

## INDEPENDENT AUDITORS' REPORT

To  
**The Members of JINDAL FITTINGS LIMITED**

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **JINDAL FITTINGS 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 Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

#### Basis of Opinion

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

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

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

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

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



### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibility**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure 'A'** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015;
  - (e) On the basis of the written representations received from the directors as on March 31, 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.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to **Annexure 'B'**.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations as on March 31, 2021;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;



(h) The Company has not paid any managerial remuneration for the year ended 31st March, 2021. Hence, the provisions of the Section 197 read with Schedule V to the Act are not applicable to the Company.

**For P.C. Goyal & Co.**  
Chartered Accountants  
Firm Registration No. 002368N



**(M.P. Jain)**

Partner

M. No. 082407

Date: 23<sup>rd</sup> April 2021

Place: New Delhi

UDIN: 21082407AAAABY4044



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

(Annexure referred to in our report of even date to the members of **JINDAL FITTINGS LIMITED** on the accounts for the year ended March 31, 2021)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) A major portion of fixed assets has been physically verified by the management in accordance with a phased programme of verification adopted by company. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.  
  
(c) The title deeds of the immovable properties are held in the name of the Company.
2. As explained to us, the management during the year has physically verified inventories. In respect of stores and spares there is a perpetual inventory system and a substantial part of stocks has been verified during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed during physical verification of inventories as compared to book records were not material and the same have been properly dealt with in the books of account.
3. According to the information and the explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the order are not applicable to the company and hence not commented upon.
4. The Company has not granted any loans , made investments or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iv) of the order are not applicable to the company and hence not commented upon.
5. According to the information given to us, the Company has not accepted any deposits under the provisions of section 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the companies Act and the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time. No order has been passed with respect to Section 73 to 76, by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal.
6. According to the information and explanations given to us, the maintenance of cost records as specified by the Central Government under sub-section (l) of section 148 of the Companies Act, 2013 are not applicable to the company.



7. (a) According to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues wherever applicable i.e. provident fund, employee' state insurance, income tax, duty of customs, goods & services tax, cess and other statutory dues with the appropriate authorities There are no arrears as at March 31, 2021 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no material dues in respect of Income Tax, wealth tax, duty of customs and goods & services tax which have not been deposited with the appropriate authorities on account of any dispute.
8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not taken loans or borrowing from financial institution, bank, government or issued any debentures. Accordingly, the provisions of clause 3(viii) of the order are not applicable to the company.
9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) , hence reporting under clause (ix) of the Order is not applicable.
10. According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, we have been informed that no case of frauds has been committed on or by the Company or by its officers or employees during the year.
11. The Company has not paid any managerial remuneration for the year ended 31st March, 2021. Hence, the provisions of the Section 197 read with Schedule V to the Act is not applicable to the Company
12. The company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
13. According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Act, and where applicable the details have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any non-cash transactions with the directors or persons connected with him as covered under Section 192 of the Companies Act, 2013. Accordingly, provisions of clause 3 (xv) of the Order are not applicable to the Company



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

**For P.C. Goyal & Co.**

Chartered Accountants

Firm Registration No. 002368N



**(M.P. Jain)**

Partner

M. No. 082407

Date: 23<sup>rd</sup> April 2021

Place: New Delhi

UDIN: 21082407AAAABY4044



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

Annexure referred to in our report of even date to the members of **JINDAL FITTINGS LIMITED** on the accounts for the year ended 31<sup>st</sup> March, 2021

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

We have audited the internal financial controls over financial reporting of **JINDAL FITTINGS LIMITED**("the Company") as of 31<sup>st</sup> March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

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



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

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2021, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

**For P.C. Goyal & Co.**

Chartered Accountants

Firm Registration No. 002368N



**(M.P. Jain)**

Partner

M. No. 082407

Date: 23<sup>rd</sup> April 2021

Place: New Delhi

UDIN: 21082407AAAABY4044



**Jindal Fittings Limited**  
Balance Sheet as at March 31, 2021

Particulars	Notes	As at	
		March 31, 2021	March 31, 2020
<b>ASSETS</b>			
(1) <b>Non-Current Assets</b>			
(a) Property, plant and equipment	5	73,38,82,714	78,37,45,834
(b) Capital work-in-progress		-	1,66,552
(c) Intangible assets	6	7,812	6,88,832
(d) Financial assets			
(i) Other financial assets	7	1,57,76,082	1,65,02,316
(e) Deferred tax assets (Net)	7A	35,62,62,336	35,12,13,071
(f) Other non-current assets	8	2,23,398	32,239
(2) <b>Current Assets</b>			
(a) Inventories	9	43,42,624	1,92,13,416
(b) Financial assets			
(i) Trade receivables	10	2,44,78,476	8,54,62,315
(ii) Cash and cash equivalents	11	1,46,25,056	4,67,36,527
(iii) Bank balances other than (ii) above	12	22,73,770	20,70,375
(iv) Other financial assets	13	10,49,691	11,45,875
(c) Current tax assets (Net)	14	1,67,02,422	84,68,162
(d) Other current assets	15	2,53,86,198	3,90,40,731
<b>TOTAL ASSETS</b>		<b>1,19,50,10,579</b>	<b>1,35,44,86,244</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16	38,88,00,070	38,88,00,070
(b) Other equity	17	(30,39,67,872)	(33,40,12,837)
<b>Liabilities</b>			
(1) <b>Non-Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	98,62,54,987	1,15,96,55,574
(b) Provisions	19	86,23,286	1,21,09,081
(c) Deferred tax liabilities (Net)		-	-
(2) <b>Current Liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	20		
(A) total outstanding dues of micro enterprises and small enterprises; and		-	26,950
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		17,41,926	50,08,079
(ii) Other financial liabilities	21	9,64,14,728	9,89,86,529
(b) Other current liabilities	22	1,60,59,192	2,30,13,309
(c) Provisions	23	10,84,263	8,99,490
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,19,50,10,579</b>	<b>1,35,44,86,244</b>

This is the Balance Sheet referred to in our report of even date.  
The accompanying notes are integral part of these financial statements.

For and on behalf of Board of Directors of Jindal Fittings Limited

**For P.C GOYAL & Co.**  
Firm Registration No. 002368N  
Chartered Accountants




**M.P Jain**  
Partner  
M.No. 082407




Place : New Delhi  
Dated : 23.04.2021



**Shri Maneesh Kumar**  
Director  
DIN : 03404987



**Mr. Vivek Choudhary**  
Company Secretary  
ACS : 29335



**Dr. Raj Kamal Aggarwal**  
Director  
DIN : 00005349



**Mr. Anil Kumar Dash**  
Chief Financial Officer

**Jindal Fittings Limited**  
**Statement of Profit and Loss for the year ended March 31, 2021**

Particulars	Notes	(Amounts in ₹)	
		Year ended March 31, 2021	Year ended March 31, 2020
<b>I Income</b>			
Revenue from operations	24	24,64,80,275	1,23,39,80,775
Other income	25	60,30,200	37,82,310
<b>Total Income (I)</b>		<b>25,25,10,475</b>	<b>1,23,77,63,085</b>
<b>II Expenses</b>			
Cost of materials consumed		68,40,535	27,55,35,348
Purchases of Stock-in-Trade		86,99,534	46,81,240
Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	1,07,20,313	46,28,81,966
Employee benefits expense	27	29,85,418	14,12,79,055
Finance costs	28	14,11,83,380	22,81,57,435
Depreciation and amortisation expense	29	5,01,80,804	5,39,98,823
Other expenses	30	1,02,16,626	25,54,12,638
<b>Total Expenses (II)</b>		<b>23,08,26,610</b>	<b>1,42,19,46,504</b>
<b>III Profit/(loss) before exceptional items and tax (I-II)</b>		<b>2,16,83,865</b>	<b>(18,41,83,420)</b>
<b>IV Exceptional items</b>		-	-
<b>V Profit/(loss) before tax (III-IV)</b>		<b>2,16,83,865</b>	<b>(18,41,83,420)</b>
<b>VI Tax expense: ₹</b>			
(i) Current tax	35	-	-
(ii) Deferred tax	34	(59,10,342)	(1,42,12,352)
<b>Total Tax expense (VI)</b>		<b>(59,10,342)</b>	<b>(1,42,12,352)</b>
<b>VII Profit/(loss) for the year (V-VI)</b>		<b>2,75,94,207</b>	<b>(16,99,71,068)</b>
<b>VIII Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit and loss</b>			
(i) Re-measurement gains/ (losses) on defined benefit plans	36	33,11,835	(24,85,604)
(ii) Income tax effect on above	34	(8,61,077)	6,25,577
<b>Total Other Comprehensive Income for the year</b>		<b>24,50,758</b>	<b>(18,60,027)</b>
<b>IX Total Comprehensive Income for the year (VII+VIII)</b> (Comprising profit and other comprehensive income for the		<b>3,00,44,965</b>	<b>(17,18,31,095)</b>
<b>X Earnings per equity share of ₹ 10 each</b>			
(1) Basic (₹)	39	0.60	(3.87)
(2) Diluted (₹)	39	0.60	(3.87)

This is the Statement of Profit and Loss referred to in our report of even date.  
The accompanying notes are integral part of these financial statements.

For and on behalf of Board of Directors of Jindal Fittings Limited

**For P.C GOYAL & Co.**  
Firm Registration No. 002368N  
Chartered Accountants

*[Signature]*

**M.P Jain**  
Partner  
M.No. 082407



Place : New Delhi  
Dated : 23.04.2021

*[Signature]*

**Shri Maneesh Kumar**  
Director  
DIN : 03404987

*[Signature]*

**Dr. Raj Kamal Aggarwal**  
Director  
DIN : 00005349

*[Signature]*

**Mr. Vivek Choudhary**  
Company Secretary  
ACS : A29335

*[Signature]*

**Mr. Anil Kumar Dash**  
Chief Financial Officer

**Jindal Fittings Limited**  
**Statement Of Changes In Equity for the year ended March 31, 2021**  
**A. Equity Share Capital**

	Balance as at April 1, 2019	Changes in equity share capital during 2019-20	Balance as at March 31, 2020	Changes in equity share capital during 2020-21	Balance as at March 31, 2021
	38,88,00,070	-	38,88,00,070	-	38,88,00,070

Particulars	Notes	Share Application Pending Allotment	Mandatorily Convertible Preference Shares *	Reserves and Surplus		Items of Other Comprehensive Income	Total
				Retained Earnings	Re-measurement of the net defined benefit Plans		
<b>Balance as at April 1, 2019</b>		-	50,00,00,000	(88,15,61,091)	2,89,631		<b>(38,12,71,460)</b>
Profit for the year		-	-	(16,99,71,067)	-		(16,99,71,067)
Other Comprehensive Income Issued during the year		-	-	-	(18,60,027)		(18,60,027)
Share Issue Expenses		-	22,00,00,000	-	-		22,00,00,000
		-	-	(9,10,283)	-		(9,10,283)
<b>Balance as at March 31, 2020</b>		-	72,00,00,000	(1,05,24,42,441)	(15,70,396)		<b>(33,40,12,837)</b>
<b>Balance as at April 1, 2020</b>		-	72,00,00,000	(1,05,24,42,441)	(15,70,396)		<b>(33,40,12,837)</b>
Profit for the year		-	-	2,75,94,207	-		2,75,94,207
Other Comprehensive Income Issued during the year		-	-	-	24,50,758		24,50,758
<b>Balance as at March 31, 2021</b>		-	72,00,00,000	(1,02,48,48,234)	8,80,362		<b>(30,39,67,872)</b>

\* Refer note 16 (iv) (b)

This is the Statement of Changes in Equity referred to in our report of even date. The accompanying notes are integral part of these financial statements.

**For P.C GOYAL & Co.**  
 Firm Registration No. 002368N  
 Chartered Accountants



*(Signature)*

**M.P Jain**  
 Partner

Place : New Delhi  
 Date : 23.04.2021

For and on behalf of Board of Directors of Jindal Fittings Limited

*(Signature)*  
**Mr. Maneesh Kumar**  
 Director

Director  
 DIN : 03404987

*(Signature)*

**Mr. Vivek Choudhary**  
 Company Secretary  
 ACS : 29335

*(Signature)*

**Dr. Raj Kamal Aggarwal**  
 Director  
 DIN : 00005349

*(Signature)*

**Mr. Anil Kumar Dash**  
 Chief Financial Officer

**JINDAL FITTINGS LIMITED**  
Statement of Cash flow for the year ended on March 31, 2021

(Amount in ₹)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
<b>A. Cash Inflow (Outflow) From The Operating Activities :</b>				
<b>Net Profit Before Tax And Exceptional Items</b>		<b>2,16,83,865</b>		<b>(18,41,83,419)</b>
Adjustments for				
Add/(Less)				
Depreciation & Amortisation	5,01,80,804		5,39,98,823	
Interest Expense	14,04,64,505		18,46,74,034	
Liquidated Damages/ Bad Debts	17,31,424			
Loss on discard of P.P.E	3,63,337			
Effect of Unrealised Foreign Exchange (Gain)/Loss	6,54,340		8,52,416	
Sundry Balance Written Back	(3,50,065)			
Interest Income	(1,40,945)		(35,68,237)	
<b>Operating Profit Before Working Capital Changes</b>		<b>19,29,03,399</b>		<b>23,59,57,035</b>
Adjustments for:-				
Inventories	1,48,70,792		55,13,37,793	
Trade Receivables	5,92,52,415		7,94,91,401	
Loans and advances and other assets	1,40,06,215		8,94,18,929	
Trade and Other Payables	(1,35,41,507)		(28,29,98,987)	
<b>Cash Generated From Operations Before Exceptional Items</b>		<b>7,45,87,915</b>		<b>43,72,49,135</b>
Tax Paid		28,91,75,179		48,90,22,751
		(82,34,260)		(77,28,712)
<b>Net Cash Inflow / ( Outflow ) From Operating Activities</b>		<b>28,09,40,919</b>		<b>48,12,94,040</b>
<b>B. Cash Inflow/(Outflow) From Investment Activities :</b>				
Capital expenditure	1,66,552		(48,39,618)	
Interest received	2,17,129		17,66,461	
<b>Net Cash Inflow/(Outflow)From Investing Activities</b>		<b>3,83,681</b>		<b>(30,73,157)</b>
<b>C. Cash Inflow/(Outflow) From Financing Activities :</b>				
Interest paid	(14,04,64,505)		(18,46,74,034)	
Share Issue Expenses	-		(9,10,283)	
Increase/(Decrease) in Current Borrowings	(7,73,54,863)		(36,13,29,430)	
Increase/(Decrease) in Non-Current Borrowings	(9,56,16,704)		4,44,85,655	
Issue of Preference Share Capital	-		22,00,00,000	
Increase/(Decrease) in unsecured loan	-		(15,39,03,197)	
<b>Net Cash Inflow/(Outflow) From Financing Activities</b>		<b>(31,34,36,072)</b>		<b>(43,63,31,289)</b>
<b>Net Changes In Cash And Cash Equivalents</b>		<b>(3,21,11,471)</b>		<b>4,18,89,594</b>
Cash and cash equivalents at beginning of the year		4,67,36,527		48,46,932
<b>Cash and cash equivalents at end of the year</b>		<b>1,46,25,056</b>		<b>4,67,36,527</b>
		1,46,25,056		4,67,36,527

**NOTE:**

- Increase/(decrease) in Non-current and current borrowings are shown net of repayments.
- Figures in bracket indicates cash outflow.
- The above cash flow statement has been prepared under the indirect method set out in IND AS-7 'Statement of Cash Flows'.

As per our report of even date attached

**For P.C GOYAL & Co.**  
Firm Registration No. 002368N  
Chartered Accountants

*[Signature]*

**M.P Jain**  
Partner  
M.No. 082407



Place : New Delhi  
Dated : 23.04.2021

For and on behalf of the Board of Directors of Jindal Fittings Limited

*[Signature]*  
**Shri Maneesh Kumar**  
Director  
DIN : 03404987

*[Signature]*  
**Dr. Raj Kamal Aggarwal**  
Director  
DIN : 00005349

*[Signature]*  
**Mr. Vivek Choudhary**  
Company Secretary  
ACS : 29335

*[Signature]*  
**Mr. Anil Kumar Dash**  
Chief Financial Officer

**JINDAL FITTINGS LIMITED**  
**Notes To Financial Statements**  
**5. Property, Plant and Equipment**

Particulars	(Amount in ₹)							Total	
	Leashold land	Building	Plant and Equipments	Electrical Installations	Furniture and Fixtures	Office equipment	Vehicles		Computers
<b>Gross Block</b>									
As at April 1, 2019	98,23,920	33,83,95,970	59,63,69,000	7,53,43,164	1,40,75,393	55,55,402	1,11,78,868	84,79,758	1,05,92,21,475
Additions	-	-	79,10,458	92,560	1,65,000	1,31,000	-	99,064	83,98,082
Disposal	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>98,23,920</b>	<b>33,83,95,970</b>	<b>60,42,79,458</b>	<b>7,54,35,724</b>	<b>1,42,40,393</b>	<b>56,86,402</b>	<b>1,11,78,868</b>	<b>85,78,822</b>	<b>1,06,76,19,557</b>
Additions	-	-	-	-	-	-	-	-	-
Disposal	-	-	18,19,197	38,169	1,80,474	4,40,024	60,035	2,90,230	28,28,128
Adjustments	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>98,23,920</b>	<b>33,83,95,970</b>	<b>60,24,60,261</b>	<b>7,53,97,555</b>	<b>1,40,59,919</b>	<b>52,46,378</b>	<b>1,11,18,833</b>	<b>82,88,592</b>	<b>1,06,47,91,428</b>
<b>Accumulated Depreciation</b>									
As at April 1, 2019	5,30,083	4,92,35,814	13,91,59,755	1,79,15,352	1,11,01,763	28,10,594	41,08,416	57,70,588	23,06,32,365
Charge for the Year	1,06,018	69,56,777	3,77,65,917	37,38,104	22,15,503	6,86,580	10,39,206	7,33,253	5,32,41,358
Disposal	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>6,36,101</b>	<b>5,61,92,591</b>	<b>17,69,25,672</b>	<b>2,16,53,456</b>	<b>1,33,17,266</b>	<b>34,97,174</b>	<b>51,47,622</b>	<b>65,03,841</b>	<b>28,38,73,723</b>
Charge for the Year	1,06,018	69,56,777	3,63,91,245	37,38,189	43,975	5,54,150	10,39,173	6,70,258	4,94,99,784
Disposal	-	-	15,92,576	8,859	1,71,899	3,75,637	45,439	2,70,381	24,64,791
Adjustments	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>7,42,119</b>	<b>6,31,49,368</b>	<b>21,17,24,341</b>	<b>2,53,82,787</b>	<b>1,31,89,341</b>	<b>36,75,687</b>	<b>61,41,356</b>	<b>69,03,718</b>	<b>33,09,08,716</b>
<b>Net Carrying Amount</b>									
As of March 31, 2020	91,87,819	28,22,03,379	42,73,53,786	5,37,82,268	9,23,127	21,89,228	60,31,246	20,74,981	78,37,45,834
As of March 31, 2021	90,81,801	27,52,46,602	39,07,35,920	5,00,14,768	8,70,578	15,70,691	49,77,477	13,84,875	73,38,82,712



**JINDAL FITTINGS LIMITED**  
**Notes To Financial Statements**  
**6. Intangible Assets**

(Amount in ₹)

Particulars	Software
<b>Gross Block</b>	
As at April 1, 2019	44,00,198
Additions	-
Disposal	-
Adjustments	-
<b>As at March 31, 2020</b>	<b>44,00,198</b>
Additions	-
Disposal	-
Adjustments	-
<b>As at March 31, 2021</b>	<b>44,00,198</b>
<b>Accumulated Depreciation</b>	
As at April 1, 2019	29,53,902
Charge for the Year	7,57,464
Disposal	-
Adjustments	-
<b>As at March 31, 2020</b>	<b>37,11,366</b>
Charge for the Year	6,81,019
Disposal	-
Adjustments	-
<b>As at March 31, 2021</b>	<b>43,92,385</b>
<b>Net carrying amount</b>	
As at March 31, 2020	6,88,832
As at March 31, 2021	7,813



**Jindal Fittings Limited**  
**Notes To Financial Statements**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>7. Other Non-Current Financial Assets</b>		
<b>Unsecured, considered good</b>		
Security deposits*	1,57,76,082	1,65,02,316
<b>Total Other Non-Current Financial Assets</b>	<b>1,57,76,082</b>	<b>1,65,02,316</b>
* Pledged with banks, government departments and others.		
<b>7A. Deferred Tax Asset (Net)</b>		
<b>A. Assets</b>		
(i) Disallowance under Income Tax Act	25,23,963	36,66,262
(ii) Carried Forward Losses	43,63,97,319	42,56,35,207
<b>Total Deferred Tax Assets</b>	<b>43,89,21,281</b>	<b>42,93,01,469</b>
<b>B. Liability</b>		
Difference between book and tax depreciation	8,26,58,945	7,80,88,399
<b>Total Deferred Tax Liabilities</b>	<b>8,26,58,945</b>	<b>7,80,88,399</b>
<b>Total Deferred Tax Assets (Net) (A-B)</b>	<b>35,62,62,336</b>	<b>35,12,13,071</b>
<b>8. Other Non-Current Assets</b>		
<b>Unsecured, considered good</b>		
Prepaid expenses	2,23,398	-
Other Non Current Assets		32,239
<b>Total Other Non-Current Assets</b>	<b>2,23,398</b>	<b>-</b>
<b>9. Inventories</b>		
Raw materials	90,043	41,20,370
Work-in-progress	-	24,28,501
Finished goods	-	79,88,804
Stores and spares	7,72,493	8,92,644
Loose tools inventory	2,68,993	2,68,993
Scrap	32,11,095	35,14,104
<b>Total Inventories</b>	<b>43,42,624</b>	<b>1,92,13,416</b>
<b>10. Trade Receivables</b>		
<b>Related Parties</b>		
Unsecured, considered good	33,29,424	33,29,424
<b>Others</b>		
Secured, considered good	18,27,536	4,44,67,821
Unsecured, considered good	1,93,21,516	3,76,65,071
<b>Total Trade Receivables</b>	<b>2,44,78,476</b>	<b>8,54,62,315</b>
<b>11. Cash and Cash Equivalents</b>		
<b>Balances with banks</b>		
In current accounts	1,46,25,056	4,67,04,513
Cash on hand	-	32,014
<b>Total Cash and Cash Equivalents</b>	<b>1,46,25,056</b>	<b>4,67,36,527</b>
<b>12. Other Bank Balances</b>		
Fixed deposits with remaining maturity of less than 12 months and other than considered in cash and cash equivalents *	22,73,770	20,70,375
<b>Total Other Bank Balances</b>	<b>22,73,770</b>	<b>20,70,375</b>

\* Pledged with banks, government departments and others.



**Jindal Fittings Limited**  
**Notes To Financial Statements**

Particulars	As at	As at
	March 31, 2021	March 31, 2020
<b>13. Other Current Financial Assets</b>		
Earnest money deposit	9,95,000	10,15,000
Interest Accrued but not due on FDR's	54,691	1,30,875
<b>Total Other Current Financial Assets</b>	<b>10,49,691</b>	<b>11,45,875</b>
<b>14. Current Tax Assets</b>		
Current Tax Asset (Net of Provision)	1,67,02,422	84,68,162
<b>Total Current Tax Assets</b>	<b>1,67,02,422</b>	<b>84,68,162</b>
<b>15. Other Current Assets</b>		
Prepaid expenses	8,34,200	2,70,722
Advances to vendors	5,37,172	3,27,466
Advance to employees	2,828	12,130
Balances with state and central government authorities	2,40,11,996	3,84,62,652
<b>Total Other Current Assets</b>	<b>2,53,86,196</b>	<b>3,90,72,970</b>
<b>16. Equity Share Capital</b>		
<b>(i) Authorised</b>		
(i) 4,00,00,000 Equity Shares of ₹ 10/- each	40,00,00,000	40,00,00,000
(ii) 75,00,000 Preference shares of ₹ 100/- each	75,00,00,000	75,00,00,000
	<b>1,15,00,00,000</b>	<b>1,15,00,00,000</b>
<b>(ii) Issued, Subscribed and Fully Paid- Up</b>		
(i) 38880007 (March 31, 2020 38880007 ) Equity Shares of ₹ 10/- each	38,88,00,070	38,88,00,070
(ii) 7200000 (March 31, 2020 7200000 ) Preference Shares of ₹ 100/- each*	72,00,00,000	72,00,00,000
	<b>1,10,88,00,070</b>	<b>1,10,88,00,070</b>

\* The same has been presented in Other Equity in Balance Sheet

**(iii) Reconciliation of No. of shares**

Equity shares		
Shares outstanding as at the beginning of the year	38,88,00,070	38,88,00,070
Shares outstanding as at the end of the year	<b>38,88,00,070</b>	<b>38,88,00,070</b>

**(iv) (a) Details of equity shareholders holding more than 5% shares in the Company:**

Name of Shareholders	No. of shares	% of holding	No. of shares	% of holding
		as at		as at
		March 31, 2021	March 31, 2020	
Jindal Saw Limited	1,39,96,803	36	1,39,96,803	36
Aion Industries Private Limited	1,26,19,202	32	1,26,19,202	32
International Steel Operating and Management (FZE)	58,32,001	15	58,32,001	15
Siddeshawri Tradex Private Limited (Pursuant to scheme of Merger by Absorption of Danta Enterprises Private Limited and Glebe Trading Private Limited)	58,32,001	15	58,32,001	15
<b>Total</b>	<b>3,82,80,007</b>	<b>98</b>	<b>3,82,80,007</b>	<b>98</b>

**(iv) (b) Details of preference shareholders holding more than 5% shares in the Company:**

Name of Shareholders	No. of shares	% of holding	No. of shares	% of holding
		as at		as at
		March 31, 2021	March 31, 2020	
Siddeshawri Tradex Private Limited (Pursuant to scheme of Merger by Absorption of Danta Enterprises Private Limited and Glebe Trading Private Limited)	72,00,000	100	72,00,000	100
<b>Total</b>	<b>72,00,000</b>	<b>100</b>	<b>72,00,000</b>	<b>100</b>

**(v) (a) Terms/Rights attached to Equity Shares**

The company has one class of equity shares having a face value of Rs. 10/- per equity share. Each equity shareholder is entitled to one vote per share.

**(v) (b) Terms/Rights attached to Preference Shares**

The company has one class of preference shares i.e 11% Non Cumulative Compulsory Convertible Preference Share (CCPS) having a face value of Rs. 100 per preference share. The CCPS holder shall carry a preferential right vis-à-vis Equity Share

The company has one class of preference shares i.e 11% Non Cumulative Compulsory Convertible Preference Share (CCPS) having a face value of Rs. 100 per preference share. The CCPS holder shall carry a preferential right vis-à-vis Equity Shares with respect to payment of dividend or repayment of capital. The CCPS holder shall be non participating in surplus funds/surplus assets and profits on winding up which remain after the entire capital is repaid. The CCPS holder shall be paid dividend on non-cumulative basis. The CCPS of 40,00,000 no., 10,00,000 no., 22,00,000 no. will be convertible into equal number of equity shares of the company at any time on or after 12 years of date of issue of CCPS i.e March 29, 2016, March 27, 2019 and March 24, 2020 respectively. The CCPS shall not carry voting rights.



**Jindal Fittings Limited**  
Notes To Financial Statements

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>17. Other Equity</b>		
<b>(i) Retained earnings</b>		
Opening balance	(1,05,24,42,442)	(88,15,61,091)
Add: Net profit for the year	2,75,94,207	(16,99,71,068)
Less : Share issue expenses	-	(9,10,283)
<b>Closing Balance (i)</b>	<b>(1,02,48,48,235)</b>	<b>(1,05,24,42,442)</b>
<b>(ii) Items of Other Comprehensive income</b>		
<b>Re-measurement of the net defined benefit Plans</b>		
Opening balance	(15,70,396)	2,89,631
Add: Addition for the year	24,50,758	(18,60,027)
<b>Closing Balance</b>	<b>8,80,362</b>	<b>(15,70,396)</b>
<b>iii) Equity Component of Other Financial Instruments</b>		
<b>Mandatorily Convertible Preference Shares</b>		
Opening balance	72,00,00,000	50,00,00,000
Add: Addition for the year	-	22,00,00,000
<b>Closing Balance</b>	<b>72,00,00,000</b>	<b>72,00,00,000</b>

**Nature of reserves**

Retained earnings represent the undistributed profits of the Company.

Other comprehensive income reserve represent 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.

**18. Non-Current Borrowings**

**Secured**

Term loan from NBFC\* 53,35,00,652 62,95,46,376

**Unsecured**

Loan from related parties \*\* 45,27,54,335 53,01,09,198

**Total Non-Current Borrowings** **98,62,54,987** **1,15,96,55,574**

\* Term Loan of Rs 64,49,66,671 (rate of Interest 11.10% p.a) (Previous year Rs. 74,49,66,667 rate of Interest 11.10%) is secured by way of first charge on all immovable and movable fixed assets of the company and second charge on current assets of the company both present and future. The loan is net of amortised cost of borrowing. The loan is repayable in 91 structured monthly installment, out of which 13 installment is paid. The yearwise breakup of repayment is as follows:

The term loan facility are payable in monthly installment as follows -

Year of Repayment	(Amount in ₹)
2021-2022	9,99,99,996
2022-2023	9,99,99,996
2023-2024	9,99,99,996
2024-2025	9,99,99,996
2025-2026	9,99,99,996
2026-2027	9,99,99,996
2027-2028	4,49,66,695
<b>Total Outstanding Balance</b>	<b>64,49,66,671</b>

Loan is net of transaction cost.

There is no default in repayment of interest and principal thereon.

**Unsecured Borrowing from Related Party**

\*\*Loan taken from Siddeshawri Tradex Private Limited (Pursuant to scheme of Merger by Absorption of Danta Enterprises Private Limited and Glebe Trading Private Limited) is repayable from long stop date i.e January 31, 2017.

The loan carries interest in the range of 11.65% to 12.65% p.a.



**Jindal Fittings Limited**  
**Notes To Financial Statements**

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>19. Non-Current Provisions</b>		
<b>Provision for employee benefits</b>		
Gratuity	36,42,902	54,91,533
Leave encashment	49,80,384	66,17,548
<b>Total Non-Current Provisions</b>	<b>86,23,286</b>	<b>1,21,09,081</b>
<b>20. Trade Payables</b>		
Micro and small enterprises*	-	26,950
Trade payables (including acceptances)	17,41,926	50,08,079
<b>Total Trade Payables</b>	<b>17,41,926</b>	<b>50,35,029</b>
* Refer Note : 33		
<b>21. Other Current Financial Liabilities</b>		
Current maturities of non- current borrowings	9,60,15,036	9,55,86,016
Capital creditors	3,23,046	5,50,422
Security deposit	-	1,00,000
Payable to employees	76,646	27,50,091
<b>Total Other Current Financial Liabilities</b>	<b>9,64,14,728</b>	<b>9,89,86,529</b>
<b>22. Other Current Liabilities</b>		
Advance from customer	36,13,564	55,26,811
Statutory dues	91,82,185	1,24,66,105
Other liabilities#	32,63,442	50,20,392
<b>Total Other Current Liabilities</b>	<b>1,60,59,192</b>	<b>2,30,13,309</b>
# Includes provision for expenses etc.		
<b>23. Current Provisions</b>		
<b>Provision for employee benefits</b>		
Gratuity	7,51,582	5,68,064
Leave encashment	3,32,681	3,31,426
<b>Total Current Provisions</b>	<b>10,84,263</b>	<b>8,99,490</b>



**Jindal Fittings Limited**  
**Notes To Financial Statements**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>24. Revenue From Operations</b>		
<b>Revenue from contracts with customers</b>		
Sale of products	3,56,81,169	1,14,45,04,856
<b>Other operating revenues</b>		
Sale of scraps	17,100	91,453
Export and other government incentives	4,82,006	1,20,34,466
Lease Income	21,03,00,000	7,73,50,000
<b>Total Other operating revenues</b>	<b>21,07,99,106</b>	<b>8,94,75,919</b>
<b>Total Revenue From Operations</b>	<b>24,64,80,275</b>	<b>1,23,39,80,775</b>
<b>25. Other Income</b>		
Interest from FDRs	1,40,945	19,03,044
Interest from IT refund	5,52,364	-
Other interest income	7,44,396	16,27,142
Interest from customers	-	38,051
Net foreign currency gain/(loss)	26,06,520	-
Provision for expenses written back	16,35,909	-
Other non operational income	3,50,065	2,14,072
<b>Total Other Income</b>	<b>60,30,200</b>	<b>37,82,310</b>
<b>26. Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress</b>		
<b>Opening Stock</b>		
Finished goods	79,88,804	7,46,40,016
Scrap	35,14,104	46,48,349
Work in progress	24,28,501	40,22,06,250
	<b>1,39,31,409</b>	<b>48,14,94,615</b>
<b>Closing Stock</b>		
Finished goods	-	79,88,804
Scrap	32,11,095	35,14,104
Work in progress	-	24,28,501
	<b>32,11,095</b>	<b>1,39,31,409</b>
<b>Total Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress</b>	<b>1,07,20,313</b>	<b>46,28,81,966</b>



**Jindal Fittings Limited**  
**Notes To Financial Statements**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>27. Employee Benefits Expense</b>		
Salary and Wages	5,146	13,13,24,622
Contribution to provident and other funds	29,75,272	62,92,404
Workmen and staff welfare expenses	5,000	36,62,029
<b>Total Employee Benefits Expense</b>	<b>29,85,418</b>	<b>14,12,79,055</b>
<b>28. Finance Costs</b>		
<b>Interest expense</b>		
Term loans	7,75,86,267	7,24,28,459
Bank borrowings	-	2,66,25,898
Other interest	5,87,59,325	8,56,19,833
Bank and finance charges	48,37,788	4,34,83,245
<b>Total Finance Costs</b>	<b>14,11,83,380</b>	<b>22,81,57,435</b>
<b>29. Depreciation and Amortisation</b>		
Depreciation	4,94,99,784	5,32,41,358
Amortisation	6,81,019	7,57,464
<b>Total Depreciation and Amortisation</b>	<b>5,01,80,804</b>	<b>5,39,98,823</b>
<b>30. Other Expenses</b>		
Stores and spares consumed	7,63,408	13,62,88,395
Power and fuel	-	5,56,87,042
Job work expenses	69,492	99,16,795
Internal material handling charges	-	4,820
Other manufacturing expenses	6,43,746	11,38,124
Repairs to buildings	-	69,705
Repairs and maintenance to plant and equipment	-	73,372
Other repair and maintenance	17,936	7,10,667
Rent	4,55,464	25,67,537
Insurance	1,30,694	11,45,681
Water and electricity	-	3,00,691
Security expenses	-	26,44,953
Travelling and conveyance	15,157	36,55,855
Vehicle upkeep and maintenance	1,15,767	10,10,514
Postage and telephones	3,16,033	7,61,604
Legal and professional fees	9,87,032	57,86,300
Auditors' remuneration (refer note : 41)	75,000	2,92,550
Forwarding charges (net)	7,45,091	1,09,94,226
Liquidated damages	17,31,424	-
Loss on sale/discard of property, plant and equipment and intangible assets	3,63,337	-
Net foreign currency (gain)/loss	-	(45,78,805)
Miscellaneous expenses	37,87,045	2,69,42,609
<b>Total Other Expenses</b>	<b>1,02,16,626</b>	<b>25,54,12,637</b>



# Jindal Fittings Limited

## Notes to Financial Statements

### 1. Corporate and General Information

Jindal Fittings Limited ("JFL" or "the Company") is domiciled and incorporated in India and its shares are privately traded in India. The registered office of JFL is situated 28 Shivaji Marg, New Delhi 110015 India.

The Company is a leading global manufacturer and supplier of Ductile Iron Fittings with manufacturing facility at B-13, M.I.D.C. Industrial Area, Tembhorni, TalukaMadha, District Solapur, State Maharashtra in India. Its products have application for supply of fittings for water sector projects, drainage, oil & gas pipeline projects etc.

### 2. Basis of preparation

The financial statements have been prepared complying in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2015. The financial statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented. The financial statement has been prepared considering all IND AS as notified by MCA till reporting date i.e. March 31, 2021

The standalone financial statements provide comparative information in respect to the previous year.

The significant accounting policies used in preparing the financial statements are set out in Note no.3 of the Notes to the Financial Statements.

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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 (refer Note no.4 on critical accounting estimates, assumptions and judgements).

### 3 Significant Accounting Policies

#### 3.1 Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- Financial assets and liabilities except borrowings carried at amortised cost.
- Defined benefit plans – plan assets measured at fair value.
- derivative financial instruments.

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



# Jindal Fittings Limited

## Notes to Financial Statements

### 3.2 Property, Plant and Equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Assets are depreciated to the residual values on a straight line basis over the estimated useful lives based on technical estimates, except, moulds which are depreciated based on units of production. Assets residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets and benchmarking analysis or whenever there are indicators for review of residual value and useful life. Freehold land is not depreciated. Estimated useful lives of the assets are as follows:

Category of Assets	Years
-Leasehold Land	Lease period
-Buildings	3 - 60
<b>Equipment &amp; Machinery</b>	
-Plant and Machinery	3 - 40
-Electrical Installations	10 - 25
<b>Other office equipment</b>	
-Computer equipment	3 - 10
-Office furniture and equipment	3 - 8
-Vehicles	5 - 15

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

### 3.3 Intangible Assets

Identifiable intangible assets are recognised a) when the Company controls the asset, b) it is probable that future economic benefits attributed to the asset will flow to the Company and c) the cost of the asset can be reliably measured.

Computer software's are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of license, generally not exceeding six years on straight line basis. The assets' useful lives are reviewed at each financial year end.

### 3.4 Impairment of non-current assets

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.



# Jindal Fittings Limited

## Notes to Financial Statements

### 3.5 Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the Statement of Cash Flows, cash and cash equivalents include, outstanding bank overdrafts shown within the borrowings in current liabilities in the Balance Sheet and which are considered an integral part of the Company's cash management.

### 3.6 Inventories

Inventories are valued at the lower of cost and net realizable value except scrap, which is valued at net realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition. Cost is computed on the weighted average basis.

### 3.7 Leases

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

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

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

And in case entity is lessor, it identifies whether the lease is defined as finance or operating lease as per the criteria given in Ind As 116.

In case of Operating lease, an entity recognises lease payment as income on straight line basis

In case of Finance lease, an entity initial measurement

- (i) derecognises the carrying amount of underlying assets
- (ii) recognise the net investment in lease
- (iii) recognise profit and loss on selling profit or selling loss

and on subsequent measurement, entity recognises finance income over the lease period and reduces the net investment in the lease for lease payment received and recognise income from any variable lease payments and recognises any impairment of the net investment in the lease

### 3.8 Employee benefits

a) Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered.



# Jindal Fittings Limited

## Notes to Financial Statements

b) Leave encashment being a short term benefit is accounted for using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.

c) Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

d) The cost of providing gratuity, a defined benefit plans, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in statement of profit and loss.

The Company operates defined benefit plans for gratuity, which requires contributions to be made to a separately administered fund. Funds are managed by two trusts. These trusts have policies from an insurance company. These benefits are partially funded.

### 3.9 Foreign currency reinstatement and translation

#### (a) Functional and presentation currency

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

#### (b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at rates prevailing at the date of the transaction. Subsequently monetary items are translated at closing exchange rates of balance sheet date and the resulting exchange difference recognised in profit or loss. Differences arising on settlement of monetary items are also recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. Exchange component of the gain or loss arising on fair valuation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to such exchange difference.

### 3.10 Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### a. Financial Assets

Financial Assets are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and the assets contractual cash flow characteristics.

Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.



# Jindal Fittings Limited

## Notes to Financial Statements

### Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For some trade receivables the Company obtain security in the form of guarantee or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Subsequent changes in assessment of impairment are recognised in provision for impairment and the change in impairment losses are recognised in the Statement of Profit and Loss within other expenses.

For foreign currency trade receivable, impairment is assessed after reinstatement at closing rates.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

Subsequent recoveries of amounts previously written off are credited to other Income

### b. Financial Liabilities

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in profit or loss.

#### i. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.

#### ii. Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method ("EIR") except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss.



# Jindal Fittings Limited

## Notes to Financial Statements

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

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

### **Trade and other payables**

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### **De-recognition of financial liability**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

### **3.11 Equity share capital**

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

### **3.12 Compulsorily convertible preference share capital**

Compulsorily convertible preference shares convertible into fixed number of equity shares are classified as other equity.

### **3.13 Borrowing costs**

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

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

All other borrowing costs are expensed in the period in which they occur.



# **Jindal Fittings Limited**

## **Notes to Financial Statements**

### **3.14 Taxation**

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income, such change could be for change in tax rate.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

### **3.15 Revenue recognition and other operating income**

#### **Sale of goods**

Revenue is recognized at the fair value of consideration received or receivable and represents the net invoice value of goods supplied to third parties after deducting discounts, volume rebates and outgoing sales tax and are recognized either on delivery or on transfer of significant risk and rewards of ownership of the goods. Revenue is inclusive of excise duty.

#### **Other Operating Income**

Incentives on exports and other Government incentives related to operations are recognised in books after due consideration of certainty of utilization/receipt of such incentives.

#### **Other Income**

##### **Interest**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

### **3.16 Earnings per share**

Basic earnings per share are computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue ) of such instruments.



# Jindal Fittings Limited

## Notes to Financial Statements

Diluted earnings per share is computed using the net profit for the year attributable to the 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.

### 3.17 Provisions and contingencies

#### Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

#### i). Gratuity and leave encashment provision

Refer Note no 3.8 for provision relating to gratuity and leave encashment.

#### Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

### 3.18 Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.



# Jindal Fittings Limited

## Notes to Financial Statements

A liability is classified as current when:

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

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

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

#### 4. Critical accounting estimates, assumptions and judgements

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

##### (a) Property, plant and equipment

External adviser or internal technical team assess the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable.

On transition to IND AS, the Company has adopted exception for fair valuation of property, plant and equipment, impact of fair valuation is provided in Note no 55, subsequent to fair valuation depreciation has been charged on fair valued amount less estimated salvage value. On transition to IND AS, the Company has revisited useful life of various categories of assets, impact of revision in estimate of useful life of various assets is provided in Note no3.2. Property, plant and equipment also represent a significant proportion of the asset base of the Company. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance.

##### (b) Intangibles

Internal technical or user team assess the remaining useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

Before transition to IND AS, the company has revisited the useful life of the assets and the impact of change in life on transition is considered in opening carrying values. Also all Intangibles are carried at net book value on transition.

##### (c) Income taxes

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

##### (d) Contingencies

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



# Jindal Fittings Limited

## Notes to Financial Statements

### **(e) Allowance for uncollected accounts receivable and advances**

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.

Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

### **(f) Insurance claims**

Insurance claims are recognised when the Company have reasonable certainty of recovery. Subsequently any change in recoverability is provided for.

### **(g) Liquidated damages**

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



31 Financial risk management

31.1 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 loans, trade and 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 detailed below:

i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as at March 31, 2021 and March 31, 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 minimise 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, credit risk, liquidity risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

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 of varying maturity depending upon the underlying contract and risk management strategy to manage its exposures to foreign exchange fluctuations and interest rate.

(a) Foreign exchange risk and sensitivity

The Company transacts business primarily in USD, Euro, GBP, OMR, JPY and other currencies. 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 a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Company adopts a policy of selective hedging based on risk assessment of the management. Foreign exchange hedging contracts are carried at fair value.

Particulars	Change in currency exchange rate	Effect on profit before tax
For the year ended March 31, 2021		
USD	+5%	1,91,993
	-5%	(1,91,993)
For the year ended March 31, 2020		
USD	+5%	24,56,267
	-5%	(24,56,267)

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

Summary of exchange difference accounted in Statement of Profit and Loss:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Currency Fluctuations		
Net foreign exchange (gain)/losses shown as Operating Expenses	(26,06,520)	(45,78,805)

(b) Interest rate risk and sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. The management maintains a portfolio mix of floating and fixed rate debt. Borrowings issued at fixed interest rate exposes the Company to fair value interest rate risk.

With all other variables held constant, the following table demonstrates the impact of borrowing cost on floating rate portion of borrowings:

Interest rate sensitivity	Increase/(decrease) in basis points	Effect on profit/(loss) before tax (₹ lakhs)
As at March 31, 2021		
INR borrowings	-50	(50,36,350)
	-50	50,36,350
As at March 31, 2020		
INR borrowings	-50	(59,01,208)
	-50	59,01,208

(c) Commodity price risk and sensitivity

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. For procurement of material, majority of transactions have short term fixed price contract. Further to minimise the risk of import, the Company enter into foreign exchange forward contracts.

Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, deposited with banks, credit exposures from customers including outstanding receivables and other financial instruments.

Trade receivables and contract assets

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

The ageing of trade receivable is provided below:

Particulars	Neither due nor impaired (including unbilled)	Past due			Total
		upto 6 months	6 to 12 months	Above 12 months	
As at March 31, 2021					
Secured				18,27,536	18,27,536
Unsecured	52,767	1,03,79,053	28,93,349	93,25,771	2,26,50,940
Gross Total	52,767	1,03,79,053	28,93,349	1,11,53,307	2,44,78,476
Net Total	52,767	1,03,79,053	28,93,349	1,11,53,307	2,44,78,476
As at March 31, 2020					
Secured	2,89,12,431	1,37,19,920		18,35,469	4,44,67,820
Unsecured	63,73,181	2,75,68,456	55,54,562	14,98,296	4,09,94,495
Gross Total	3,52,85,612	4,12,88,376	55,54,562	33,33,765	8,54,62,315
Net Total	3,52,85,612	4,12,88,376	55,54,562	33,33,765	8,54,62,315



**Liquidity risk**

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

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

The Company is required to maintain ratios as per loan agreements. 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. The Company aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest bearing loans and borrowing for reported periods.

Particulars	Carrying Amount	On Demand/ Overdue	Less than 6 months	6 to 12 months	> 1 years	Total
<b>As at March 31, 2021</b>						
Interest bearing borrowings (including current maturities)	1,08,22,70,023	-	4,99,99,998	4,99,99,998	98,22,70,027	1,08,22,70,023
Other liabilities	3,99,692	-	38,123	699	3,60,870	3,99,692
Trade payables	17,41,926	-	1,68,917	2,24,030	13,48,979	17,41,926
<b>Total</b>	<b>1,08,44,11,641</b>	<b>-</b>	<b>5,02,07,038</b>	<b>5,02,24,727</b>	<b>98,39,79,876</b>	<b>1,08,44,11,641</b>
<b>As at March 31, 2020</b>						
Interest bearing borrowings (including current maturities)	1,25,52,41,590	-	4,99,99,998	4,99,99,998	1,15,52,41,594	1,25,52,41,590
Other liabilities	34,71,971	34,71,971	-	-	-	34,71,971
Trade payables	50,35,029	19,41,927	30,93,102	-	-	50,35,029
<b>Total</b>	<b>1,26,37,48,590</b>	<b>54,13,898</b>	<b>5,30,93,100</b>	<b>4,99,99,998</b>	<b>1,15,52,41,594</b>	<b>1,26,37,48,590</b>

**Unused line of credit**

The Company had access to the following undrawn borrowing facilities:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Total	Available in next one year	Total	Available in next one year
Secured (cash credit and other facilities)	-	-	-	-
Unsecured (PCFC and other facilities)	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**31.2 Competition risk**

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

**31.3 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, return capital to shareholders or issue new shares. The primary objective of the Company's capital management is to maximize the shareholder value. 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. No changes were made in the objectives, policies or processes during the year ended March 31, 2020 and year ended March 31, 2021.

The Company monitors capital using gearing ratio, which is net debt divided by sum of capital and net debt.

For the purpose of the Company's capital management, capital includes equity share capital and other equity as per the balance sheet. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents.

The company envisage to reduce the capital gearing ratio by infusion of funds. The gearing ratios at March 31, 2021 and March 31, 2020 are as follows:

Particulars	As at		(Amounts in ₹)	
	As at	As at	As at	As at
Loans and borrowings	1,08,22,70,023	1,25,52,41,590	1,08,22,70,023	1,25,52,41,590
Less: cash and cash equivalents	1,46,25,056	4,67,36,527	1,46,25,056	4,67,36,527
<b>Net debt (A)</b>	<b>1,06,76,44,967</b>	<b>1,20,85,05,063</b>	<b>1,06,76,44,967</b>	<b>1,20,85,05,063</b>
Total capital	8,48,32,198	5,47,87,433	8,48,32,198	5,47,87,433
<b>Capital and net debt (B)</b>	<b>1,15,24,77,165</b>	<b>1,26,32,92,496</b>	<b>1,15,24,77,165</b>	<b>1,26,32,92,496</b>
Gearing ratio (A/B)	93%	95.66%	93%	95.66%

**Fair value of financial assets and liabilities**

The below table provides the carrying amounts and fair value of the financial instruments recognised basis category in the financial statements.

Particulars	(Amounts in ₹)			
	As at March 31, 2021		As at March 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets designated at amortised cost</b>				
Fixed deposits with banks	22,73,770	22,73,770	20,70,375	20,70,375
Cash and bank balances	1,46,25,056	1,46,25,056	4,67,36,527	4,67,36,527
Trade receivables (net of provision)	2,44,78,476	2,44,78,476	8,54,62,315	8,54,62,315
Other financial assets	1,68,25,773	1,68,25,773	1,76,48,191	1,76,48,191
<b>Total</b>	<b>5,82,03,076</b>	<b>5,82,03,076</b>	<b>15,19,17,408</b>	<b>15,19,17,408</b>
<b>Financial liabilities designated at amortised cost</b>				
Borrowings- fixed rate	-	-	-	-
Borrowings- floating rate	1,08,22,70,023	1,08,22,70,023	1,25,52,41,590	1,25,52,41,590
Trade and other payables	17,41,926	17,41,926	50,35,029	50,35,029
Other financial liabilities	3,99,692	3,99,692	34,00,513	34,00,513
<b>Total</b>	<b>1,08,44,11,641</b>	<b>1,08,44,11,641</b>	<b>1,26,36,77,132</b>	<b>1,26,36,77,132</b>

**Fair valuation techniques**

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

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

- 1) Fair value of cash, bank 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 loans/ 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 Company's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.



IND AS 101 allow company to fair value property, plant and machinery on transition to IND AS, the company has fair value property, plant and equipment and the fair valuation is based on replacement cost approach.

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 judgement, 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 asset and liabilities, grouped into Level 1 to Level 3 as described below:

Level 1: It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date like mutual funds. The mutual funds are valued using the closing net assets value (NAV) as at the balance sheet date.

Level 2: It includes fair value of the financial instruments that are not traded in an active market like over-the-counter derivatives, which is valued by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 2 as described below:-

**Assets/liabilities recognised at amortised cost for which fair value is disclosed**

Particulars	As at March 31, 2021		
	Level 1	Level 2	Level 3
<b>Financial liabilities</b>			
Borrowings- fixed rate			
Other financial liabilities		9,64,14,728	

Particulars	As at March 31, 2020		
	Level 1	Level 2	Level 3
<b>Financial liabilities</b>			
Borrowings- fixed rate			
Other financial liabilities		9,89,86,529	

During the year ended March 31, 2021 and year ended March 31, 2020, there were no transfers between Level 1 and Level 2 fair value measurements. Further there is no transfer in or out and also no balance under level 3 fair value measurements.

Following table describes the valuation techniques used and key inputs to valuation for level 2 of the fair value hierarchy as at March 31, 2021 and March 31, 2020, respectively:

Assets/liabilities for which fair value is disclosed	Fair value hierarchy	Valuation technique	Inputs used
<b>Financial liabilities</b>			
Other borrowings- fixed rate	Level 2	Discounted Cash Flow	Prevailing interest rates in market, Future payouts
Other financial liabilities	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows

**32 Segment Information**

**a) Information about primary segment**

The company is engaged primarily into manufacturing of Ductile Iron Casted Fittings. The company's primary segment as identified by the management is Iron and Steel products. The company operates into one primary segment. Segments have been identified taking into account nature of product and differential risk and returns of the segment.

**b) Information about geographical segment**

The Company's operations are located in India. The following table provides an analysis of the Company's sales by geography in which the customer is located, irrespective of the origin of the goods and non-current assets other than financial instruments on the basis of location of the assets.

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	Within India	Outside India	Total	Within India	Outside India	Total
	(Amounts in ₹)					
<b>Revenue from Operations</b>	22,49,49,769	2,15,30,506	24,64,80,275	94,78,83,251	28,60,97,524	1,23,39,80,775
<b>Non current Assets(PPE and Intangible Assets)</b>	73,38,90,526		73,38,90,526	78,46,01,218		78,46,01,218

**33 Micro and small enterprises**

(Amounts in ₹)

Particulars	As at	
	March 31, 2021	March 31, 2020

- a. Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:
- Principal - 26,950
  - Interest -
- b. Interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year: -
- c. Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006: -
- d. Amount of interest accrued and remaining unpaid at the end of each accounting year: -
- e. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006: -

**34 Deferred income tax**

The analysis of deferred tax assets and deferred tax liabilities dealt in the statement of profit and loss is as follows.

Particulars	(Amounts in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
Book base and tax base of property, plant and equipment and intangible assets	19,89,112	61,57,638
(Disallowance)/allowance (net) under income tax	12,63,499	90,27,659
Carried forward losses	33,08,473	(3,47,368)
Change in tax rate	(1,16,10,349)	-
<b>Total</b>	<b>(50,49,265)</b>	<b>1,48,37,929</b>

**Component of tax accounted in Other Comprehensive Income**

Particulars	(Amounts in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>Component of OCI</b>		
Deferred tax credit/(expense) on defined benefit	(8,61,077)	6,25,577
<b>Total</b>	<b>(8,61,077)</b>	<b>6,25,577</b>

**Deferred tax liabilities (net)**

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Temporary difference</b>		
<b>(i) Deferred tax liability</b>		
(i) Difference between book & tax base related to property, plant and equipment and intangible assets	8,26,58,945	7,80,88,399
(ii) Expenses allowed under income tax but deferred in books		
<b>Total deferred tax liabilities</b>	<b>8,26,58,945</b>	<b>7,80,88,399</b>
<b>(ii) Deferred tax assets</b>		
(i) Disallowance under income tax act	25,23,963	36,66,262
(ii) Carried forward losses	43,63,97,319	42,56,35,207
<b>Total deferred tax assets</b>	<b>43,89,21,281</b>	<b>42,93,01,470</b>
<b>(iii) Net liabilities of temporary differences (i-ii)</b>	<b>(35,62,62,336)</b>	<b>(35,12,13,071)</b>
<b>(iv) MAT credit entitlement</b>		
<b>(v) Net deferred tax liabilities (iii-iv)</b>	<b>(35,62,62,336)</b>	<b>(35,12,13,071)</b>



**Jindal Fittings Limited**  
**Notes To Financial Statements**

35 Income tax  
 Total tax expense reconciliation

Particulars	(Amounts in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>Current tax</b>		
- Current income tax	-	-
<b>Deferred tax</b>		
- Relating to origination & reversal of temporary differences	64,98,882	(4,69,80,860)
- Relating to change in tax rate	(1,16,10,349)	3,20,65,667
- Taxes of which no deduction is admissible	59,608	26,464
- Deferred tax of earlier years	2,593	50,800
<b>Tax expense attributable to current year's profit</b>	<b>(50,49,265)</b>	<b>(1,48,37,929)</b>
<b>Total Tax Expense</b>	<b>(50,49,265)</b>	<b>(1,48,37,929)</b>

**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:

Particulars	(Amounts in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>Net Income before taxes</b>	<b>2,49,95,700</b>	<b>(18,66,69,023)</b>
Enacted tax rates	26%	25.168%
Computed tax expense	64,98,882	(4,69,80,860)
<b>Increase/(decrease) in taxes on account of:</b>		
Deferred tax of previous years	2,593	50,800
Tax on which no deduction is admissible	59,608	26,464
Previous Year Tax Adjustment	2,593	-
Change in rate of tax	(1,16,10,349)	3,20,65,667
<b>Income tax expense reported</b>	<b>(50,49,265)</b>	<b>(1,48,37,929)</b>



36 Employee Benefit Obligations

1. Expense recognised for defined contribution plan

Particulars	(Amounts in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
Company's contribution to provident fund	-	40,40,861.00
<b>Total</b>	<b>-</b>	<b>40,40,861.00</b>

2. Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in the Balance Sheet as at March 31, 2021

2.a. Movement in Defined Benefit Obligations

Particulars	(Amounts in ₹)	
	Gratuity (funded)	Leave encashment (unfunded)
<b>Present value of obligation - April 1, 2019</b>	95,81,074	85,81,647
Current service cost	22,49,650	10,49,008
Interest cost	5,03,006	4,50,536
Benefits paid	(4,28,957)	(5,48,698)
Remeasurements - actuarial loss/(gain)	25,83,136	(25,83,191)
<b>Present value of obligation - March 31, 2020</b>	<b>1,44,87,909</b>	<b>69,48,974</b>
<b>Present value of obligation - April 1, 2020</b>	1,44,87,909	69,48,974
Current service cost	23,43,663	8,17,583
Interest cost	10,14,154	4,86,428
Benefits paid	(4,20,706)	-
Remeasurements - actuarial loss/(gain)	(32,12,083)	(29,39,920)
<b>Present value of obligation - March 31, 2021</b>	<b>1,42,12,937</b>	<b>53,13,065</b>

2.b. Movement in plan assets - gratuity

Particulars	(Amounts in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
Fair value of plan assets at beginning of year	84,28,312	70,60,510
Expected return on plan assets	5,89,982	3,70,677
Employer contributions	11,21,113	13,28,550
Benefits paid	(4,20,706)	(4,28,957)
Actuarial gain / (loss)	99,752	97,532
<b>Fair value of plan assets at end of year</b>	<b>98,18,453</b>	<b>84,28,312</b>
Present value of obligation	1,42,12,937	1,44,87,909
Net funded status of plan #	98,18,453	(60,59,597)
<b>Actual return on plan assets</b>	<b>-</b>	<b>-</b>

# 100% of funds is managed by insurance company

2.c. Recognised in statement of profit and loss

Particulars	(Amounts in ₹)	
	Gratuity	Leave encashment
Current Service cost	21,51,715	22,02,939
Interest cost	5,44,557	5,74,266
Expected return on plan assets	(3,60,078)	-
Remeasurement - Actuarial loss/(gain)	-	-
<b>For the year ended March 31, 2020</b>	<b>23,36,194</b>	<b>27,77,205</b>
Current Service cost	23,43,663	8,17,583
Past Service Cost	-	-
Interest cost	10,14,154	4,86,428
Expected return on plan assets	(5,89,982)	-
Remeasurement - Actuarial loss/(gain)	-	-
<b>For the year ended March 31, 2021</b>	<b>27,67,835</b>	<b>13,04,011</b>
Actual return on plan assets	-	-

2.d. Recognised in other comprehensive income

Particulars	(Amounts in ₹)	
	Gratuity	
Remeasurement - Actuarial loss/(gain)	(2,90,837)	
For the year ended March 31, 2020	(2,90,837)	
Remeasurement - Actuarial loss/(gain)	(33,11,835)	
For the year ended March 31, 2021	(33,11,835)	

2.e. The principal actuarial assumptions used for estimating the Company's defined benefit obligations are set out below:

Particulars	As at	
	March 31, 2021	March 31, 2020
Attrition rate	5.00% per annum	
Discount rate	7.00% per annum	7.00% per annum
Expected rate of increase in salary	9.00% per annum	11.00% per annum
Expected rate of return on plan assets		7.25%
Mortality rate	IALM 2012-14	IALM 2012-14 Ultimate
Average future service of employees (years)	22.4 years	23.7 years

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in

2.f. Sensitivity analysis:

As at March 31, 2021

Particulars	Change in assumption		
	Change in assumption	Effect on gratuity obligation	Effect on leave encashment
Discount rate	+1%	1,26,33,205	47,28,513
	-1%	1,61,10,921	60,15,648
Salary Growth rate	+1%	1,60,54,371	59,94,726
	-1%	1,26,46,524	47,33,419
Withdrawal Rate	+1%	1,39,19,416	52,16,191
	-1%	1,45,49,037	54,25,053

As at March 31, 2020

Particulars	Change in assumption		
	Change in assumption	Effect on gratuity obligation	Effect on leave encashment
Discount rate	+1%	1,26,47,603	53,00,230
	-1%	1,67,37,299	69,89,084
Salary Growth rate	+1%	1,66,26,683	69,43,462
	-1%	1,26,93,185	53,19,074
Withdrawal Rate	+1%	1,38,56,638	58,20,448
	-1%	1,52,27,216	63,42,305

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet. The method and types of assumption used in preparing the sensitivity analysis did not change as compared to the previous year.

2.g. History of experience adjustments is as follows:

Particulars	(Amounts in ₹)	
	Gratuity	
<b>For the year ended March 31, 2021</b>		
Plan Liabilities- (loss)/gain	1,42,12,937	
Plan Assets- (loss)/gain	98,18,453	
<b>For the year ended March 31, 2020</b>		
Plan Liabilities- (loss)/gain	25,83,136	
Plan Assets- (loss)/gain	245	



2.h. Expected contribution during the next annual reporting period

Particulars	(Amounts in ₹)	
	Year ended	Year ended
	March 31, 2021	March 31, 2020
Company's best estimate of contribution for the next year	23,39,007	

2.i. Maturity profile of defined benefit obligation

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Weighted average duration (based on discounted cash flows) in years	20	

2.j. Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Particulars	Gratuity
April 01, 2021 to March 31, 2022	7,51,582
April 01, 2022 to March 31, 2023	1,57,079
April 01, 2023 to March 31, 2024	1,65,218
April 01, 2024 to March 31, 2025	1,65,109
April 01, 2025 to March 31, 2026	2,38,950
Apr 1, 2026 onwards	1,27,34,999

2.k. Employee benefit provision

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Gratuity	1,42,12,937	1,44,87,009
Leave encashment	53,13,065	69,48,974
<b>Total</b>	<b>1,95,26,002</b>	<b>2,14,35,983</b>

The following table sets out the funded status of the plan and the amounts recognised in the Company's balance sheet.

2.l. Current and non-current provision for gratuity and leave encashment

As at March 31, 2021

Particulars	(Amounts in ₹)	
	Gratuity (funded)	Leave Encashment (unfunded)
Current provision	7,51,582	3,31,681
Non current provision	1,34,61,355	49,80,384
<b>Total Provision</b>	<b>1,42,12,937</b>	<b>53,13,065</b>

As at March 31, 2020

Particulars	(Amounts in ₹)	
	Gratuity	Leave Encashment
Current provision	5,68,064	3,31,426
Non current provision	1,39,18,945	66,17,548
<b>Total Provision</b>	<b>1,44,87,009</b>	<b>69,48,974</b>

2.m. Employee benefit expenses

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Salaries and Wages (excluding leave encashment)	5,146	13,11,94,186
Costs-defined benefit plan	-	23,81,979
Costs-defined contribution plan	29,75,272	40,40,861
Welfare expenses	5,000	36,62,029
<b>Total</b>	<b>29,85,418</b>	<b>14,12,79,055</b>

Particulars	(Figures in no.)	
	Year ended	Year ended
	March 31, 2021	March 31, 2020
Average no. of people employed	135	143

OCI presentation of defined benefit plan

Gratuity is in the nature of defined benefit plan. Accordingly, re-measurement gains and losses on gratuity is presented under OCI as an Item that will not Leave encashment cost is in the nature of short term employee benefit.

Presentation in Statement of Profit & Loss and Balance Sheet

Expense for service cost, net interest cost and expected return on plan assets is charged to Statement of Profit & Loss.

Actuarial liability for leave encashment and gratuity is shown as current and non-current provision in balance sheet.

The Company has taken policy from an insurance company for managing gratuity fund. The major categories of plan assets for the year ended March 31,

Risk exposure

The Company has taken gratuity policies from an insurance company. Contribution towards policies are done annually basis demand from the insurance The insurance policy is non participating variable insurance plan and will not participate in the profits of the insurance company. These policies provide for minimum floor rate (MFR), i.e. a guaranteed interest rate that the policy account will earn during the entire policy term. In

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

This may arise from volatility in asset values due to market fluctuations. Most of the plan asset investments are in fixed income securities.

Changes in government bond yields

The plan liabilities are calculated using a discount rate set with reference to government bond yields. A decrease in government bond yields will increase

Salary Cost Inflation Risk

The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary

37. Contingent liabilities

Guarantees

Particulars	(Amounts in ₹)	
	As at	As at
	March 31, 2021	March 31, 2020
Dispute demand for Income Tax	-	1,06,73,76,376
<b>Total</b>	<b>-</b>	<b>1,06,73,76,376.00</b>

38. Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances):

Particulars	As at	
	March 31, 2021	March 31, 2020
Guarantees issued by the company's banker's on behalf of the company	-	11,96,114
<b>Total</b>	<b>-</b>	<b>11,96,114</b>



39 Earnings per share

Particulars	(Number of shares)	
	As at March 31, 2021	As at March 31, 2020
Issued equity shares	3,88,80,007	3,88,80,007
Equity Shares compulsorily issuable on conversion of CCPS	72,00,000	50,48,219
Weighted average number of equity shares used as denominator in the computation of basic and diluted earnings per equity share - (A)	4,60,80,007	4,39,28,226

Net profit available to equity holders of the Company used in the basic and diluted earnings per share determined as follows:

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Profit and Loss after tax- (B) (₹ Lakhs)	2,75,94,207	(16,99,71,067)
Basic earnings per share (B/A) (₹)	0.60	(3.87)
Diluted earnings per share (B/A) (₹)	0.60	(3.87)

40 Lease Disclosure

Operating Lease- As lessor

Operating lease obligation of the Company as lessee as of March 31, 2021 are as follows:-

The company has entered into OMMA (operation, maintenance and Management Agreement) w.e.f December 14, 2019. The company has agreed to handover the operation, maintenance and management of the facility to Jindal Steel Limited. The company has evaluated the transaction and has accounted for the lease transaction as operating lease.

As at March 31, 2021

Particulars	(Amount in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
Future minimum lease payments receivable		
Within one year		19,74,00,000
Later than one year but not later than five years		66,24,00,000
Later than five years		24,49,00,000
<b>Total</b>		<b>1,10,47,00,000</b>

As at March 31, 2020

Particulars	(Amount in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
Future minimum lease payments receivable		
Within one year		21,03,00,000.00
Later than one year but not later than five years		71,34,00,000.00
Later than five years		39,13,00,000.00
<b>Total</b>		<b>1,31,50,00,000.00</b>

41 Other disclosures

a. Auditors' remuneration

Particulars	(Amounts in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
i. Audit fee	75,000.00	75,000.00
ii. Tax audit fee	-	20,000.00
iii. Others	-	1,97,550.00
<b>Total</b>	<b>75,000.00</b>	<b>2,92,550.00</b>



**JINDAL FITTINGS LIMITED**  
**Notes to Financial Statements**

42 Related Parties

Associate

S. No.	Name of Entity in the Group	Principal place of operation /Country of Operation	Principal Activity	% of share Holding /Voting Power	
				As at March 31 ,2021	As at March 31 ,2020
1	Jindal Saw Limited	India	Iron & Steel Pipes	0.36	0.36

Before the disposal of 15% shareholding by Jindal Saw Limited , entity was Holding company of JFL.

The Holding company Jindal Saw Limited has disposed 15% shareholding in Jindal Fittings Limited on March 20, 2016 to Siddeshawri Tradex Private Limited (Pursuant to scheme of Mergerby Absorption of Danta Enterprises Private Limited and Glebe Trading Private Limited). With this disposal the holding company has lost control on Jindal Fittings as its subsidiary.

Entities where key management personnel and their relatives exercise significant influence

S. No	Entities
1	Siddeshawri Tradex Private Limited (Pursuant to scheme of Mergerby Absorption of Danta Enterprises Private Limited and Glebe Trading Private Limited)
2	JSW Steel Limited
3	Jindal Systems Private Limited
4	Jindal Steel and Power Limited
5	Jindal Stainless Limited
6	Sumangala Footwear Pvt Ltd
7	JITF Commodity Tradex Limited

Related Party Transactions

Particulars	(Amounts in ₹)			
	Holding Company/ Fellow Subsidiary	KMP and their relatives having significant influence	Holding Company/ Fellow Subsidiary	KMP and their relatives having significant influence
	2020-21	2020-21	2019-20	2019-20
<b>Loan Taken</b> Siddeshawri Tradex Private Limited (Pursuant to scheme of Mergerby Absorption of Danta Enterprises Private Limited and Glebe Trading Private Limited)				2,00,00,000
<b>Repayment of Loan</b> Siddeshawri Tradex Private Limited (Pursuant to scheme of Mergerby Absorption of Danta Enterprises Private Limited and Glebe Trading Private Limited) Sumangala Footwear Pvt Ltd		13,08,09,070		2,00,30,000 1,27,00,000
<b>Conversion of Loan into 11% Non Cumulative Compulsorily Convertible Preference Share (CCPS)</b> Siddeshawri Tradex Private Limited (Pursuant to scheme of Mergerby Absorption of Danta Enterprises Private Limited and Glebe Trading Private Limited)				22,00,00,000
<b>Interest Expenses</b> Siddeshawri Tradex Private Limited (Pursuant to scheme of Mergerby Absorption of Danta Enterprises Private Limited and Glebe Trading Private Limited) Sumnagala Footwear Pvt Ltd		5,83,95,921		8,43,04,421 11,62,323
<b>Purchase of Material</b> Jindal Saw Limited*	1,30,60,197		11,92,12,646	11,92,12,646
<b>Sale of Material</b> Jindal Saw Italiya Spa Jindal Saw Gulf LLC Jindal Saw Limited* JWIL infra Ltd	75,41,434		47,98,224 8,43,65,754 89,02,13,166	2,76,93,873
<b>Lease Income</b> Jindal Saw Limited*	24,81,54,000		9,12,73,000	
<b>Advance Received</b> Jindal Saw Limited			4,74,01,418	
<b>Expenses incurred by others and reimbursed by company</b> Jindal Saw Limited	20,33,30,135		89,76,280	
<b>Expenses recovered by company</b> Jindal Saw Limited	17,07,172			

\*Figures for Financial year 2020-21 includes GST(whenever applicable)



**JINDAL FITTINGS LIMITED**  
Notes to Financial Statements

**Related Party Balances**

(Amounts in ₹)

Particulars	Holding Company/ Fellow Subsidiary	KMP and their relatives having significant influence	Holding Company/ Fellow Subsidiary	KMP and their relatives having significant influence
	2020-21	2020-21	2019-20	2019-20
<b>Amount Payable (Creditor)</b> Jindal Saw Limited*		-	51,31,216	
<b>Advance from Customer</b> Jindal Saw Limited		-	3,91,78,312	
<b>Amount Receivable (Debtors)</b> Jindal Saw Limited	89,69,962		1,86,72,537	

\*Jindal Fittings Limited is associate of Jindal Saw Limited from March 29, 2016.

**Unsecured Borrowing from Related Party as on 31.03.2021**

(Amounts in ₹)

Particulars	Holding Company/ Fellow Subsidiary	KMP and their relatives having significant influence	Holding Company/ Fellow Subsidiary	KMP and their relatives having significant influence
	2020-21	2020-21	2019-20	2019-20
Siddeshawri Tradex Private Limited (Pursuant to scheme of Merger by Absorption of Danta Enterprises Private Limited and Glebe Trading Private Limited)		39,93,00,127		53,01,09,198
Interest on Loan payable		5,34,54,207		

**Key Management Personnel (KMP)**

(Amounts in ₹)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
	Short-Term employee benefits*	-
Post-Employment benefits - Defined contribution plan\$ #	-	3,90,804
- Defined benefit plan#	-	-
Other long-term benefits	-	-
Share-based payment@	-	-
<b>Total</b>	-	<b>63,64,062</b>

\* Including bonus and commission on accrual basis and value of perquisites

# including leave encashment, gratuity and any other benefit

\$ including PF and any other benefit

@ any shares allotted for other than cash i.e. ESOP or consideration for services in shares

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

44 Due to the outbreak of COVID-19 globally and in India, the Company's management has made an initial assessment of likely adverse impact on the economic environment in general, business, and financial risks upto the date of financial statements and conclude that there is no material impact on the long-term performance of the Company.  
However, the Company will continue to monitor any material changes to the future economic conditions.

45 These financial statements were approved and adopted by board of directors of the Company in their meeting dated April 23, 2021.

46 Notes 1 to 45 are annexed to and form an integral part of financial statements.

As per our report of even date attached

For and on behalf of Board of Directors of Jindal Fittings Limited

**For P.C GOYAL & Co.**  
Firm Registration No. 002368N  
Chartered Accountants

**M.P Jain**  
Partner  
M.No. 082407



*Manish Kumar*

**Shri Maneesh Kumar**  
Director  
DIN : 03404987

*Vivek Choudhary*

**Mr. Vivek Choudhary**  
Company Secretary  
ACS : 29335

*Raj Kamal Aggarwal*

**Dr. Raj Kamal Aggarwal**  
Director  
DIN : 00005349

*Anil Kumar Dash*

**Mr. Anil Kumar Dash**  
Chief Financial Officer

Place : New Delhi  
Dated : 23.04.2021