 2020	31 March 2021	31 March 2020
6 OTHER FINANCIAL ASSETS					
Security deposits	29.57	29.55	2.51	2.77	
[Net of provision of ₹ 0.54 crore (₹ 0.54 crore)]					
Interest receivable \$ (refer note no 47)	-	-	248.04	163.72	
Derivative assets	-	-	4.98	-	
Other receivables #	-	-	23.90	51.77	
Bank deposit with original maturity of more than 12 months	0.01	0.06	-	-	
TOTAL - OTHER FINANCIAL ASSETS	29.58	29.61	279.43	218.26	
\$ includes ₹ 245.29 crore (₹ 162.00 crore) receivable from Jindal Stainless Limited.					
# Includes export incentives etc.					
* Under lien with Govt authorities					

		(₹ in Crore)			
		As at	Non Current As at	As at	Current As at
		31 March 2021	31 March 2020	31 March 2021	31 March 2020
7 OTHER ASSETS					
Capital advances	5.85	28.87	-	-	
[Net of provision of ₹ 2.68 crore (₹ Nil)]					
Advances to vendors (refer note no 47)	-	-	49.18	41.04	
Advance to employees	-	-	0.10	0.31	
Balance with indirect tax authorities	-	-	19.66	72.12	
Unbilled revenues	-	-	-	0.08	
Other receivables *	-	-	6.94	5.38	
TOTAL - OTHER ASSETS	5.85	28.87	75.88	118.93	
* includes prepaid expenses etc.					



JINDAL STAINLESS (HISAR) LIMITED
Notes to the financial statements for the year ended 31 March 2021

	(₹ in Crore)	
	As at 31 March 2021	As at 31 March 2020
8 INVENTORIES		
(As taken by the management)		
(valued at lower of cost and net realizable value unless otherwise stated)		
Raw materials [including material in transit ₹ 94.62 crore (₹ 158.99 crore)]	465.42	398.51
Work in progress	470.89	416.94
Finished goods	427.07	441.55
Store and spares [including material in transit ₹ 3.30 crore (₹ 17.90 crore)]	75.19	99.16
TOTAL - INVENTORIES	1,438.57	1,356.16

	(₹ in Crore)	
	As at 31 March 2021	As at 31 March 2020
9 TRADE RECEIVABLES		
Unsecured		
Considered good * (refer note no 47)	753.18	679.82
Credit Impaired	9.32	9.25
Less : Allowance for expected credit losses	(9.32)	(9.25)
TOTAL - TRADE RECEIVABLES	753.18	679.82

* The above includes trade receivables of ₹ 12.88 crore (₹ 46.15 crore) due for more than 180 days.

	(₹ in Crore)	
	As at 31 March 2021	As at 31 March 2020
10 CASH AND CASH EQUIVALENTS		
Balances with banks	7.57	5.78
Cheques in hand/money in transit	0.01	12.62
Cash in hand	0.06	0.12
Puja and silver coins [₹ 18,814 (₹ 17,964)]	0.00	0.00
TOTAL - CASH AND CASH EQUIVALENTS	7.64	18.52

	(₹ in Crore)	
	As at 31 March 2021	As at 31 March 2020
11 OTHER BANK BALANCES		
Bank deposits with original maturity of more than three months but less than 12 months *	0.32	0.26
TOTAL - OTHER BANKS BALANCES	0.32	0.26

* Under lien with banks / Govt authorities



(₹ in Crore)

	As at 31 March 2021	As at 31 March 2020
12 SHARE CAPITAL		
AUTHORISED		
240,000,000 (240,000,000) equity shares of ₹ 2/- each	48.00	48.00
10,000,000 (10,000,000) preference shares of ₹ 2/- each	2.00	2.00
	50.00	50.00
ISSUED, SUBSCRIBED AND PAID UP		
235,934,685 (235,934,685) equity shares of ₹ 2/- each	47.19	47.19
TOTAL - SHARE CAPITAL	47.19	47.19
(a) RECONCILIATION OF THE NUMBER OF EQUITY SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING YEAR	31 March 2021	31 March 2020
Shares outstanding at the beginning of the year	No. of shares	No. of Shares
Shares outstanding at the end of the year	23,59,34,685	23,59,34,685
	23,59,34,685	23,59,34,685

(b) TERMS/RIGHTS ATTACHED TO EQUITY SHARES

The company has only one class of equity shares having a par 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 Company whose voting rights are subject to certain conditions and procedure as prescribed under the Regulation S Deposit Agreement]. The company declares and pays dividends in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and also has equal right in distribution of profit/surplus in proportions to the number of equity shares held by the shareholders.

As on 31 March 2021, 7,552,167 GDSs (7,552,167 GDSs) with 15,104,334 underlying equity shares (15,104,334 equity shares) were outstanding. Each GDS represents 2 underlying equity shares of the Company.

(c) EQUITY SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES ARE AS UNDER :

NAME OF THE SHAREHOLDER	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% holding	No. of shares	% holding
JSL Overseas Holding Limited	3,02,00,000	12.80%	3,02,00,000	12.80%
JSL Overseas Limited	2,65,60,440	11.26%	2,65,60,440	11.26%
ELM Park Fund Limited	1,94,32,160	8.24%	1,94,32,160	8.24%
Hypnos Fund Limited	1,19,87,711	5.08%	1,25,87,711	5.34%

Note: JSL Overseas Holding Limited also hold 71,17,492 GDS representing 1,42,34,984 underlying equity shares of ₹ 2/- each.

(d) No bonus, buy back, issue of share other than in cash in last 5 years.



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

13 OTHER EQUITY

	(₹ in Crore)				
	Surplus		Items of other comprehensive income		Total
	Capital reserve	Securities premium	Retained earnings	Re-measurement of the net defined benefit plans (net of tax)	
Balance as at 01 April 2019	0.05	562.94	912.38	(5.85)	
Profit for the year 2019-20			320.33		320.33
Re-measurements of the net defined benefit Plans				(0.79)	(0.79)
Balance as at 31 March 2020	0.05	562.94	1,232.71	(6.64)	1,789.06
Profit for the year 2020-21			477.78		477.78
Re-measurements of the net defined benefit Plans				0.98	0.98
Balance as at 31 March 2021	0.05	562.94	1,710.49	(5.66)	2,267.82

Nature of Reserves

Capital Reserve :- Represents on cancellation of share capital in terms of Composite Scheme of Arrangement.

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

Other Comprehensive Income Reserve :- Represents the balance in equity for items to be accounted in Other Comprehensive Income. OCI is classified into i). Items that will not be reclassified to profit and loss ii). Items that will be reclassified to profit and loss.



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

	(₹ in Crore)			
	Non Current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
14 BORROWINGS				
SECURED				
TERM LOANS FROM BANKS				
Rupee term loans	1,219.61	1,799.03	30.15	130.00
Less : Amount disclosed under the head other current financial liabilities			30.15	130.00
TOTAL - BORROWINGS	1,219.61	1,799.03	-	-

Secured Borrowings

The term loan facility from banks amounting to ₹ 1,249.76 Crore (₹ 1,929.03 Crore) are repayable in quarterly instalments. ₹ 30.15 Crore during 2021-22 (four instalments - ₹ 5.97 Crore, ₹ 7.55 Crore and two instalments of ₹ 8.31 Crore each), ₹ 34.64 Crore during 2022-23 (three instalments of ₹ 8.31 Crore each and one instalment of ₹ 9.71 Crore), ₹ 248.60 Crore during 2023-24 (four instalments - ₹ 41.62 Crore, two instalments of ₹ 68.72 Crore each and one instalment of ₹ 69.55 Crore), ₹ 278.21 Crore during 2024-25 (instalments of ₹ 69.55 Crore each), ₹ 278.49 Crore during 2025-26 (three instalments of ₹ 69.55 Crore each and one instalment of ₹ 69.83 Crore), ₹ 279.33 Crore during 2026-27 (instalments of ₹ 69.83 Crore each), ₹ 99.03 Crore during FY 2027-28 (four instalments - ₹ 67.16 Crore, ₹ 26.29 Crore, ₹ 2.51 Crore and ₹ 3.07 Crore) and balance amount of ₹ 1.31 Crore in 2028-29.

The term loan facility is secured/ to be secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge by way of hypothecation and/or pledge of current assets including finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable, etc both present and future. The stated term loan facility are further secured/ to be secured by a first ranking pari-passu charge by way of hypothecation or assignment in relation to loans and advances advanced by the Company to JSL. (read with note no. 34)

Rupee term loan facility (except for IndusInd Bank term loan) has been sanctioned at floating rate of interest linked with SBI base rate plus applicable spread of 165 bps. The lenders also have an option to link their effective rate of interest with their own bank's base rate/ MCLR and adjust the spread accordingly. IndusInd Bank (IBL) term loan facility has been sanctioned at floating rate of interest linked with IBL's 1 year MCLR plus applicable spread of 65 bps.

	(₹ in Crore)			
	Non Current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
15 PROVISIONS				
(read with note no 49)				
For employee benefits	12.65	15.19	2.60	2.66
TOTAL - PROVISIONS	12.65	15.19	2.60	2.66

	(₹ in Crore)	
	As at 31 March 2021	As at 31 March 2020
	16 DEFERRED TAX LIABILITY (NET)	
DEFERRED TAX LIABILITY		
Difference between book & tax depreciable assets	49.47	64.08
Other temporary differences	2.68	2.90
Total deferred tax liability	52.15	66.98
DEFERRED TAX ASSETS		
Disallowance under Income Tax Act	38.02	31.99
Total deferred tax assets	38.02	31.99
NET DEFERRED TAX LIABILITY	14.13	34.99

	(₹ in Crore)	
	As at 31 March 2021	As at 31 March 2020
	17 CURRENT BORROWINGS	
SECURED		
Working capital facilities from banks	114.36	89.94
Buyer credit - against working capital	12.14	-
TOTAL -CURRENT BORROWINGS	126.50	89.94

Secured Borrowings

Working capital facilities (including buyer credit facilities) are secured by first pari-passu charge by way of hypothecation and/or pledge of current assets including finished goods, raw material, work in progress, consumable stores and spares, book debts, bill receivable, etc both present and future and by way of second charge in respect of other moveable and immovable properties, both present and future, of the Company. Working capital facility is repayable on demand. (read with note no. 34)



JINDAL STAINLESS (HISAR) LIMITED
Notes to the financial statements for the year ended 31 March 2021

	(₹ in Crore)	
	As at 31 March 2021	As at 31 March 2020
18 TRADE PAYABLES		
Micro and small enterprises	30.66	49.33
Trade payables (including acceptances)(other than micro and small enterprises)	1,548.07	1,285.17
TOTAL TRADE PAYABLES	1,578.73	1,334.50

Based on the intimation received from supplier regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the required disclosure is given below * :

	(₹ in Crore)	
	As at 31 March 2021	As at 31 March 2020
Principal amount due outstanding	35.94	49.82
Interest due on above due outstanding and unpaid	-	-
Interest paid to the supplier	-	-
Payments made to the supplier beyond the appointed day during the year.	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding year	-	-

* to the extent information available with the company.

	(₹ in Crore)			
	As at 31 March 2021	Non Current As at 31 March 2020	As at 31 March 2021	Current As at 31 March 2020
19 OTHER FINANCIAL LIABILITIES				
Lease Liability	8.88	10.03	1.18	1.03
Current maturities of non-current borrowings	-	-	30.15	130.00
Interest accrued	-	-	1.22	18.37
Capital payables	-	-	28.70	38.72
Security deposits	-	-	2.94	2.92
Derivative liabilities	-	-	-	11.08
Dues to employees	-	-	16.11	15.03
Other outstanding financial liabilities *	-	-	317.29	222.02
TOTAL - OTHER FINANCIAL LIABILITIES	8.88	10.03	397.59	439.17

* Includes provision for expenses

	(₹ in Crore)	
	As at 31 March 2021	As at 31 March 2020
20 OTHER CURRENT LIABILITIES		
Advance from customers	31.32	28.16
Other outstanding liabilities *	204.69	204.94
TOTAL - OTHER CURRENT LIABILITIES	236.01	233.10

* Includes statutory dues, arbitration liability etc.

	(₹ in Crore)	
	As at 31 March 2021	As at 31 March 2020
21 CURRENT TAX LIABILITIES (NET)		
Current tax liabilities [net of prepaid tax of ₹ 353.18 crore (₹ 431.55 crore)]	99.69	3.77
TOTAL - CURRENT TAX LIABILITIES (NET)	99.69	3.77



	(₹ in Crore)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
22 REVENUE FROM OPERATIONS		
SALE OF PRODUCTS		
Manufactured goods (net of discounts ₹ 186.92 crore (₹ 152.05 crore))	8,002.58	8,002.93
Stock in trade	322.89	188.35
Export benefits	22.43	38.98
	8,347.90	8,230.26
SALE OF SERVICES		
Job charges received	1.09	36.58
	1.09	36.58
OTHER OPERATING REVENUE		
Sale of gases / slag	12.47	17.50
Rent / operating & maintenance services	30.65	43.84
Provision for doubtful debts/advance reversed	-	0.43
Miscellaneous income	7.59	11.08
	50.71	72.85
TOTAL - REVENUE FROM OPERATIONS	8,399.70	8,339.69

	(₹ in Crore)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
23 OTHER INCOME		
INTEREST INCOME ON		
Loans & advances (net of written off ₹ 2.40 crore (₹ 2.40 crore))	92.43	94.94
Trade receivables	-	0.84
	92.43	95.78
GAIN ON SALE OF CURRENT INVESTMENTS	0.02	-
OTHER NON-OPERATING INCOME (NET)	2.81	2.10
TOTAL - OTHER INCOME	95.26	97.88



JINDAL STAINLESS (HISAR) LIMITED
Notes to the financial statements for the year ended 31 March 2021

	(₹ in Crore)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
24 COST OF MATERIAL CONSUMED		
Raw material consumed	5,344.78	5,312.74
TOTAL - COST OF MATERIAL CONSUMED	<u>5,344.78</u>	<u>5,312.74</u>

	(₹ in Crore)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
25 PURCHASES OF STOCK IN TRADE		
Steel scrap/ Ferro alloys	312.17	179.36
TOTAL - PURCHASE OF TRADING GOODS	<u>312.17</u>	<u>179.36</u>

	(₹ in Crore)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
26 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE		
OPENING STOCK		
Finished goods	441.55	405.74
Work in progress	416.94	451.25
TOTAL OPENING STOCK	<u>858.49</u>	<u>856.99</u>
CLOSING STOCK		
Finished goods	427.07	441.55
Work in progress	470.89	416.94
TOTAL CLOSING STOCK	<u>897.96</u>	<u>858.49</u>
TOTAL - CHANGES IN INVENTORIES	<u>(39.47)</u>	<u>(1.50)</u>

	(₹ in Crore)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
27 EMPLOYEE BENEFITS EXPENSES (read with note no 49)		
Salaries, wages, bonus and other benefits	166.08	167.13
Contribution to provident and other funds	8.82	9.39
Staff welfare expenses	4.88	7.51
TOTAL - EMPLOYEE BENEFITS EXPENSES	<u>179.78</u>	<u>184.03</u>

	(₹ in Crore)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
28 FINANCE COSTS		
Interest expenses	218.39	286.18
Other borrowing costs	17.32	17.46
TOTAL - FINANCE COSTS	<u>235.71</u>	<u>303.64</u>



JINDAL STAINLESS (HISAR) LIMITED
Notes to the financial statements for the year ended 31 March 2021

	(₹ in Crore)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
29 DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation on property, plant and equipment	258.36	270.16
Amortization of intangible assets	7.53	3.00
TOTAL - DEPRECIATION AND AMORTIZATION EXPENSES	265.89	273.16

	(₹ in Crore)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
30 OTHER EXPENSES		
MANUFACTURING EXPENSES		
Consumption of stores and spares		
Power and fuel	476.37	527.63
Labour processing & transportation charges	649.39	761.54
Repairs to buildings	123.82	140.70
Repairs to plant & machinery	5.76	3.44
Job work expenses	21.90	27.76
Other manufacturing expenses	72.95	86.11
	12.86	10.17
	1,363.05	1,557.35
ADMINISTRATIVE EXPENSES		
Insurance		
Rent	13.59	10.96
Rates and taxes	2.43	2.79
Legal and professional	0.65	0.59
Postage, telegram, telex and telephone	59.65	63.45
Printing & stationary	2.15	1.92
Travelling & conveyance	3.30	3.04
Managerial commission	1.41	3.45
Director' meeting fees	3.93	11.22
Vehicle upkeep and maintenance	0.19	0.23
Auditor's remuneration (refer note no 51)	4.53	7.09
Donation	0.54	0.47
Loss (net) on sale/discard of property, plant and equipment	0.11	0.18
Corporate social responsibility (refer note no 39)	0.01	0.18
Miscellaneous expenses	9.52	8.92
	8.06	7.96
	110.07	122.45
SELLING EXPENSES		
Freight & forwarding expenses		
Commission on sales	101.89	93.95
Other selling expenses	9.91	15.96
Allowance for expected credit losses	5.86	5.30
Bad debts (net of recovery)	2.75	5.00
Advertisement & publicity	5.38	0.12
	0.96	3.16
	126.75	123.49
TOTAL - OTHER EXPENSES	1,599.87	1,803.29
NET (GAIN)/LOSS ON SALE OF PROPERTY, PLANT AND EQUIPMENT INCLUDES :		
Loss on sale	0.01	-
Loss on discard	-	0.18
	0.01	0.18



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

31.

A Contingent liabilities not provided for in respect of :		(₹ In Crore)	
		As at 31 March 2021	As at 31 March 2020
i)	Sale tax demands against which Company preferred appeals.	0.03	0.03
ii)	Excise duty/custom/service tax/Cess show cause notices/demands against which Company has preferred appeals.	149.78	151.09
iii)	Claims and other liabilities against the Company not acknowledged as debt.	68.18	63.24
B	Guarantee given to custom authorities for import under EPCG Scheme. {Custom duty saved as on 31 March 2021 ₹ 22.06 Crore (₹18.68 Crore)}	139.56	118.34
C	i) Letter of comfort to banks against credit facilities/ financial assistance availed by subsidiaries.	82.35	181.01
	ii) Guarantees given by the Company's bankers on behalf of the subsidiary.	59.46	97.18
D	Corporate guarantee given to banks against credit facilities / financial assistance availed by Jindal Stainless Limited.	4,298.51	4,841.62

32. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 34.31 Crore (₹ 133.79 Crore).

33. Exceptional items includes gain/ (loss) (net) of ₹ 26.32 Crore (₹ 26.26 Crore) on translation/settlement of foreign currency monetary items (including borrowing), gain / (loss) of ₹ 16.06 Crore ((₹ 12.25 Crore)) upon marked to market of derivatives contracts (net), gain/ (loss) of ₹ (2.31 Crore) (₹ 4.70 Crore) on forward cover cancelation.

34. The term loan facility and working capital facility of the Company are also secured by the following additional securities:

- (i) Unconditional & irrevocable personal guarantee of Mr. Ratan Jindal;
- (ii) Unconditional & irrevocable corporate guarantee of Jindal Stainless Limited (JSL);
- (iii) Pledge of 87.7% of Promoter's shareholding, as determined on the basis of the filings of the Borrower with the Securities Exchange Board of India (SEBI);
- (iv) Pledge of 8,98,68,647 shares of JSL (out of 16,82,84,309 shares) held by the Company in favour of lenders of the Company. Balance 7,84,15,662 no. shares have been pledged in favour of lenders of JSL;
- (v) Pledge over investments of the Company in subsidiaries as listed below:
 - JSL Lifestyle Limited; and
 - JSL Logistics Limited



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

35. (a) On 29 December 2020, the Board of Directors of the Company had approved a Composite Scheme of Arrangement (the 'Scheme') under Section 230 to 232 (read with Section 66 and other applicable provisions) of Companies Act, 2013 amongst the Company, Jindal Stainless Limited, JSL Lifestyle Limited, Jindal Lifestyle Limited, JSL Media Limited and Jindal Stainless Corporate Management Services Private Limited. The Scheme having appointed date of 01 April 2020 is subject to the approval of shareholders, regulatory and other necessary approvals including approval of National Company Law Tribunal (NCLT) which is currently awaited.

(b) Outbreak of Covid-19 has disturbed the economic activity through interruption in manufacturing process, disruption in supply chain, etc. for the Company during the year ended 31 March 2021 and post 31 March 2021. The Company, considering internal and external factors known to the management, has made assessment of likely adverse impact on economic environment in general, and financial risk on account of Covid-19 on carrying value of its assets and operations of the Company upto the date of these financial results. The Company is closely monitoring the impact of this pandemic and believes this pandemic may not have significant adverse impact on the long term operations and performance of the Company.

36. (a) Pursuant to regulation 34 (3) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, loans and advances in the nature of loans to related parties:

(₹ In Crore)

Name of the Company	Amount Outstanding		Maximum balance outstanding	
	As at 31 March 2021	As at 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
JSL Lifestyle Limited	12.26	12.26	12.26	12.26
Green Delhi BQS Limited	21.39	21.39	21.39	21.39
JSL Media Limited	1.21	1.21	1.21	1.21
Jindal Stainless Limited	1,050.00	900.00	1,050.00	900.00

Note : for general business purpose.

(b) Details of Loans given, investment made and guarantees given, covered U/S 186 (4) of the Companies Act ,2013:-

- Loans given and investment made are given under respective heads.
- Corporate guarantee given and pledge of shares by the Company on behalf of parties covered u/s 186(4). Refer note no 31 D, 34 and 47.

37. (a) Research and Development expenses for the year amounting to ₹ 10.25 Crore (₹ 10.39 Crore) on account of revenue expenditure charged/debited to respective heads of accounts.

(b) Certain balances of trade receivable and trade payable are in process of confirmation and/or reconciliation. In the opinion of the management, on confirmation / reconciliation, there will not be any material impact.

(c) The Company has given inter corporate deposits to its two subsidiaries namely Green Delhi BQS Limited & JSL Media Limited, amounting to ₹ 22.60 Crore (₹ 22.60 Crore) {also investment of ₹ 0.10 Crore (₹ 0.10 Crore)} where the subsidiary companies has accumulated losses\negative net worth. In view of the long term involvement of the Company and future prospects, in the opinion of the management, these are good and realizable hence no provision has been considered necessary.



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

38. The Company had challenged the legality of LADT Act / Entry Tax Act in the state of Haryana before the Hon'ble Punjab and Haryana High Court / Supreme Court of India. Subsequently, on the SLP of the Haryana Government, Constitutional Bench of the Hon'ble Supreme vide its judgement dated 11 November 2016 held the applicability of entry tax valid on compensatory ground and directed its Divisional/ Regular Bench for examining the provisions of the state legislation on the issue of discrimination with respect to the parameters of Article 304 (a) of the Constitution and competence of state legislatures to levy entry tax on goods entering the landmass of India from another country. The division bench of Hon'ble Supreme Court vide its order dated 21 March 2017 (declared on 20 May 2017) remanded back the matter and permitted the petitioners to file petition before respective High Court to decide on factual background or any other constitutional/ statutory issues arises for consideration. The company accordingly filed Civil Writ Petition before Hon'ble High Court of Punjab & Haryana on 30 May 2017. The Hon'ble High Court granted interim relief by order for stay of demand on 31 May 2017 till any further direction.

In the meanwhile, the division bench of Hon'ble Supreme Court of India vide its order dated 09 October 2017 has upheld the legislative competence of the State Legislatures to levy Entry Tax on Import of goods from any territory outside India while examining the Entry Tax legislations of the State of Odisha, Kerala and Bihar.

The Company has made necessary provisions in this regard based on own assessment and calculation. In view of above, Interest/ penalty if any, will be accounted for as and when this is finally determined/ decided by the Hon'ble Court.

39. Amount required to be spent towards Corporate Social Responsibility as per the provisions of section 135 of Companies Act, 2013 by the Company during the year is ₹ 9.48 Crore (₹ 8.89 Crore) which has been provided in books and details of amount spent towards Corporate Social Responsibility is as under:

	(₹ In Crore)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Promoting education & enhancing vocational skills	1.71	3.15
Promoting gender equality & empowering women	0.22	0.47
Ensuring environment sustainability & ecological balance	0.56	0.89
Promoting preventive health care	0.33	0.57
Rural development programme	0.78	1.31
Emergencies and relief work	4.97	2.20
Administration expenditure	0.27	0.33
Total	8.84	8.92

Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the company, through implementing agency, has transferred the unspent amount for ongoing project of ₹0.68 Crore to separate bank account subsequent to the balance sheet date.

40. Financial risk management

40.1 Financial risk factors

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loan, Investment, trade receivables, other receivables, cash and short-term deposits that arise directly from its operations. The Company also enters into derivative transactions. The Company's activities expose it to a variety of financial risks:



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

(i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as at 31 March 2021 and 31 March 2020.

(ii) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

(iii) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes.

Risk management is carried out by the treasury department under policies approved by the board of directors. The treasury team identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(i) Market risk

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

Foreign exchange risk and sensitivity

An exposure can be defined as a contracted cash flow (trade receivables, trade payables, loans, purchase order placed or sales order received) denominated in a currency other than Indian Rupees. The Company may have foreign currency exposure on account of the following items:

Exposure against working capital –

- i) Export trade receivables and export sales orders received;
- ii) Imports trade payables and purchase orders raised;
- iii) Packing credit in foreign currency (PCFC),
- iv) Borrowings against FCNR(B) deposits of the banks;
- v) Advances from customers;
- vi) Any other kind of foreign currency borrowings as permitted by RBI for financing working capital of the Company.



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

viii) Exposure against long term financing/relating to projects:

- i. Foreign currency borrowings for capital and project expansion;
- ii. Payments due against imported capital equipment for projects;
- iii. Purchase orders for capital expenditure;
- iv. Any kind of foreign currency borrowing used for long term financing requirements of the Company.

Derivatives financial instruments

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

As at 31 March 2021

Nature of derivatives	Type	No. of contracts	Foreign currency (Million)	Amount (₹ In Crore)
Forward covers				
USD/INR	Sale	44	65.000	475.18
EURO/USD	Sale	32	17.150	147.04
USD/INR	Buy	144	43.721	319.67

As at 31 March 2020

Nature of derivatives	Type	No. of contracts	Foreign currency (Million)	Amount (₹ In Crore)
Forward covers				
USD/INR	Sale	56	59.283	447.88
EURO/USD	Sale	26	15.335	127.78
USD/INR	Buy	109	34.847	263.37

Note: INR equivalent values have been calculated at the year end exchange rates in INR to give an indicative value of the contracts in Indian rupees. Actual hedges however may be in different currency denominations.



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

Foreign Currency exposures that are not hedged by derivative instruments or otherwise outstanding as on 31 March 2021 is as under:

Nature	As at 31 March 2021		As at 31 March 2020	
	Foreign Currency (Millions)	Amount (₹ In Crore)	Foreign Currency (Millions)	Amount (₹ In Crore)
Account receivables				
GBP	0.054	0.55	0.107	1.01
Account payables				
USD	15.332	112.10	13.380	101.12
EURO	2.908	24.94	3.644	30.39
GBP	0.517	5.21	0.387	3.63
CHF	0.024	0.18	0.237	1.86
CAD	0.040	0.23	0.040	0.22
JPY	0.155	0.01	-	-
Buyer Credits				
USD	1.505	11.00	-	-
EURO	0.132	1.14	-	-
Working Capital Borrowings				
EURO	4.527	38.84	-	-

The following table demonstrates the sensitivity in the USD, Euro, GBP and other currencies to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities are given below:

Foreign exchange risk and sensitivity (Un hedged)

	Change in currency exchange rate	(₹ In Crore)	
		31 March 2021 Effect on profit/ (loss) before tax	31 March 2020 Effect on profit/ (loss) before tax
USD	+5%	(6.16)	(5.06)
	-5%	6.16	5.06
EURO	+5%	(3.25)	(1.52)
	-5%	3.25	1.52
CAD	+5%	(0.01)	(0.01)
	-5%	0.01	0.01
GBP	+5%	(0.23)	(0.13)
	-5%	0.23	0.13
JPY	+5%	(0.00)(5,119)	-
	-5%	0.00 (5,119)	-
CHF	+5%	(0.01)	(0.09)
	-5%	0.01	0.09



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

The Company transacts business primarily in Indian Rupee, USD, EURO, GBP and CAD. The Company has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. Certain transactions of the Company act as natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Company adapts the policy of selective hedging based on risk perception of management. Foreign exchange hedging contracts are carried at fair value.

Summary of exchange difference accounted in statement of profit and loss

	(₹ In Crore)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Currency Fluctuations		
Net foreign exchange gain shown as exceptional item	40.07	18.71
TOTAL	40.07	18.71

Interest rate risk and sensitivity

The Company will have Interest rate exposure on all interest bearing financial assets and liabilities. These could be broadly categorized as under:

- a) Interest bearing trade receivables and trade payables;
- b) Working capital borrowings;
- c) Long term borrowings.

All interest bearing assets and liabilities need to be captured, first based on the currency denomination e.g., INR, USD & EURO. Further classification needs to be done based on whether these are against floating rate benchmarks or fixed rate

With all other variables held constant, the following table demonstrates the impact of borrowing cost on floating rate portion of borrowings and borrowings on which interest rate swaps are taken.

	Increase /decrease in basis points	Effect on profit/ (loss) before tax	
		31 March 2021	31 March 2020
INR borrowings	+50	(6.30)	(10.09)
	-50	6.30	10.09
USD borrowings	+50	(0.39)	-
	-50	0.39	-
EURO borrowings	+50	(0.19)	-
	-50	0.19	-

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Price risk and sensitivity

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company enters into contracts for procurement of material, most of the transactions are short term fixed price contract and a few transactions are long term fixed price contracts.



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

The Company is not facing any exposure to equity price risk as all of its equity investments are within the group and its associates.

ii) Credit risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Trade receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. Outstanding trade receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The Company has also taken advances and security deposits from its customers, which mitigate the credit risk to an extent.

In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Financial instruments and cash deposits

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. The bank balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations.

iii) Liquidity risk

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

The table below provides undiscounted cash flows towards non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet date to the contractual maturity date.

The Company is required to maintain ratios (including total debt to EBITDA / net worth, EBITDA to gross interest, debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels. In the event of failure to meet any of these ratios these loans become callable at the option of lenders, except where exemption is provided by lender.



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

As at 31 March 2021

	(₹ In Crore)				
	Carrying amount	Less than 1 Year	1 to 3 Years	> 3 years	Total
Borrowings*	1,376.26	156.65	283.24	936.37	1,376.26
Other financial liabilities	376.32	367.44	2.08	6.80	376.32
Trade payables	1,578.73	1,578.73	-	-	1,578.73
Total	3,331.31	2,102.82	285.32	943.17	3,331.31

* Including current maturity.

As at 31 March 2020

	(₹ In Crore)				
	Carrying amount	Less than 1 Year	1 to 3 Years	> 3 Years	Total
Borrowings*	2,018.97	219.94	559.00	1,240.03	2,018.97
Other financial liabilities	319.20	309.17	2.53	7.50	319.20
Trade payables	1,334.50	1,334.50	-	-	1,334.50
Total	3,672.67	1,863.61	561.53	1,247.53	3,672.67

* Including current maturity.

Unused lines of credit

	(₹ In Crore)	
	As at 31 March 2021	As at 31 March 2020
Secured	105.38	240.66
Unsecured	-	-
Total	105.38	240.66

Interest rate and currency of borrowings

The below details do not necessarily represent foreign currency or interest rate exposure to the income statement, since the Company has taken derivatives for offsetting the foreign currency and interest rate exposure.

For the year ended 31 March 2021

	Total borrowings (₹ In Crore)	Floating rate borrowings (₹ In Crore)	Fixed rate borrowings (₹ In Crore)	Weighted average interest rate (%)
INR	1,260.20	1,260.20	-	9.82%
USD	77.22	77.22	-	2.15%
EURO	38.84	38.84	-	1.95%
Total	1,376.26	1,376.26	-	



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

For the year ended 31 March 2020

	Total borrowings (₹ In Crore)	Floating rate borrowings (₹ In Crore)	Fixed rate borrowings (₹ In Crore)	Weighted average interest rate (%)
INR	2,018.97	2,018.97	-	10.52%
USD	-	-	-	-
Total	2,018.97	2,018.97	-	

40.2 Competition and price risk

The Company faces competition from domestic and international competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products and trustworthy and innovative solution to meet the needs of its customers.

40.3 Capital risk management

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

For the purpose of the Company's capital management, capital includes issued capital, share premium and other equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents excluding discontinued operations.

The Company monitors capital using gearing ratio, which is net debt divided by total capital.

Gearing ratio

	(₹ In Crore)	
	As at 31 March 2021	As at 31 March 2020
Loans and borrowings	1,376.26	2,018.97
Less: Cash and cash equivalents	7.64	18.52
Net debt	1,368.62	2,000.45
Total capital	2,315.01	1,836.25
Capital and net debt	3,683.63	3,836.70
Gearing ratio	37%	52%

41. Fair values of financial assets and liabilities and hierarchy

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount 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.



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

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

1. Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the Company is considered to be insignificant in valuation.
3. The fair values of derivatives are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters, basis contractual terms, period to maturity, and market parameters such as interest rates, foreign exchange rates, and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgment, and inputs thereto are readily observable from actively quoted market prices. Management has evaluated the credit and non-performance risks associated with its derivative counterparties and believe them to be insignificant and not warranting a credit adjustment.

Fair value hierarchy

The following table provides the fair value measurement hierarchy of Company's financial asset and financial liabilities, grouped into Level 1 to Level 3 as described below:

Level 1- Quoted price (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2- Inputs other than quoted prices include within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3- Unobservable inputs for the asset or liability.

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the companies: -

	Note	Level	As at 31 March 2021 (₹ In Crore)	As at 31 March 2020 (₹ In Crore)	Valuation Techniques and Key Inputs
Financial assets /liabilities at fair value through amortised cost:					
(a) Financial assets					
Loans	5	3	1,084.86	934.86	Discounted cash flows
Other financial assets	6	3	304.03	247.87	Discounted cash flows
(b) Financial liabilities					
Borrowings - non current	14	3	1,219.61	1,799.03	Discounted cash flows
Borrowings - current	17	3	126.50	89.94	Discounted cash flows
Other financial liabilities	19	3	406.47	438.12	Discounted cash flows
Financial assets / liabilities at fair value through statement of profit or loss:					
Derivative Forward Contract (assets)	6	2	4.98	-	Forward foreign currency exchange rate
Derivative Forward Contract (liabilities)	19	2	-	11.08	Forward foreign currency exchange rate



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

There were no significant changes in the classification and no significant movements between the fair value hierarchy of assets and liabilities during financial year 2020-21.

Fair valuation of financial guarantees

Financial guarantees issued by the company on behalf of Jindal Stainless Limited have been measured at fair value through profit and loss. Fair value of said guarantees as at 31 March 2021, and 31 March 2020 have been considered at nil as estimated by the management and an independent professional.

42. Leases

The Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. The Company has leases for office building, warehouses and related facilities.

The following is the movement in lease liabilities and corresponding Right to use asset for leases classified under lease arrangements during the year ended March 31, 2021.

Right to use Asset Movement		(₹ In Crore)	
Building	For the year ended 31 March 2021	For the year ended 31 March 2020	
Right to use assets – opening balance	10.48	11.95	
Addition during the year	-	-	
Depreciation during the year	1.47	1.47	
Right to use assets – closing balance	9.01	10.48	

Lease obligation Movement		(₹ In Crore)	
	For the year ended 31 March 2021	For the year ended 31 March 2020	
Lease obligation – opening balance	11.06	11.95	
Addition to lease obligation	-	-	
Payment of lease	(2.06)	(2.05)	
Addition as interest	1.06	1.16	
Lease obligation – closing balance	10.06	11.06	

The following is the break-up of current and non-current lease liabilities as at March 31, 2021.

Lease Liabilities		(₹ In Crore)	
	As at 31 March 2021	As at 31 March 2020	
Current	1.19	1.03	
Non Current	8.87	10.03	
Lease obligation – closing balance	10.06	11.06	



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

The table below provides details regarding contractual maturities of lease liabilities of non cancellable contractual commitments on undiscounted basis.

As at 31 March 2021

(₹ In Crore)			
Lease Liabilities	Lease Payments	Interest expense	Net Present value
Less than one year	2.14	0.95	1.19
One to five years	6.69	2.73	3.96
More than five years	7.73	2.82	4.91
			10.06

As at 31 March 2020

(₹ In Crore)			
Lease Liabilities	Lease Payments	Interest expense	Net Present value
Less than one year	2.09	1.06	1.03
One to five years	7.26	3.14	4.12
More than five years	9.27	3.36	5.91
			11.06

The statement of profit or loss shows the following amounts relating to leases.

(₹ In Crore)		
	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on Right to use assets	1.47	1.47
Interest expense on lease liability (included in finance cost)	1.06	1.16
Expense relating to low value leases (included in administrative expenses)	2.43	2.79
Total	4.96	5.42

43. Information related to consolidated financial statements

The Company is listed on stock exchange in India, the Company has prepared consolidated financial statements as required under IND AS 110 Consolidated Financial Statements, Sections 129 of Companies Act, 2013 and listing requirements. The consolidated financial statements is available on Company's web site for public use.



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

44. Income tax reconciliation

Tax expenses

	(₹ In Crore)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax	183.72	125.41
Deferred tax	(21.80)	(44.24)
Income tax change/(credit) for earlier years	(3.40)	0.06
Total	158.52	81.23

Effective tax reconciliation:

Numerical 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:

	(₹ In Crore)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Net income / (loss) before taxes	636.30	401.56
Enacted tax rates	25.168%	25.168%
Computed tax (income)/expense	160.14	101.06
<u>Increase/(reduction) in taxes on account of:</u>		
Expenses not allowed for tax purpose	1.78	2.35
Effect of change in tax rate	-	(22.24)
Deferred tax recognized for earlier years	0.60	0.46
Current tax recognized for earlier years	(4.00)	(0.40)
Income tax expense reported	158.52	81.23

45. Segment Reporting

As per IND AS 108 Operating Segment, segment information has been provided in notes to consolidated financial statements.



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

46. Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') within the Company at which the goodwill or other assets are monitored for internal management purposes, within an operating segment.

The impairment assessment is based on higher of value in use and fair value less costs of disposal.

The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid term market conditions.

Assumption	Approach used to determining values
Sales volume	Average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development.
Sales price	Average annual growth rate over the five-year forecast period; based on current industry trends and including long term inflation forecasts for each territory.
Budgeted gross margin	Based on past performance and management's expectations for the future.
Other operating costs	Fixed costs of the CGUs, which do not vary significantly with sales volumes or prices. Management forecasts these costs based on the current structure of the business, adjusting for inflationary increases but not reflecting any future restructurings or cost saving measures. The amounts disclosed above are the average operating costs for the five-year forecast period.
Annual capital	Expected cash costs in the CGUs. This is based on the historical experience of management, and the planned refurbishment expenditure. No incremental revenue or cost savings are assumed in the value-in-use model as a result of this expenditure.
Long-term growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.
Pre-tax discount rates	Reflect specific risks relating to the relevant segments and the countries in which they operate.



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

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A List of related parties & relationship (as identified by the Management)

a)	Subsidiary companies	Country of Incorporation	Ownership Interest	
			31 March 2021	31 March 2020
1	Jindal Stainless Steelway Limited	India	100.00%	100.00%
2	JSL Lifestyle Limited	India	73.37%	73.37%
3	Green Delhi BQS Limited	India	51.00%	51.00%
4	JSL Media Limited	India	100.00%	99.94%
5	JSL Logistics Limited	India	100.00%	100.00%
6	Jindal Strategic Systems Limited (w.e.f. 15.12.2020)	India	100.00%	-
b)	Associates			
1	Jindal Stainless Corporate Management Services Pvt. Ltd.	India	50.00%	50.00%
2	Jindal Stainless Limited	India	34.54%	34.54%
c)	Subsidiaries, associates and joint ventures of parties listed in a & b above with whom transactions have taken place during the current and previous year			
1	J S S Steel Italia Limited	India	Subsidiary of Jindal Stainless Steelways Limited (Associate upto 15.01.2021)	
2	Jindal Stainless FZE, Dubai	UAE	Subsidiary of Jindal Stainless Limited	
3	PT Jindal Stainless Indonesia	Indonesia	Subsidiary of Jindal Stainless Limited	
4	Iberjindal S.L.	Spain	Subsidiary of Jindal Stainless Limited	
5	Jindal Coke Limited	India	Associate of Jindal Stainless Limited	
6	Jindal United Steel Limited	India	Associate of Jindal Stainless Limited	
7	Jindal Lifestyle Limited (w.e.f. 16.12.2020)	India	Subsidiary of JSL Lifestyle Limited	
d)	Trusts			
1	Jindal Stainless (Hisar) Limited Group Gratuity Fund			
2	Jindal Stainless (Hisar) Limited (Ferro alloys) Group Gratuity Scheme			
3	Jindal Stainless (Hisar) Limited EPF Trust			
4	Jindal Stainless (Hisar) Welfare Fund			
e)	Key Management Personnel with whom transactions have taken place during the current and previous year			
1	Mr. Ratan Jindal		Chairman	
2	Mr. Abhyuday Jindal		Managing Director	
3	Mr. Jagmohan Sood		Whole Time Director	
4	Mr. Ramnik Gupta		Chief Financial Officer	
5	Mr. Bhartendu Harit		Company Secretary	
6	Mr. Kanwaljit Singh Thind		Independent Director(upto 01.11.2020)*	
7	Dr. Rajeev Uberoi		Independent Director(wef 11.12.2020)*	
8	Mr. Girish Sharma		Independent Director*	
9	Mr. Nirmal Chandra Mathur		Independent Director*	
10	Mrs. Arti Luniya		Independent Director*	
	*Independent directors are included only for the purpose of compliance with definition of key management personnel given under IND AS 24.			
f)	Enterprises over which any person described in (e) along with their relatives is able to exercise significant influence with whom transactions have been taken place during the year			
1	Jindal Defence Systems Private Limited (previously known as Jindal Defence Systems Limited)			
2	Jindal Advance Materials Private Limited			
3	JSL Global Commodities Pte. Ltd.			
4	Prime Stainless DMCC (w.e.f. 13.11.2019)			
5	Jindal Defence Trading Pvt. Limited			
6	Jindal Stainless Foundation			

B Transactions:

(₹ in Crore)

Description	For the year ended 31 March 2021			For the year ended 31 March 2020		
	Subsidiary (a)	Associates & Other Parties (b,c,d & f)	Key Management Personnels(e)	Subsidiary (a)	Associates & Other Parties (b,c,d & f)	Key Management Personnels(e)
Purchase of goods	180.30	1,182.41	-	194.17	1,164.22	-
Jindal Stainless Steelway Limited	167.99	-	-	179.10	-	-
JSL Lifestyle Limited	12.31	-	-	15.07	-	-
Jindal Stainless Limited	-	826.44	-	-	891.17	-
Jindal United Steel Limited	-	121.55	-	-	221.72	-
Jindal Coke Limited	-	13.99	-	-	21.90	-
Prime Stainless DMCC	-	52.63	-	-	29.43	-
JSL Global Commodities Pte Limited	-	166.43	-	-	-	-
PT. Jindal Stainless Indonesia	-	1.37	-	-	-	-
Sale of goods	1,106.82	682.54	-	893.13	816.91	-
Jindal Stainless Steelway Limited	1,026.32	-	-	759.39	-	-
JSL Lifestyle Limited	80.50	-	-	133.74	-	-
PT. Jindal Stainless Indonesia	-	39.38	-	-	32.22	-
Iberjindal S.L.	-	36.12	-	-	113.64	-
Jindal Stainless Limited	-	380.78	-	-	575.12	-
JSL Global Commodities Pte. Ltd.	-	102.82	-	-	95.93	-
J S S Steel Italia Limited	-	12.72	-	-	-	-
Prime Stainless DMCC	-	110.49	-	-	-	-
Jindal Advance Materials Pvt. Limited	-	0.23	-	-	-	-
Purchase of fixed assets	-	-	-	0.03	-	-
Jindal Stainless Steelway Limited	-	-	-	0.03	-	-
Sale of fixed assets	-	-	-	0.39	-	-
JSL Lifestyle Limited	-	-	-	0.39	-	-
Job charges received	-	1.32	-	-	44.22	-
Jindal Stainless Limited	-	1.32	-	-	44.22	-



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

(₹ in Crore)

Description	For the year ended 31 March 2021			For the year ended 31 March 2020		
	Subsidiary (a)	Associates & Other Parties (b,c,d & f)	Key Management Personnels(e)	Subsidiary (a)	Associates & Other Parties (b,c,d & f)	Key Management Personnels(e)
Job work charges paid	18.94	-	-	37.23	0.02	-
Jindal Stainless Steelway Limited	18.80	-	-	37.20	-	-
JSL Lifestyle Limited	0.14	-	-	0.03	-	-
Jindal Stainless Limited	-	-	-	-	0.02	-
Commission on sale/purchase paid	-	7.24	-	-	12.91	-
Jindal Stainless FZE, Dubai	-	2.09	-	-	9.05	-
JSL Global Commodities Pte. Ltd.	-	3.84	-	-	3.63	-
Prime Stainless DMCC	-	1.31	-	-	0.23	-
Freight Paid	-	0.35	-	-	2.94	-
Jindal Stainless Limited	-	0.35	-	-	2.94	-
Jindal Coke Limited (₹39,248)	-	-	-	-	0.00	-
Receiving of services (remuneration paid)	-	-	13.14	-	-	20.11
Mr. Ratan Jindal (commission)	-	-	-	-	-	10.68
Mr. Abhyuday Jindal (commission and remuneration)	-	-	9.93	-	-	6.54
Mr. Jagmohan Sood	-	-	1.87	-	-	1.65
Mr. Ramnik Gupta	-	-	0.97	-	-	0.91
Mr. Bhartendu Harit	-	-	0.37	-	-	0.34
Rent received	2.73	0.81	-	2.83	0.77	-
Jindal Stainless Steelway Limited	1.47	-	-	1.49	-	-
JSL Lifestyle Limited	1.26	-	-	1.34	-	-
Jindal Stainless Limited	-	0.71	-	-	0.71	-
Jindal Defence Systems Private Limited	-	0.09	-	-	0.06	-
Jindal Advance Materials Private Limited	-	-	-	-	0.01	-
Jindal Defence Trading Pvt Limited ₹ 47,390	-	0.00	-	-	-	-
Jindal Stainless Foundation ₹ 24,000	-	0.00	-	-	-	-
Rent paid	0.30	1.62	-	0.28	1.53	-
Jindal Stainless Steelway Limited	0.30	-	-	0.28	-	-
Jindal Stainless Limited	-	1.62	-	-	1.53	-
Interest income	3.51	90.04	-	3.64	90.00	-
JSL Lifestyle Limited	1.11	-	-	1.24	-	-
Green Delhi BQS Limited *	2.25	-	-	2.25	-	-
Jindal Stainless Limited	-	90.04	-	-	90.00	-
JSL Media Limited *	0.15	-	-	0.15	-	-
Interest expense	0.96	-	-	2.01	-	-
Jindal Stainless Steelway Limited	0.96	-	-	2.01	-	-
Bad Debts written off	-	-	-	-	0.00	-
J S S Steel Italia Limited (₹ 5,723)	-	-	-	-	0.00	-
Consultancy charges paid	-	55.13	-	-	60.33	-
Jindal Stainless Corporate Management Services Pvt. Ltd.	-	55.13	-	-	60.33	-
Operating & maintenance services charged	32.50	-	-	47.97	-	-
Jindal Stainless Steelway Limited	32.50	-	-	47.97	-	-
Facilitation charges received	0.21	-	-	-	-	-
JSL Lifestyle Limited	0.21	-	-	-	-	-
Sharing of exp. reimbursed/to be reimbursed	-	5.76	-	0.20	3.64	-
JSL Lifestyle Limited	-	-	-	0.20	-	-
Jindal Stainless Limited	-	5.76	-	-	3.64	-
Jindal United Steel Limited ₹16,056	-	0.00	-	-	-	-
Sharing of exp. recovered/to be recovered	0.06	-	-	-	0.01	-
JSL Lifestyle Limited	0.06	-	-	-	-	-
Jindal Stainless Corporate Management Services Pvt. Ltd.	-	-	-	-	0.01	-
Loan Given	-	150.00	-	-	-	-
Jindal Stainless Limited	-	150.00	-	-	-	-
Guarantee/ counter guarantee given	27.98	-	-	32.45	-	-
Jindal Stainless Steelway Limited	21.92	-	-	14.98	-	-
JSL Lifestyle Limited	6.06	-	-	17.47	-	-
Contribution towards trusts	-	32.09	-	-	34.34	-
Jindal Stainless (Hisar) Limited Group Gratuity Fund	-	4.12	-	-	5.31	-
Jindal Stainless (Hisar) Limited (Ferro alloys) Group Gratuity Scheme	-	0.03	-	-	0.20	-
Jindal Stainless (Hisar) Limited EPF Trust	-	27.01	-	-	27.97	-
Jindal Stainless (Hisar) Welfare Fund	-	0.93	-	-	0.86	-

JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

(₹ in Crore)

Description	For the year ended 31 March 2021			For the year ended 31 March 2020		
	Subsidiary (a)	Associates & Other Parties (b,c,d & f)	Key Management Personnels(e)	Subsidiary (a)	Associates & Other Parties (b,c,d & f)	Key Management Personnels(e)
Outstanding balance						
Letter of comfort given	82.35	-	-	181.01	-	-
Jindal Stainless Steelway Limited	42.96	-	-	136.50	-	-
JSL Lifestyle Limited	39.39	-	-	44.51	-	-
Guarantee/ counter guarantee given	59.46	4,298.51	-	97.18	4,841.62	-
Jindal Stainless Steelway Limited	37.02	-	-	79.71	-	-
JSL Lifestyle Limited	22.44	-	-	17.47	-	-
Jindal Stainless Limited	-	4,298.51	-	-	4,841.62	-
Loans & advances	37.22	1,295.29	-	35.99	1,062.00	-
JSL Media Limited	1.21	-	-	1.21	-	-
JSL Lifestyle Limited **	14.60	-	-	13.38	-	-
Green Delhi BQS Limited	21.41	-	-	21.40	-	-
Jindal Stainless Limited @	-	1,295.29	-	-	1,062.00	-
Advance against supplies/services	3.43	6.64	-	3.43	8.80	-
JSL Media Limited	3.43	-	-	3.43	-	-
Jindal Stainless Corporate Management Services Pvt. Ltd.	-	6.64	-	-	8.80	-
Receivables	75.88	105.38	-	124.89	98.07	-
Jindal Stainless Steelway Limited	61.15	-	-	64.21	-	-
JSL Lifestyle Limited	14.71	-	-	60.68	-	-
PT. Jindal Stainless Indonesia	-	56.12	-	-	48.18	-
Iberjindal S.I.	-	8.45	-	-	36.99	-
Green Delhi BQS Limited	0.01	-	-	0.01	-	-
Jindal Defence Systems Pvt. Limited (₹ 13,637)	-	0.00	-	-	0.01	-
Jindal Advance Materials Pvt. Limited (₹ 6,018)	-	0.23	-	-	0.00	-
JSL Global Commodities Pte. Ltd.	-	35.91	-	-	12.89	-
Jindal United Steel Limited (₹ 22,584)	-	-	-	-	0.00	-
Prime Stainless DMCC	-	4.67	-	-	-	-
Payables	4.37	28.43	-	4.19	45.71	-
Jindal Stainless Steelway Limited	2.02	-	-	2.49	-	-
JSL Lifestyle Limited	2.35	-	-	1.70	-	-
PT. Jindal Stainless Indonesia	-	1.57	-	-	0.76	-
Jindal Stainless FZE, Dubai	-	0.69	-	-	2.40	-
Jindal Stainless Limited	-	2.89	-	-	23.28	-
Jindal Coke Limited	-	1.32	-	-	3.66	-
Prime Stainless DMCC	-	3.34	-	-	15.17	-
JSL Global Commodities Pte. Ltd.	-	14.06	-	-	0.44	-
Jindal United Steel Limited	-	4.56	-	-	-	-
Remuneration payable	-	-	2.43	-	-	1.35
Mr. Ratan Jindal	-	-	-	-	-	1.19
Mr. Abhyuday Jindal	-	-	2.25	-	-	-
Mr. Jagmohan Sood	-	-	0.11	-	-	0.09
Mr. Ramnik Gupta	-	-	0.05	-	-	0.05
Mr. Bhartendu Harit	-	-	0.02	-	-	0.02

Note :- Above to be read with note no. 31 (D).

* written off

** Includes loan of ₹ 12.26 crore (₹ 12.26 crore)

@ Includes Inter corporate loan amounting to ₹ 1,050.00 crore (₹ 900.00 crore) together with interests accrued during financial years 2018-19, 2019-20 & 2020-21. For the financial year 2021-22, the interest would accrue on the aggregate outstanding amount on monthly basis. The cumulative amount including accumulated interest is repayable in one or more instalment by the earlier of (a) 31 March 2023 or (b) the effective date of scheme of arrangement or (c) such other date as may be mutually agreed between the company and Jindal Stainless Limited.

Compensation to key management personnel

(₹ in Crore)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Short-term employee benefits*	13.14	20.11
Total Compensation to key management personnel	13.14	20.11

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



JINDAL STAINLESS (HISAR) LIMITED
Notes to the financial statements for the year ended 31 March 2021
48 Disclosures as per Indian Accounting Standard (IND AS) 115 'Revenue from contracts with customers'
A Disaggregation of revenue

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

For the year ended 31 March 2021

(₹ in Crore)

Revenue from operations	Goods *	Services	Other operating revenue	Total
Revenue by geography				
Domestic *	7,487.83	1.09	50.71	7,539.63
Export	860.07			860.07
Total	8,347.90	1.09	50.71	8,399.70
Revenue by time				
Revenue recognised at point in time				8,398.61
Revenue recognised over time				1.09
Total				8,399.70

* Export benefit has been included in domestic revenue

For the year ended 31 March 2020

(₹ in Crore)

Revenue from operations	Goods *	Services	Other operating revenue	Total
Revenue by geography				
Domestic *	7,142.11	36.58	72.85	7,251.54
Export	1,088.15			1,088.15
Total	8,230.26	36.58	72.85	8,339.69
Revenue by time				
Revenue recognised at point in time				8,303.11
Revenue recognised over time				36.58
Total				8,339.69

* Export benefit has been included in domestic revenue

B. Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

Description	For the year ended 31 March 2021	For the 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	28.16	22.47
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-

C. Assets and liabilities related to contracts with customers

Description	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Contract assets related to sale of goods				
Trade receivables	-	753.18	-	679.82
Contract liabilities related to sale of goods				
Advance from customers	-	31.32	-	28.16

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

Description	For the year ended 31 March 2021	For the year ended 31 March 2020
Contract price	8,586.62	8,491.74
Less: Discount, rebates, credits etc.	186.92	152.05
Revenue from operations as per Statement of Profit and Loss	8,399.70	8,339.69



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

49 Retirement benefit obligations

Expenses recognised for defined contribution plans		
	(₹ in Crore)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Company's contribution to provident fund	3.11	3.21
Company's contribution to employee state insurance	0.14	0.15
Company's contribution to national pension scheme	0.81	0.77
Total	4.06	4.13

Expenses recognised for defined benefit plans		
	(₹ in Crore)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Company's contribution to provident fund	4.10	4.57
Total	4.10	4.57

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in the standalone balance sheet as at 31 March 2021 and 31 March 2020, being the respective measurement dates.

A. Change in defined benefit obligation		
	(₹ in Crore)	
	Gratuity (Funded)	Leave Encashment (Unfunded)
Defined benefit obligation at 01 April 2019	40.15	9.99
Service cost		
Current service cost	2.62	0.97
Interest expense	3.00	0.68
Cash flows		
Benefit payments	(2.38)	(2.53)
Remeasurements		
Due to change in financial assumptions	1.63	0.27
Due to experience adjustments	(0.87)	1.60
Defined benefit obligation at 31 March 2020	44.15	10.98
Service Cost		
Current service cost	2.73	0.85
Interest expense	2.87	0.65
Cash flows		
Benefit payments	(4.66)	(3.78)
Increase (decrease) due to effect of any business combinations	(0.24)	(0.02)
Remeasurements		
Due to change in financial assumptions	1.02	0.17
Due to experience adjustments	(2.60)	2.16
Defined benefit obligation at 31 March 2021	43.27	11.00

B. Change in fair value of plan assets-gratuity		
	(₹ in Crore)	
	As at 31 March 2021	As at 31 March 2020
Fair value of plan assets at end of prior period	37.29	31.92
Interest income	2.50	2.54
Cash flows		
Total employer contributions	4.15	5.51
Benefit payments from plan assets	(4.66)	(2.38)
Remeasurements		
Return on assets (excluding interest income)	(0.27)	(0.30)
Fair value of plan assets at end of period	39.02	37.29



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

C. Recognized in statement of profit and loss

(₹ in Crore)

	Gratuity	Leave Encashment
Service cost		
Current service cost	2.62	0.97
Total service cost	2.62	0.97
Net interest cost		
Interest expense on define benefit obligation	2.84	0.68
Interest (income) on plan assets	(2.40)	-
Total net interest cost	0.44	0.68
Remeasurements of other long term benefits	-	1.87
For the year ended 31 March 2020	3.06	3.52
Service Cost		
Current service cost	2.73	0.85
Total service cost	2.73	0.85
Net interest cost		
Interest expense on define benefit obligation	2.70	0.65
Interest (income) on plan assets	(2.33)	-
Total net interest cost	0.37	0.65
Remeasurements of other long term benefits	-	2.33
For the year ended 31 March 2021	3.10	3.82

D. Recognized in other comprehensive income (OCI)

(₹ in Crore)

	Gratuity
Due to change in demographic assumptions (₹2,291)	0.00
Due to change in financial assumptions	1.70
Due to change in experience adjustments	(0.94)
Return on assets (excluding interest income)	0.30
For the year ended 31 March 2020	1.06
Due to change in demographic assumptions	-
Due to change in financial assumptions	1.03
Due to change in experience adjustments	(2.62)
Return on assets (excluding interest income)	0.27
For the year ended 31 March 2021	(1.32)

E. Expected cash flows for following year

(₹ in Crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Year 1	2.41	2.94
Year 2	3.13	3.24
Year 3	3.55	3.90
Year 4	4.17	4.52
Year 5	5.57	4.73
Next 5 years	31.62	33.95

F. Current and non-current liability for gratuity and leave encashment

(₹ in Crore)

	Gratuity	Leave Encashment
As on 31 March 2020		
Current liabilities	0.02	2.64
Non current liabilities	6.84	8.35
As on 31 March 2021		
Current liabilities ₹ 10,239	0.00	2.60
Non current liabilities	4.25	8.40



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

G. Disaggregation of plan assets into classes

The weighted-average asset allocations at the period end were as follows:

Insurance Company products	Unquoted 100%	Unquoted 100%
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H. Actuarial assumptions

	As at 31 March 2021	As at 31 March 2020
Discount rate	6.40% P.a.	6.70% P.a.
Salary increase rate	5.50% P.a.	5.50% P.a.
Rate of return on plan assets	6.40% P.a.	6.70% P.a.
Mortality table	(IAM) (2006-08) (Modified)Ult.	(IAM) (2006-08) (Modified)Ult.
Disability	5.00% of Mortality Rate	5.00% of Mortality Rate
Withdrawal (rate of employee turnover)	Upto age 30 Years:3% 31-44 Years:2% 45 and above:1%	Upto age 30 Years:3% 31-44 Years:2% 45 and above:1%
Retirement Age	58 Years	58 Years
Weighted Average Duration	9 Years	9 Years

The assumption of future salary increases have been set after taking into account aspects relating to inflation, seniority, promotion and other relevant factors

The assumption of attrition rate has been set based on the expected turnover of the company

I. Sensitivity analysis (Effect on Gratuity)

	As at 31 March 2021	As at 31 March 2020
A. Discount Rate		
Discount Rate - 50 basis points Assumptions	45.01	46.02
Discount Rate + 50 basis points Assumptions	5.90% p.a. 41.64	6.20% p.a. 42.42
B. Salary increase rate		
Salary Rate - 50 basis points Assumptions	41.72	42.49
Salary Rate + 50 basis points Assumptions	5.00% p.a. 44.92	5.00% p.a. 45.93
	6.00% p.a.	6.00% p.a.

The company makes monthly contributions to Provident Fund managed by trust for qualifying employees. Under the scheme, the company is required to contribute a specified percentage of the payroll costs to fund the benefits. Employer established provident fund trusts are treated as Defined Benefit Plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. Accounting to the actuarial Valuation, the Defined Benefit Obligation of Interest Rate Guarantee on exempted Provident Fund in respect of employees of the company as on 31 March 2021 works out of ₹ Nil (₹ Nil) and hence no provision is required to be provided for in the books of account towards the guarantee for notified interest rates.

Actuarial assumptions

	As at 31 March 2021	As at 31 March 2020
Discount rate	6.40% p.a.	6.70% p.a.
Rate of return on plan assets	8.50% p.a.	8.50% p.a.
Guaranteed Rate of return	8.50% p.a.	8.50% p.a.



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

50 Earning Per Share (EPS) computed in accordance with Ind AS 33 " Earning Per Share "

	For the year ended 31 March 2021	For the year ended 31 March 2020
Net Profit/(Loss) after tax as per statement of profit & loss (₹ in Crore)	477.78	320.33
Weighted average no. of equity shares for basic/diluted EPS (No's)	23,59,34,685	23,59,34,685
Basic/Diluted EPS per share (in ₹)	20.25	13.58
Face value per share (in ₹)	2.00	2.00

51 A) Auditors Remuneration includes the following

	For the year ended 31 March 2021	(₹ in Crore) For the year ended 31 March 2020
(i) Payment to auditors		
Audit fee	0.26	0.24
Certification work	0.05	0.02
Other services	0.16	0.11
Out of pocket expenses	0.01	0.03
	<u>0.48</u>	<u>0.40</u>
(ii) Payment to branch auditors		
Audit fee	0.03	0.04
Tax audit fees	0.01	0.01
Other capacity [₹ 48,400 (₹ 49,668)]	0.00	0.00
Certification work	0.01	0.02
Out of pocket expenses	-	-
	<u>0.06</u>	<u>0.07</u>
Total	<u><u>0.54</u></u>	<u><u>0.47</u></u>
(B) Payment to Cost auditors		
Audit fee	0.02	0.02
Out of pocket expenses ₹ 4,000	0.00	-
Total	<u><u>0.02</u></u>	<u><u>0.02</u></u>



JINDAL STAINLESS (HISAR) LIMITED

Notes to the financial statements for the year ended 31 March 2021

- 52 Capital work-in-progress (CWIP) includes technical know-how and supervision fees, taxes, machinery under installation/in transit, pre-operative expenses and other assets under erection. Details is as under:-

	For the year ended 31 March 2021	(₹ in Crore) For the year ended 31 March 2020
Opening balance	105.50	88.08
Add: Additions during the year	158.49	134.42
Less: Capitalisation during the year	82.06	117.00
Closing balance	181.93	105.50

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A. C.I.F. VALUE OF IMPORTS

	For the year ended 31 March 2021	(₹ in Crore) For the year ended 31 March 2020
Raw material	930.38	988.46
Stores & spares	229.39	149.00
Capital goods	113.66	70.55

B. EXPENDITURE IN FOREIGN CURRENCY

	For the year ended 31 March 2021	(₹ in Crore) For the year ended 31 March 2020
i) Export selling expenses	9.37	17.23
ii) Interest	3.80	10.44
iii) Travelling	0.09	0.60
iv) Legal & professional expenses	4.37	0.34
v) Quality claim	24.12	4.20
vi) Others	5.61	6.63

C. EARNINGS IN FOREIGN CURRENCY

F.O.B. value of export	870.36	1,103.84
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D. Remittance of dividend on equity shares

NIL

- 54 No adjusting or significant non adjusting events have occurred between the reporting date and date of authorization of financial statements.
- 55 Previous years' figures have been re-arranged and regrouped wherever considered necessary. Figures less than Rs. 50000 have been shown as absolute number. Figures in bracket indicate previous year figures.
- 56 Note 1 to 56 are annexed to and form an integral part of the balance sheet and statement of profit & loss.

In terms of our report of even date annexed hereto.

For and on behalf of the Board of Directors :


For LODHA & CO.
Chartered Accountants

For S.S. KOTHARI MEHTA & COMPANY
Chartered Accountants

(N.K. LODHA)
Partner
Membership No. 85155
FRN 301051E

(AMIT GOEL)
Partner
Membership No. 500607
FRN 000756N


ABHYUDAY JINDAL
Managing Director
DIN 07290474


JAGMOHAN SOOD
Whole Time Director
DIN 08121814


RAMNIK GUPTA
Chief Financial Officer
PAN AHEPG2769D


BHARTENDU HARIT
Company Secretary
Membership No. A15123

Place : New Delhi
Dated : 18 May 2021

